

Wilmington City Council met on Thursday, January 5, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

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

Council gave the Pledge of Allegiance to the flag.

Chief Detective Josh Riley was also present.

President Kirchner a section of this council agenda tonight, we are actually going to have a little bit more on it than appears to have on it. But, the first item on it is the approval of the meeting minutes from the December 15th, 2011 regular meeting, what's your pleasure?

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, December 15, as received.

Motion passed.

Minutes approved as presented.

Next item is the approval of the meeting minutes of the December 29th, 2011 special meeting, what's your pleasure?

A motion was made by Wells and seconded by Mead to approve the minutes of the special meeting, December 29, as received.

Motion passed.

Special minutes approved as presented.

President Kirchner – Item C tonight is the announcement of the upcoming public hearing for the 2012 CDBG Grant Programs. Whitaker Wright will be here on January 19th during the regular council meeting.

President Kirchner- Before we get to Ms. Stamper's portion of the program, one of the items we need to do as a new council is to elect council officers. That includes the Clerk of Council and the President Pro Tem. I will start with the President Pro Tem and I would offer to council that I have personally spoken to Councilman McKay and ask if he was willing to serve at that position, being the senior member of council and having a great deal of experience, going back, you are entering your 11th year, I think.

Councilman McKay – That's right.

President Kirchner – But I would ask council's consideration of Mark as the President Pro Tem and I would entertain the motion if any of you would feel . . .

A motion was made by Jaehnig and seconded by Stuckert to appoint Mark McKay as President Pro Tem.

President of Council – All in favor signify by saying aye, opposed nay.

I believe we have a President Pro Tem, thank you Mark for being willing to serve in that position.

President Kirchner – The next item of business is the Clerk of Council for the council and by the way based on the ORC these two positions serve the two year term that all of us serve in these seats. So we will only do this this time during this council unless there is a need to resign for one of those individuals. But the Mayor has brought on as his Executive Administrative Assistant, Brenda Woods and I had a lengthy meeting with Brenda to understand her interest and her background for the position of Clerk of Council. I would also offer to council that I believe Brenda Woods would make a fine Clerk of Council and would hope that you would entertain her as a candidate for that office. I would accept the motion if anyone is so inclined.

A motion was McKay and seconded by Jaehnig to appoint Brenda Woods as Clerk of Council.

President Kirchner – I have a first and second, all in favor signify by saying aye, opposed nay. We have a new Clerk of Council and Brenda thank you for being willing to serve in that capacity.

Brenda Woods – Thank you.

President Kirchner – I also think it would be appropriate at this time to thank Laura Curliss for, Laura correct me if I'm wrong is it seven years of service in that position to the Citizens of Wilmington.

Laura Curliss – It is.

President Kirchner – I think it is important to note that you have done an excellent job in that position and we appreciate the service that you have given to the city and appreciate the help you are giving Brenda in coming up to speed on all of the duties associated. So thank you very much for all of your service.

President Kirchner - The other item I did want to talk a little bit about, in your packets all of you received the council committee assignments. And the first thing I want to do is thank everyone on council for their input to interest and areas of knowledge as well as their willingness to step up and serve in various capacities through those committees. I will say it took a great deal of time to try and work hard to bring a balance to those committees and I did that in light of... at your place I had left a copy of Moody's December 14th, 2011 report where Wilmington tread rating on general obligation long term debt was downgraded and we lost our AA rating from AA 3 to down to single A 1 and on the copies that I left at your place I noticed two challenges that Moody's had cited, one being diminished tax base and ongoing exposure to weak local economy following the loss of a major employer in 2009 and the second one recurring general fund operating deficits. In my efforts to balance both conservative and perhaps less conservative approaches to a number of the committees and their effect on the budget, I have tried to make sure that we have all voices heard but I also know you all are aware that we have work in front of us. I also learned tonight from the Treasurer, Mr. Fear, that our general fund balance at the end of the year was approximately \$300,000 lower than had been anticipated and the deficit for last years budget was actually larger than had been anticipated. We obviously have our work cut out for us and I know that we are all aware of that but I thank you all for your willingness to serve on those committees and I look forward to working with you all to address the issues that our facing the city at this point.

President Kirchner – There is one other item that you should have received at your place which was the council rules as printed from the codified ordinances currently in existence. At the beginning of each council it is appropriate to review and either renew or amend those rules as we see fit. I would like to work to have an Ad Hoc Committee meeting to address those rules, but I would encourage all of council to review the rules and if they have any input I would encourage you to be at the meeting. We will try and schedule it here before the next council meeting, we will work with the members, the new members of the Ad Hoc Committee but we will be reviewing those rules in that meeting and then we will have them ready for the next regular council meeting.

President Kirchner – Ms. Stamper, we are at the point in the program for you to come up so if you will please come up and present, this is Debbie Stamper from the Clinton County Convention and Visitors Bureau.

Debbie Stamper – Before I get started, there are some faces around the room so I am going to do a real quick preface about the Visitor's Bureau in case you don't know. We are a 501C6, an independent non-profit, we have our own Board of Director and actually Mike Wallace is your representative on our board now and Mayor Riley has served on that board for seven years prior to becoming Mayor. We are funded by a lodging tax so if somebody stays at one of our hotels there is a lodging tax that is collected and then that is passed through to the city and/or county and then it is passed

through to us. Part of the resolution that was established when the bureau was established was that once a year I would come here and give you my marketing plan and budget, so that explains why I am here tonight. I apologize there's a few people in the room that have heard this more than once and so I'll try and make this painless, Larry, and make it quick but try to give you the key points. What happened in 2011 if you look at the national scene the US travel industry actually out performed the US economy. But along about fourth quarter the economists told us you know be prepared for slow economic growth, it looks like we are going to have double dip recession coming, so basically they said don't expect any kind of increases for about six months. So that's not good news even though on the state level we actually in the middle of the year, which that is the peak travel season which is in summer, just about every Ohio county did report that leisure or pleasure travel was up, so that was a good thing when we first did the survey of all of the counties, however what we found out after that was it was very, very minimal, a good thing but only partly good. One of the things that the Division of Travel and Tourism did for us in 2011 is that okay, what's going on, what are the travel trends that are being seen in the state. One of the things is regional travel, that's not new that has been going on for several years, we know people are staying closer to home, they are not traveling as far away, you've heard the word stay-cation, it's not a new word but it's kind of making a re-emerges. I am hearing it more and more again. One of the things that is happening some of the hotels, a lot of the hotels actually, there are discounting their rates to get people in their doors. The bad thing about that is that the consumer is looking at that discounted rate and they are saying that is not good enough. We want to start haggling and we want you to discount the discount. The bad thing about that is that once those hotels start discounting their rates it's really, really, difficult to raise them back up. We have one hotel in town that's offering in the \$40 range for rooms. I understand why they are doing it but their trying to get people in the door but they really should be charging \$75 or \$80 but when and if will that even happen. We don't know, time will tell. The other thing we were seeing was that more people, people have been doing their travel arrangements over the internet, now they are doing it over their mobile phones so they are not just sitting at home and getting on the internet. Wherever they are they are doing their travel arrangement. Also, they gave us a profile the state did of who is the traveler to Ohio, which these kinds of things are important to look at so we know who to target. Basically, it was kind of evenly men and women, they were visiting here for the day to see friends and family, the average age was 43, they were married with children over 18. If they stayed overnight they were generally staying in a hotel and they were traveling during the peak travel season. Now, looking at Clinton County, this is the average, what we are seeing in leisure travel is the older, the empty nester, the baby boomer, that demographic. We see a lot of retirees that are coming in and a lot of them are camping, lot of them are bring these very nice RV's into the community but they are spending money in our county. Unfortunately, we don't have a lot of attractions for the family, for small children. We just don't have a lot where they can entertain their kids with. I think that is one of the reasons we are seeing the older demographics. At the end of 2010 we had kind of been working towards really promoting the sport and meeting markets and we had been going to trade shows, we had generated leads to try and get that going. At the beginning of 2011 the board of trustees really asked the staff of the bureau to become more aggressive in their sells approach, by making phone calls, by going to more trade shows, by doing more e-mail solicitation, that was going to be the strategy. And I am pleased to say that after hundreds of phone calls, e-mails, face to face visits with these planner, sports and meeting planners we did get new business for Clinton County. Now, some of these obviously, we don't operate in a vacuum it takes a lot of people make something happen.

The first one I'm going to talk about was a joint effort but in my initial contact with the East Coast Timing Association in February 2011, that's a land speed racing organization, I'm sure you read about it in the paper and actually Rob worked with me and the Port Authority and we all worked together to keep going back to the Port Authority to try and make it happen. They were looking for new home, they had been doing their racing in North Carolina. I even made a visit down there in May to actually see there event so that we could look at it and say realistically is this something we really want, do we want these racing cars in Wilmington and Clinton County. When I came back the recommendation was yes let's try and get them here and finally in September the Port Authority Board did approve them to hold up to 5 events in 2012. They are going to be holding 4 events, the first one will be in April. The economic impact from

that group coming, we know we are going to see at least 800 hotel room nights that will be book, of course, about \$80,000 to the community. Then with the other spending that they will be doing, after the four events at the end of the year we are looking at \$2.63 million that will be coming into the Wilmington area. I also made an invitation and actually gave a bid to the Outdoor Riders of Ohio for their annual conference in 2012. They did accept my bid and they will be here in April. It is not a huge event, we are talking 60 room nights, they are going to rent meeting rooms at the Roberts Centre and also have their meals at the Roberts Centre. What's even more important than the spending like at the hotel is that these are all travel riders so we are told that when they come to a community we should see free press about Clinton County for up to two years so that's worth a tremendous amount. I also invited the Association Commissioner for the independent softball association to visit Clinton County and visit Wilmington. He did come down, we met with Scott Parrish and they are a new association in the southern part of the state. They are mainly down in Florida. He was very impressed. They are going to be bringing at least one if not two national tournament to Wilmington City Parks this year, 2012 and will also be doing league plays. We hope that will expand as we go along. We are not exactly sure of the size of that national tournament will be so I don't have economic impact figures for that. The other thing, I had heard that the Great Ohio Bicycle Adventure was coming to the southern part of the state. I wasn't sure where and called the director and said, hey, is there some way that Wilmington can become part of that tour. I know her well and she said well let me look into it, sure enough they are coming. They will be here in June for an overnight which will take place at the Clinton County Fairgrounds, we are talking about 3,000 bicycles and not only do they stay there and campout but will have buses that will be running through town and hopefully working with Main Street and have some events downtown that they can attend. We are talking about an estimated economic impact of \$90,000 for that overnight. Working on a lot of other leads, working right now with the Ohio Horseshow Pitchers Association, they are looking for a bid for their 2014 event. They have always held that in Darke County in Greenville, but they are wanting to move it indoors. They are very interested in bringing it to the Roberts Centre. It is amazing what you can put on indoors in a facility like that and that work continues. For the 2012 plan, because of these different things that are coming and also you probably heard about the Eukanuba Hall at the Robert Centre that's going to be bringing in dog and cat shows, we are anticipating a slight increase in lodging tax for 2012. What we are going to be doing, some of the actual things we are going to be doing in 2012, we are going to continue to keep hitting sports planners and those meeting planners trying to get them to come in but the budget this years is going to allow us more site visits to go see these sporting events so we know when they are talking to us about their event we will know what it is, sometimes and I've heard this horror stories of where communities will get an event and they find out it costs them more money than they took in. We don't want that obviously. We will be attending more trade shows so that we can have face to face meetings with the planners. We also have allowed in the budget for some hosting costs. When you bid on a piece of business they generally want you to give them something free. It might be a reception the first night or it might be bringing the athletics in from the airport so we never had anything in the budget to allow for those so this year we did and so that will help us in that bidding effort. As far as our marketing material, we did bring all of the design up, the pieces back in house this year and the 2012 visitors guide we are finished with it. It is in print and just on that one piece alone we save \$6,000 in design costs so we've already done that this year. We will continue with our e-mail marketing, press releases, e-news letters, direct solicitation. We will continue our membership with all the associations that can facilitate our face to face contact with the planners. Social media, we got really into the social media theme with facebook, twitter, we have a blog, you tube, flicker and I didn't know anything about that stuff a year ago but I'm learning but we are going to try and beef up our game and be more intergraded with the people that we work with. In 2012, the state will again be contracted for a county economic impact study which will be for calendar 2011. Probably mid year we will get that report and then we will know really what happened in Clinton County in 2011. One last thing we, this year we had a vendor that did a video for us on a good portion of our sporting venues. Did an excellent job, if you haven't seen the video go to our website clintoncountyohio.com, click on the you tube icon and all of our video's will pop up and take a look at it. It really is nice. We already had one for meetings and we have one for the pleasure traveler. What we are doing in 2012 is we want one video that encompasses

all those markets so that somebody can look at it regardless of why you are coming they would see good reasons why they should visit. We still would like to be at the table with the economic development organizations. I think sometimes they don't think of the visitors bureau has having any kind of impact especially like bringing in businesses. But I think that the businesses that we do represent are really the quality of life type component of living and working in Clinton County so I think there is something that we can bring to the table and I hope that we are invited. The last page in here is just the budget itself and I'm not going to go through all the line items, most of them are just based on 2011 but I'm just going to mention a couple of things. I mentioned that we are expecting a slight increase in lodging tax and that is actually 5% that's what we are estimating. I think that is very very conservative, I think it will be a little better than that but I rather it be conservative than not. We did, under expenses, as I mentioned do have a line item for hosting fees this year. Under advertising, that's one of our largest line item and there is a whole list in your booklet that gives you a list of all the things that we're doing advertising in this year and I'm not going to go through them. Under professional fees, 2012 we will have our state mandated two year audit, it will be for tax year 2010-2011 and unfortunately we have to pay for that so that is in our budget this year. And we did budget under research for our economic impact study and really that's everything else that is just in line with what's it's been in the past. We did update our trade show booth expense and travel expenses so I could go to more of these trade shows. Any questions?

Mayor Riley – You are to be commended for the work that you have done Debbie. I have had the pleasure of working with you for the past 7 years and don't downplay your role in economic development. You have brought a good spotlight to the entire county and certainly to this community using the Eukanuba thing as example. That's going to be huge for us to not just tourism and not just heads and beds but one of the gentlemen I met at Roberts Centre was the President and CEO of the American Kennel Club of the United States. He was amazed at what he found here in Clinton County and a lot of that is due to your hard work and the work of the folks out at the Roberts Centre. I really appreciate what you've done and my hats off to you. You do economic development and I do appreciate that. Thank you.

Debbie Stamper – That is good to hear, I appreciate that.

President Kirchner - Debbie I have a question on the GOBA you're indicating that there were up to 3,000 people that would be expected overnight out at the fairground.

Debbie Stamper – That is 3,000 bicyclists, now they also have family and friends come and follow in cars and go from town to town. Those people will be staying in our hotels and eating at our restaurants, that type of thing.

President Kirchner- One of those things that occurred to me is that perhaps, maybe you already have, but we could work with the taxi systems to try and help facilitate better transportation so they can easily get to events if we would do something downtown in Mural Park or get them around to our restaurants, get them out to our venues.

Debbie Stamper – I will be calling.

President Kirchner -I was just thinking we don't have a lot of bike racks around town.

Debbie Stamper – They do say that a lot of them do ride their bikes. When they were here before in 2006/2007, we actually had school buses that shuttled them all the way out to Sky Line.

Paul Hunter – Will they be having concessions like they did last time at the school?

Debbie Stamper – It will be at the fairgrounds.

Unidentified speaker - What is the status of the coordination and the planning with the Clinton County Agricultural Society and general the Fair Board and particulars put into that?

Debbie Stamper – Chuck Flint would be the best person to ask that. GOBA has met with Chuck and there is a contract that has been signed and that's between GOBA and . .

Unidentified speaker - The leg work has started and the wheels are turning out there at this time.

Debbie Stamper – We have our first meeting next Tuesday night and I mention the, is it the Clinton County or the Wilmington Bicycle Club, Clinton County Bicycle Club. It is at Books N' More at 7:00 and Julie VanWinkle, who is the director of the GOBA, will be there and talk about the event and what opportunities there are available. Anybody is welcome so I'm encouraging you to come if you have any interest.

President Kirchner – Thank you very much, excellent report.

President Kirchner - The last item under the President of Council agenda area will be the welcoming of our new councilmember, councilman at large, Bryan Siebenaller. We want to welcome you as well and our new Law Director, Brian Shidaker. Thank you gentlemen. Mr. Mayor.

Mayor Riley - Thank you. We hit the ground running this week. The headline in Tuesdays paper, my first day actually in the office, was 122 jobs being lost in Clinton County. That's not the way you want to start your four year term but we've talked to those folks, we've talked to several other people. We are going to work with them on some job training, in fact, we have another employer in town who is looking to add about 25 to 35 jobs and I put them together so hopefully we will be able to mitigate some of that. But it's starting and it is interesting. I would point out to everyone that in two weeks at the next city council meeting will be the State of the City address at which time I will address a lot of the issues and plans for the future so I won't get into a lot of that right now but that will be coming in two weeks. One of the things that I definitely wanted to do for the past several months when I found out I was going to be the Mayor was to find someone who would serve as a Safety Director for the City of Wilmington. I had some real criteria on what I wanted. I did not want to find someone who was a retiree, former police officer, firefighter/EMT, particularly someone who had worked with the city. But I wanted somebody with a military background, a management background, somebody that had worked in negotiations, worked in management and had been quite successful in their career. That really narrows the field down. But I found one and I want to introduce Russ Burton to you. Russ is going to be my Safety Director. I would like to do his swearing in right now. Again, I want to point out this is really a vital role to the city, in fact Wilmington being a statutory city, by law we have to have Service Director and a Safety Director. Those two gentlemen plus the Mayor make up the Board of Control so it's really impossible to have an impartial Board of Control. Russ will be service on the Board of Control with Larry and I. He's already met with the Assistant Chief Weyand and had a nice long visit meeting today with the Fire Chief Andy Mason and we were out at Station 2 talking about some of the challenges, some of the things that are going to be facing Russ. We have a lot of work to do. If anyone hasn't been out to Station 2 lately it's basically an abandoned station. We have our Chief and our Assistant Chief working out there, we've got a lot of work to do with Station 2, in fact we need to decide where we are going with Station 2. We don't want to get rid of it because it's great for storage of equipment and for training purposes but we have a lot of work to do and I'm counting on Russ to help guide us through that.

Mr. Burton sworn in as Director of Public Safety.

[Applause]

Mayor Riley – Mr. President other than the swearing and notification of the State of the City will be in two weeks. I would point out, I think you all had in your packet just a little housekeeping, that the Board of Elections has made available to us general information on Financial Disclosures. These are due, I believe, April 15th.

President Kirchner – Welcome aboard Russ.

President Kirchner – We’re going to committee reports.

Assets Acquisition and Use: Chairperson Mead – I’m happy to report Mr. President we have no reports.

Auditor –No report.

Finance Committee – Chairperson Mead – No report Mr. President.

Water Committee – Chairperson Mike Wallace-No report.

Streets Committee – Chairperson McKay - No report.

Solid Waste/Recycling Committee: Chairperson Don Wells – Mr. President I have no report but I would like to set up a committee meeting so if we could try to get all the members a time set so we could have a meeting.

Wastewater/Sewer Committee: Chairperson Stuckert – No report Mr. President.

President Kirchner – Judiciary Committee – Rob I know there are some items that appear here and of course we did handle those items, I was not aware they were being put there, legal opinion that I have received from the Law Director is that they are not necessary. Brian with them on the agenda do we need to clear them.

Director of Law – Brian Shidaker – Here is the thing, I don’t think it is required that they be an ordinance, however, the question or not is whether they need to go into the minutes. It’s been indicated to me that they will not go into the minutes unless it is by ordinance.

President Kirchner – Have we done this ordinance during your tenure Laura?

Clerk of Council – Laura Curliss – No.

President Kirchner – So we haven’t had these on the meeting minutes for the past seven years.

Clerk of Council – Laura Curliss – No. If you want to do it right, you will pass an ordinance or resolution, I did it as an ordinance because it is more than one year, and if you want it in the minute book, which I suggest you do, you put it in as an ordinance or resolution. I did it as an ordinance.

Rob Jaehnig - Do we see a reason not to?

President Kirchner – At this point no, based on the Law Director’s opinion, following the ORC the council simply needed to elect its officers. There is no notation that I have seen nor the Law Director has seen indicating the legislature was necessary.

Director Of Law – Brian Shidaker – But on the other side it doesn’t hurt to do it either. It doesn’t say you can’t do it.

President Kirchner – Since it doesn’t hurt if you would be willing to do it.

Judiciary Committee: Chairperson Rob Jaehnig I have two items on the agenda.

A motion was made by Stuckert and seconded by McKay to give the first reading only on the ordinance Appointing the Clerk of Council and Declaring an Emergency. Motion passed.

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll Call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Seibenaller, yes; McKay, yes.

Director of Law read ordinance by title only

A motion was made by Jaehnig and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Seibenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ordinance No. 5009 passed as read.

Councilman Jaehnig – The second item is an ordinance appointing the President Pro-Tem for council and declaring an emergency so it will be effective immediately. That would be the appointment of Mr. McKay. Any discussion or questions in regards to this ordinance?

Councilman McKay - I should abstain.

Councilman Jaehnig – At this particular point, I think that would be appropriate.

President Kirchner – In order to abstain, council needs to vote on his request.

Director of Law – Brian Shidaker – Correct.

A motion was made by Mead and seconded by Jaehnig to approve Councilman McKay's request to abstain from the vote.

Motion passed.

Councilman McKay's request to abstain from voting approved.

A motion was made by Jaehnig and seconded by Wallace to give the first reading only on the ordinance Appointing the President Pro Tempore of Council and Declaring an Emergency.

Motion passed.

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll Call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Seibenaller, yes.

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by Wallace to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Seibenaller, yes.

Motion passed.

President of Council declared Ordinance No. 5010 passed as read.

Councilman Jaehnig – That is all we have on the agenda I would like to request in scheduling the request for Mr. Wells, we can try and piggyback a judiciary meeting on that same night.

Safety Committee- Chairperson Wells – Mr. President I have no report. However, Mr. Mayor, do we need to have a Safety Committee meeting?

Mayor Riley – There a few things I think would be appropriate for us to discuss.

Chairman Wells – We need to set up a Safety Committee meeting. Maybe we can do them all together.

Clerk of Council – It just depends on how much business you have to do.

President Kirchner – Downtown Revitalization

Downtown Revitalization – Chairman McKay Convener- No report.

Parks and Recreation – Chairman Jaehnig – No report.

Service Director – Larry Reinsmith, No report Mr. President.

Safety Director- Russ Burton – No report.

President Kirchner – No reports that need to be distributed.

President Kirchner - At this time if there are any members of the public or members of council that would like to speak I would ask that you come to the podium, state your name and address for the record.

A motion was made by Jaehnig to adjourn.
Meeting adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, January 19, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

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

Acting Chief Duane Weyand was also present.

Council gave the Pledge of Allegiance to the flag.

President: President Kirchner introduced the first agenda item, the approval of the minutes from the January 5, 2012 regular council.

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, January 5, as received.

Motion passed.

Minutes approved as received.

President Kirchner: The second item under my portion of the agenda is an update to your committee assignments. I apologize, but as I edited those names around, I made one error in the edits. The current list you have simply put Mike Wallace onto the Downtown Revitalization Committee. Your original list had Bryan Siebenaller there. I thank Mike for being willing to serve on that committee and I apologize for the confusion. That edit was mine and my mistake. The other thing I will say is based on council rules, with the committee assignments in front of you, we do need to vote as a council on accepting those council committees now that you have the correct list as permit. I would entertain a motion if you were so inclined.

A motion was made by Jaehnig and seconded by Wallace to accept the Council Committee Assignments as presented.

Motion passed.

Council Committees accepted as presented.

President Kirchner opened the hearing on the 2012 CDBG Grant Program. He introduced Whitaker Wright from CDC of Ohio.

Whitaker Wright: Thank you, Mr. President. Members of Council, ladies and gentlemen, good evening. This is our first public hearing for the 2012 Community Development Block Grant program authorized by the State of Ohio. For members present and for members of the audience who are not familiar with the Community Development Block Grant program, these are a mix of federal funds – the Development Block Grant and the federal HOME monies that are allocated to the State of Ohio on behalf of small jurisdictions throughout the state. The large metropolitan areas receive their funding directly from HUD. There are two groups of programs that the Department of Development administers for HUD. The first group of housing programs – the main one administered by the Department of Development is the Community Housing Improvement Program – is a grant program. Typically it has been funded up to about half a million dollars. Wilmington is eligible to apply every two years. It will be eligible to apply this year. The Application deadline is April 2. At this time, we do not know the levels of funding that the state will have. When they released the funding notice earlier this month for the first time, they included no dollar amounts. They are still negotiating with HUD to determine how much money they will have in Fiscal Year 2012. So, this is a somewhat abbreviated presentation this evening. Some of these programs may or may not be fully funded this year. There are three programs normally available through to the Community Action Agency here in Clinton County. One is an operating cost program, the second one is the Housing Development Assistance program and the third one is the Housing Assistance Program. Additionally, the Clinton County Homeless Shelter competes in an RFP every year for funding for homeless assistance. Typically, those applications are due in July. In addition, designated nonprofits throughout the state receive funding for housing for people with AIDS. The second group of programs is the

community development programs. The primary one for Wilmington is the Formula program. It is an annual noncompetitive allocation of Community Development Block Grant funds. This year, we are uncertain of the amount. Last year the city received \$54,000. We will be notified probably next week at a bidder's conference that the state is conducting for their housing programs on possible allocation amounts. Typically, the state notifies communities in the spring of their annual allocation. Those applications are due in July. I have project proposal forms. Members of council have copies, there are also copies on the table, and I will leave these with Brenda Woods, the clerk. We ask interested parties that they contact mayor's office if they think they have a project that would be eligible for Community Development Block Grant funding. Tentatively the City is probably looking at an April submission date, so it can go through a selection process in May then carry on its public hearing and three readings on the application in June and July. In addition, the state also offers a Water and Sewer program. There are some economic development programs – those are currently I think in flux. The main one for the purposes of Wilmington is the Downtown program. Wilmington currently has an open downtown grant, and I believe it will be eligible to apply again this year. That is a Tier II application. Traditionally, the preliminary applications are due in May. The state then reviews those applications and then asks a selected group to submit a final application in October. Finally, it has a small pool of discretionary funds that they use for what they refer to as targets of opportunity. These include senior housing grants, training grants and the discretionary grant for the New Horizons Fair Housing Program. Typically, there are several ways that a project can be eligible for these funds. These funds are targeted to low and moderate income households. Currently, for a household of two, low income is considered \$39,150. HUD sets the income limits on an annual basis for each county in the United States. The primary ways to certify a project are if it either directly benefits the individual (housing program) or it has a direct area benefit, either a census block group or to a local survey or it benefits what is considered by HUD to be a limited clientele – people who are deemed to be low income based on their personal situation. That includes senior citizens, individuals with handicaps, homeless individuals, battered persons, children who are abused, literacy issues and migrant farm workers. The other manner of qualifying is through an area which is referred to as “slum and blight.” The city has a slum and blight area. In city-speak, we refer to it as the Downtown Revitalization area, and that has allowed us to have downtown block grants through the downtown program. The other is through what is referred to as “spot slum and blight.” The city currently has its spot slum and blight resolution and that is primarily for the purposes of demolition, when we are clearing a condemned property. I open the floor for questions.

President Kirchner: Do we have any members of the public who would like to address questions to Whitaker?

Mike Mandelstein: What is the boundary of the downtown blight area?

Whitaker Wright: I am going to do this off the top of my head. It is just north of Columbus to Sugartree. A couple of blocks west of Mulberry out to about the Buckley Mill.

Mike Mandelstein: Is there a map somewhere?

Whitaker Wright: Yes. There is a map in the mayor's office. The city has done surveys in '04, '06, and again in '09. It is very carefully delineated.

Mike Mandelstein: Is there potential feasibility of either expanding or altering or maybe declaring some other section of the city as a blight area?

Whitaker Wright: It is certainly possible. It is at the city's discretion. If an area is to be declared a redevelopment area, a building survey needs to be conducted and 51% of the buildings need to be determined by the city to be in deteriorated condition.

Mike Mandelstein: Is there a minimum size of a blighted area?

Whitaker Wright: Typically, the state would look and ask “What is the purpose?” If it is for downtown redevelopment, they are going to want a multi-block area. If it is for spot purposes, that is very specialized. They have targeted like a neighborhood because they want to target housing funds there or they want to focus on say a water and sewer program.

Mike Mandelstein: The initial burden for the expense of making preliminary determine, shuffling paperwork, would fall on...?

Whitaker Wright: The city would do that.

Mike Mandelstein: Is there reimbursement for the city once a determination has been made...as far as the state saying, “We’ll go with this idea,” does the city get reimbursed for the initial legwork they do?

Whitaker Wright: No. That burden is on a city.

Councilman Jaehnig: It is similar to an application for any grant. You consider that part of the standard pre-work that you would have to do to qualify.

Whitaker Wright: Yes.

Councilman Jaehnig: Is there a general idea from those in the know of how bad it is going to be this year.

Whitaker Wright: HUD received a 12% cut in Community Development Block Grant and a 30% cut in the federal HOME program. The HOME program is what we use for the housing rehabilitation. How that trickles out is incredibly political. All of the metro areas are going to fight not to be cut. States will be coming back and say they are dealing with jurisdictions that have no other source of funds. We’ll find out next week.

Councilman Jaehnig: But that is at the national level?

Whitaker Wright: That is at the national level. The state at this point obviously knows, but they are not going to say publically until next week when they have their bidders conference.

President Kirchner: Do we have any other comments from the audience or members of council?

President Kirchner closed the public hearing.

President Kirchner stated that was the end of the president’s portion.

Mayor – Mayor Randy Riley: It has been a rough week for Wilmington with the severe wounding of Cpl. Sams, the death of a couple of the students from the high school, the injury of schools. Our hearts go out to the families of Olivia French and Matt Shuttleworth. There are just no words to express that type of an impact on a community when your children are injured like that. I would like to observe a moment of silence for these young people who are seriously injured or who have died in the past week.

[Moment of Silence Observed]

Mayor Riley: I think we have this on our cable channel, but the Clinton County Health Department is hosting a Tri-Health mobile mammography van on February 22. I haven’t seen it in the newspaper, but I have seen it on a few flyers and emails. It really is a good program because people who are uninsured or under-insured can apply for getting mammography done and it will be paid for through the Susan Komen Foundation. It is a really good deal for those folks who are having trouble making ends meet. I would encourage any of our citizens who are interested to call the Health Department at 382-3829 and make an appointment. They are not taking walk-ins. You will need an appointment.

Mayor Riley presented the state of the city address as follows:

“Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence.” [Helen Keller](#)

Mr. President, Members of Council, guests, fellow citizens and friends: I am boldly and defiantly an optimist. It may be as a result of my upbringing: my Christian heritage or the fact that for many years I was a card-carrying member of the Wilmington Optimist Club. Whatever the reason, I have always been a ‘glass-half-full’ kind of guy. I know that there are a lot of really bad things out there in the world. I’ve experienced many of them, but... I have always refused to dwell on the negative.

As for the state of the city, I will acknowledge that we have problems that cause us concern. We need to be honest with ourselves. The state of the City of Wilmington, like cities throughout the nation, is precarious. Of major concern, is the financial status, not just of this city, but also of the county, the state and this nation.

In the past several months, I have heard it said repeatedly that the city does not have a spending problem; it has a revenue problem. I might agree with that if I had absolute confidence that the financial crisis we are in was only a temporary condition.

However, what started for us in May of 2008 with the announced departure of DHL and then worsened with the national financial/banking crisis later that same year, may not resolve in the next year or two, or three.

It has been widely reported that the current financial crisis is the worst this country has faced in well-over fifty years. I am, however, confident that our economy will recover. There will be a turn-around, but will it be this year, next year, or the following year? We just don’t know. For that reason, we have to prepare for the long-term.

The days of trying to do more-with-less are behind us. In fact, the days of trying to do the-same-with-less are behind us. Like cities throughout the nation, we are now faced with the very real probably that we will be looking at doing less-with-less. That means we have to identify areas where we can cut our expenses, increase our revenues and all of us will all have to work harder and smarter.

There were times, before I retired from Clinton Memorial Hospital, when my Respiratory Therapy staff would be faced with an overwhelming amount of work. Flu season would strike with a vengeance; patients with lung disease would flock into the hospital. The emergency room would be busy nonstop with critical patients. My entire staff would be working with limited days off; giving of themselves to care for patients. It would have been impossible to quickly hire more state licensed people to provide patient care. So, we would all work faster, harder and smarter. I would tell the staff, “At times like these, we just have to keep on dancing and dance faster.”

Those of us, who have been elected to city government, must start working harder and smarter. We cannot continue to spend our carry-over. We must begin to balance our expenses to our revenue. Will this be easy? No. It will not. But, we have to work harder and smarter. We have no other choice. We do have a revenue problem and, as a result of that, we do also have a spending problem.

I propose that we focus on both problems; revenue and spending. As we work with the Clinton County Commissioners, the county Economic and Business Development Director, The Regional Planning Commission and their partners, The Clinton County Port Authority and others to spur economic development through business expansion and job growth, we must also examine every service performed by the City of Wilmington to achieve improved efficiency, improved and enhanced processes and, as possible, partner with other entities to maintain the services we offer our citizens. We just do not know when the economy will pick up; when a sense of confidence will return to the stock market; when large corporations will

begin reinvesting their record levels of cash reserves back into the economy – rebuilding a solid business and manufacturing base, restoring jobs and reversing the crisis we have been enduring for almost four years.

Yes. With the loss of thousands of jobs at the Wilmington Air Park, the city has lost millions of dollars of income tax revenue. Spending has been reduced. Salaries have been frozen. The city has tightened its belt several notches and in doing so has been able to balance its budget. But, we have balanced the budget by slowly carving away at the cash carry-over that, according to our city auditor, once stood at over \$4,500,000.

*That carry-over is now just slightly over \$2,500,000 and will disappear completely within the next three years **if** something substantial doesn't happen. We have to prepare for that possibility, and the only way to do that is to work to increase revenue, while reducing spending.*

Over the next several months, we will examine every process that is used to serve the citizens of Wilmington. We (the mayor's office, all city managers and supervisors, city council and the citizens of Wilmington) will be involved in this process of research and analysis. We will determine if there are ways of redesigning our services to reduce costs while maintaining vital city services.

The citizens will be involved in town-hall meetings. The first town-hall meeting will be scheduled for Tuesday, February 28 at 7:30 PM in the Moyer Room downstairs. At this meeting, we will hear directly from the citizens their thoughts, ideas and suggestions regarding the finances of the city.

While I believe strongly in engaging the citizens in this process, I also know that pleasing everyone will be impossible.

Abraham Lincoln once said, "You can fool some of the people all of the time and all of the people some of the time, but you cannot fool all of the people all of the time."

*That quote has often been modified by speakers to say, "You can **please** some of the people all of the time and all of the people some of the time, but you cannot **please** all of the people all of the time." In government, that is pretty much an absolute, but it doesn't mean that we won't try. It doesn't mean that we won't listen to all of the people – because I will listen to the people of Wilmington.*

But always remember... the actions taken by this administration will be taken to serve all the citizens of Wilmington, Ohio to the greatest extent possible.

I don't know if we will be able to achieve the goal of balancing city expenses to revenue this year or next year, but we will not stop trying. We will explore every idea, every suggestion. We will do everything we legally can to assure that this community will once again thrive and grow.

Remember... I am an Optimist.

My vision for this city... is of a community bustling with commerce, new jobs, and new opportunities. It is a vision of people working with one another to make other people's lives better; working to assure that the needs of the community are met through hard work and cooperation at all levels.

My vision is of a city where people have faith in one another; are willing to support one another; sacrifice for one another and work tirelessly for the greater good of the entire community.

My vision of the City of Wilmington is of a city that would make Fred Ertel, Sandy Mongold and Cindy Peterson proud to have recently worked on city council.

My vision for the future of Wilmington is of a city that David Raizk will proudly and confidently tell his grandchildren, "This is truly the finest hometown in America."

Thank you to Fred, Sandy, Cindy and Davey for their hard work and for their love of this City. My commitment, my prayer, is that despite what happens around us; despite what problems the state and national economy may present; we will never give up... we will work tirelessly for the citizens of this great community and for the future generations that will call Wilmington their hometown.

I would like to close this State of the City Address with another quote. This one is from an unknown author. He said, "Life may not be the party we

hoped for, but while we are here we might as well dance.” And, for a while, just like I told my staff at the hospital years ago, we’re going to have to dance a lot faster.
Thank you all. God Bless You and God Bless the City of Wilmington.

[Applause]

President Kirchner: Thank you Mr. Mayor. I think we all here are optimists. Excellent, excellent State of the City.

President Kirchner announced that it was time to begin committee reports.

Assets Acquisition and Use: Chairperson Bob Mead had no report.

Auditor – Auditor David Hollingsworth: Just a couple of items. I apologize for having missed the last council meeting. I guess there was some discussion as far as the recent downgrading by Moody’s of the City of Wilmington. I just want to clarify a couple of things. The former mayor, David Raizk, myself and my Deputy Auditor spent a total of about 4 ½ hours with Moody’s back in December. They had a series of questions they wanted to ask us about the local economy – both county-wide and the City of Wilmington specifically. I think they downgraded us to a large ‘a’, small ‘a’, which is not the top rating but it is still an “A” rating. The downgrade of our rating does not affect any of the current outstanding debt we have. The only effect it could possibly have is if we went for any type of bond financing or note financing in the future – it could have an effect on the interest rate that we would have to pay. Typically in the past, some of the bond issues we have issued in prior years, we have kind of side-stepped going to a rating agency to stand on our own feet to get a rating to try to get the lowest interest rate, and we’ve gone straight to a bond insurer and bought bond insurance, which guarantees us triple-A rating. Even though they downgraded our rating, at the same time they also took off the negative outlook they had on the City of Wilmington, I think, through our discussions and our promotion of the city and giving them an idea of what has been happening here recently in the local economy. I mean, everybody, I think, nationwide is aware of the DHL departure. But they took that off of our rating, which was on there before. I just want to clarify that to let you know that we had a lengthy discussion with Moody’s. We kind of knew going into the discussion that they were probably going to downgrade us. We are not the only municipality that that has happened to.

Paul Hunter: Is that for the general fund type bonds and not for the enterprise?

Auditor David Hollingsworth: Typically the GO debt. It could affect the interest rate that we pay because the enterprise funds are still linked to the city, but they have their own revenue source. It has always been an issue. Our water bond issue has a debt service coverage. It pretty much stipulates that we have to maintain a certain coverage to assure that the bonds will be repaid. So, that in effect, helps to keep the interest rate reduced. It could possibly have an effect on bond...

Paul Hunter: That’s 110% requirement.

Auditor David Hollingsworth: Under the current structure that we have. Yes.

Paul Hunter: Thank you.

Auditor David Hollingsworth: The other thing, and I will leave this, Bob, up to you. I would like to get everyone together on council to go over, especially the new folks, how the city’s finances work. I would like to do that. My preference would be possibly maybe an hour and a half – maybe 6:00 prior to the next council meeting. That way, we don’t have to schedule two nights. If that doesn’t work for everyone, we can schedule something else. It won’t be a power point presentation, but we will have some graphs and pictures you can look at that I think you will get an understanding. We are going to focus on the General Fund. It’s not that we don’t need to be concerned about the enterprise funds and watch those as well, but I think the General Fund is the one we need

to look at first. We will have kind of a pie chart type thing to show you what the General Fund actually supports. I will let you give that some thought. If that works for everyone, then possibly before next council meeting.

Councilman Mead said that he would refer that to the council president because of the Sunshine Law and various other things that are involved. He said he appreciated the offer.

President Kirchner: Thank you, Mr. Auditor. In the event of all members of council being participants of that conversation, it would be considered a special council meeting. We will have to schedule and state the purpose for that. Not having had a chance to check with any of our council members at this point, I would suggest that in instead of in front of the next meeting, we look at the second meeting in February. That way, we could announce at the next regular meeting, that special council meeting, if you could all take a look at your schedules.

Finance Committee – Chairperson Bob Mead: Finance Committee met Monday this past and the three members of the committee discussed an ordinance making supplemental appropriations. I am going to move for that in just a minute. Since that time, there have been a number of questions raised and comments on this ordinance. There are some things about it that I was not aware of when I put it to a vote to bring to council. However, since I am the chairman of the Finance Committee, the Finance Committee did legally vote to bring it before the council. In all fairness to the council and the public, we will continue to go down that path.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President Kirchner asked for discussion.

Councilman Wells asked if the item had gone to the Sewer Committee for their consideration.

Councilman Stuckert said as chairman of the Sewer Committee, this is not something that has been brought before the Sewer Committee

President Kirchner: Did this come from last year's agenda? Mark, I believe you were chairman of Wastewater Sewer last year, is that correct?

Councilman McKay: The initiative would have been from last year, sure.

President Kirchner: Did this request for the expenditure come from last year?

Councilman McKay: No. But, we knew there was going to be additional expense. We just did not know the amount.

Councilman Jaehnig: If I remember correctly, I believe this was included in the original discussion. The question was, would we have to pay the entire amount or would we have to pay less. When it was originally proposed to council, the proposal included the top end that we would have to pay. I believe, this is not even at that top end. This is a reduced amount from what was originally approved last year. We had hoped that this amount would be covered by the CORF grant, but unfortunately it was rejected, thus falling back into our responsibility.

Councilman McKay: That is correct.

Councilman Siebenaller: Are there any other sums on top of the \$70,000 that we would be looking at or is this...?

Councilman Jaehnig: My understanding is that we expect no further additional costs to be reverted back to the city.

Councilman Mead: I am going to blame this on my inexperience – this whole matter. For one thing, after I have thought about it at a later time, the idea that this money is being spent within the Sewer Department and the money is coming from the Sewer Department's budget, I feel strongly that this should have been reviewed and approved by the Sewer Department before it ever got to Finance Committee. Due to that fact and that I have reservations, I'm recommending that we do not pass the first reading at this time. When we get the result of that, if it is not passed, as I would like to see it not passed, I would suggest that the ordinance be referred to the Sewer/Wastewater Committee for their review and action prior to any action we might take on it.

Councilman McKay: Are there any time constraints on this, Laura?

Laura Curliss: Well, again, you reviewed this last year, so to some extent you are redoing what a prior council did. You have entered into a contract with contractors to pay money. They have done the work and they have asked for their money. So, you would be breaching that contract. That is about all I can say about it. They have been waiting for their money for about six weeks.

Councilman Mead: I agree with you on that, but I have another point that I also feel obligated to the other departments and committees that the Finance Committee shouldn't be doing things that directly affect the sewer department and sewer committee without their active participation in the result. So, I feel that I would be personally opposed to completing this at this time.

Laura Curliss: I would agree with you, Bob, if this were a new item. But it is not a new item, and it has been through council before.

Councilman Wallace: Has it been through the sewer committee before?

Laura Curliss: I believe so.

Councilman Jaehnig: That is where it originally started? It started in the Sewer Committee, it went on to Asset, Acquisition Use, and then it was completed by council as a whole.

Councilman Wallace: So, in 2011, the Sewer Committee did review all of this information.

Councilman Jaehnig: That is where the original funds were designated to come from.

President Kirchner: It was my understanding during the meeting that this was due to a recent communiqué regarding the CORF grant. When did we get that communiqué?

Laura Curliss: No. It has been ongoing. All the match funds for this project come from the Sewer Fund. Just along the way...we've known about this. When did wall get built, Larry? It was back in July?

Service Director Reinsmith: Yes. July, August, somewhere around there.

Laura Curliss: So, it is not new. We are really at the tail-end. We are just paying contractor bills for things you have already committed the city to do.

Councilman Jaehnig: While I would agree with you that this should probably gone through Wastewater Sewer, at this particularly time, we have already made a commitment in regards to these funds. It is down to the point of actually paying our bills. I think it is important that we pay our bills on time if we want to continue good working relationships with these organizations that have done so well by us in the past. I would respectfully move that we actually pass this and not delay it by sending it back through Wastewater at this particular point.

Councilman Mead: I guess my allegiance is to the City, committees and departments as opposed to the contractors for funneling the money through. I am not disregarding the

fact that the city will owe the money. Part of the city is going to owe the money to contractors and they will be paid. The question is exactly when. I don't know if you are saying that this particular ordinance with this \$70,000 has been active for some long period of time and this is just finishing it. That would be something new for me.

Councilman Jaehnig: If I remember correctly, this was originally approved for \$100,000.

Laura Curliss: I would have to go back and look.

Councilman Jaehnig: When it was originally presented to us, I believe it was somewhere around \$100,000 that could come back to us in costs that would not be covered by the remediation – by the CORF grant. That was the risk, but we were going to go ahead and pursue it and get it covered at that particular time.

Councilman Mead: I don't know what effect the additional time it would take to get it to the Sewer Committee and, if necessary, back to the Finance Committee and back to council. I can't off-hand see that would be a real hardship for anybody, if we just did it right. I'll take the blame for having it this way.

Councilman Stuckert: If it would help at all, I am Chairman of the Sewer Committee. We would certainly be agreeable to take it back and expedite it and look at it and move it on if that would help with all questions.

Councilman Mead: I would agree.

Councilman Stuckert: We would put it through the final analysis. I am sure it is going to be end up as being as presented. That will satisfy all of the questions and get the job done as quickly as possible.

Councilman Mead: One of the additional problems that we are facing that we didn't use to be faced with, is a new ruling about who can and who can't discuss business in a committee meeting. So, this has prevented some discussion from happening. I'm not saying it is right or wrong. I'm just saying that it has kept some of the more active discussions from happening. This is another reason I would like to keep it a little more careful and honest, open and transparent and put it before the committee and bring it back in any means we need to do it in and at whatever speed with need to do it in. I am hoping that that additional time would not cause a great hardship to anybody. So, the motion is on the floor, and my recommendation is that we not pass it so we can go back to the Sewer Committee and we can get some questions answered.

Paul Hunter: You might explain to the audience what the CORF grant is, because a lot of people don't know what that means. This is a nice big discussion about it, and people might want to know what it is.

President Kirchner: I will say, from my memory, which may be faulty, I believe it is the Clean Ohio Revitalization or reclaim fund.

Mike Mandelstein: Mr. President. CORF grant - SMORF grant – the bottom line is, what was the money spent on and why is there a hold-up in paying the contractors is the work has been done? What was the money spent on? That is what I've been waiting to understand. I hear \$70,000, but what did we spend it on?

President Kirchner: I believe that may be some of the question out there. I also would say that if this was an expenditure in last year which was billed in last year, I'm not sure why it was brought to this council.

Mike Mandelstein: Sidewalk?

Laura Curliss: The Clean Ohio Revitalization Project is the Textron project on South Nelson Avenue. The city had the opportunity when Kautex-Textron left town to buy the property for 1.1 million, but it needed revitalization due to industrial legacy issues. That's a nice way of saying there was stuff to clean up there.

Mike Mandelstein: Like brownfield.

Laura Curliss: Yes. One of the buildings that needed remediated was Building 1, which is the southern-most building. The engineers and the team from Hull & Associates, who was doing the testing on the site, decided that at least half the building needed to be torn down but the other half could be saved and used. Indeed, our Wastewater Treatment Department wanted to use that building for office space and to store vehicles indoors rather than outdoors. But, the way the state interprets their rules sometimes, when you remediate half a building, you end up with what? You end up with one end of the building being open to the weather. So, you have a choice. Either you leave it open to the weather or you construct a wall and you secure the building envelope. We did that. We weren't sure whether they would interpret that as continued remediation because you really can't leave a building open. You are essentially doing demolition if you leave a building open by the weather, etc. So we submitted it, hoping that we would get a favorable interpretation that putting a wall – the east wall on building one – would be a remediation item. The state didn't agree. You know, we made our case, and they characterized it as construction versus remediation. If we could have demo'd more of the building, for example, they would have paid for that, but we decided to keep as much of it as we could and put the wall up. So, we knew it was a question, you know, but what are you going to do? Are you going to leave it open? No you're not. And we needed to use the building. That was a discussion that we've had with council all along. I guess at this point in time, I feel like it's been discussed a lot by a prior council and committed and to the extent that you want to consider not paying it, you're reversing, I think, decisions that have gone on before. Plus, we have contracted. We have signed our name to contracts to pay for this work. And, you know, it would be a breach of contract. If you want to go down that road, then I'm sure Mr. Shidaker can help you out with that. But, that is kind of where we are with it. Actually, we are very pleased with the work and it was a good price, so we just finally got the final number. We finally got the decision from the state. The contractor submitted their bill in October. We got the money back from the State in December and that's how long they have been waiting for their money. My last day is January 31, so I won't be around to answer your questions. Thank you.

Councilman Mead: I'm sorry if I've created the impression that we don't want to pay the bill or we don't like the work or we don't want to finish the job. That's not the point. The point is, I didn't handle it properly of sending it through the other committee. The time it is going to take to do that, I think is going to be rather short. That's the point, not the fact that we don't want to pay for it.

Councilman Jaehnig: What is your definition of short?

Councilman Mead: The next council meeting.

Councilman Jaehnig: Three weeks, and they've already been waiting for six. It seems like an integrity issue to me. We've already approved it. We approved them to go forward. They did the work. They did excellent work, and we're going to delay their payment because we may have not processed it correctly by sending it through committees when the council has already approved it in a previous year.

President Kirchner: We are talking about a two-week delay.

Mike Mandelstein: Mr. President, if I might ask. My understanding the gist of this and thank you all for explaining it, you are holding up a \$70,000 payment to contractors who are probably in a seasonal period right now known as slow-down, who could use the cash, and you are doing this hold-up because, in fact, we need to cross some more t's and dot some more i's.

President Kirchner: No, I believe what I've heard here tonight, Mike, is that there are council members with additional questions about the expenditure of \$70,000 of the taxpayers money that have not been answered, and they are simply wanting to make sure that they can explain to their constituents how they are spending their money. I do think

it is an appropriate pause for the responsibility of this council to have their questions answered and the knowledge of what that expenditure is.

Mike Mandelstein: I don't deny what you're saying, sir, but isn't there a paper trail for this somewhere going back that explains the original appropriation, the determination...

President Kirchner: I believe we visited this Mike. Thank you.

Mike Mandelstein: And this stuff has all been visited, so it's just a matter of...

President Kirchner: Mike, please.

Mike Mandelstein:the committee...

President Kirchner: Thank you for your input. If there is no more discussion amongst council...

Councilman McKay: I ask for a roll call vote.

President Kirchner: Then we will have a roll call vote.

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

Motion failed.

Councilman Mead: Mr. President, I ask that you refer this to the Sewer and Wastewater Committees as soon as possible.

President Kirchner: Okay. We will do that.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson McKay had no report.

Solid Waste/Recycling Committee: Chairperson Don Wells had no report. He announced a committee meeting for January 25 at 6:30 p.m.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report but announced that they would be having a committee meeting as soon as possible.

Judiciary Committee: Chairperson Rob Jaehnig: While we have no items on the report today, Mr. President, I do have two items that I would like to mention. One is that we do have Phil Floyd in the audience. I would like to commend him. In reviewing the State of the City address, the Transit System handled an additional 3.5% riders over last year, which is over 132,000 riders in the City of Wilmington. That is an amazing amount of numbers, especially considering the budget they are working with. I applaud you on that hard work. The other amazing figure here is the fact that approximately 50% of those riders are elderly/disabled, truly indicating the need for that service. So, you and your entire department deserve to be commended for all of your work, and I thank you very much. The second item that I just wanted to mention is that this coming week, on January 25, at 5:15 will be a Judiciary Meeting. We will be discussing off-street parking and the property maintenance codes and other items that the mayor's office decides to add to our agenda in time for notice. It will be immediately before the Solid Waste meeting.

Safety Committee- Chairperson Don Wells announced that he had two items on the agenda. He introduced legislation for three readings on a resolution regarding a retiring officer's service weapon and badge, providing for a release of claims, and honoring said officer with the presentation of the same and declaring an emergency. He asked for three readings because tomorrow is Chief Hatten's last official day and it needed to be done. He asked for questions or discussion.

A motion was made by Wells and seconded by McKay to give the first reading only on a resolution Regarding a Retiring Officer's Service Weapon and Badge, Providing for a Release of Claims, and Honoring Said Officer with the Presentation of the Same, and Declaring an Emergency.

President Kirchner asked for discussion.

Seeing none, President Kirchner called for a vote.

Motion passed

Director of Law read resolution by title only.

A motion was made by Wells and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by McKay to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2269 passed as read.

Councilman Wells introduced a resolution on accepting a gift from Dr. Thomas Matrka. He explained that Dr. Matrka had offered to donate \$100 to the City of Wilmington Police Department to assist with the expenses of the canine unit. He recommended that we accept the gift with grateful appreciation.

A motion was made by Wells and seconded by McKay to give the first reading only on a resolution Accepting a Gift.

President Kirchner asked for discussion.

Councilman Wallace: Was this asked for, is it needed, or did he just come up with this out of the clear blue.

Mayor Riley: Mike, he has done this in the past. He is just an extraordinary citizen. He has given us money for canine programs in the past. This is just something that he and Jen enjoy doing.

Councilman Jaehnig: With the exception of last year, when we didn't have the program, he has actually given each year. I was on the Safety Committee and I remember passing this.

Councilman Wallace: I understand and see the need, I was just wondering if this was something that was asked for along the way or if he said "How can I help?"

Councilman Jaehnig: He is just that incredible of a man.

President Kirchner called for a vote.

Motion passed

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Stuckert to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2270 passed as read.

Downtown Revitalization Committee - Convener Mark McKay had no report.

Parks and Recreation Committee - Convener Rob Jaehnig said there was nothing on the agenda, but he had one item. He said the Wilmington Tree Commission has a tribute

Tree Program in which citizens can purchase trees and have them planted in honor of a family member of someone important that they have lost, quite often in memory of. He announced that the Wilmington City Schools Student Council had elected on trying to move forward with such a tree through the Wilmington Tree Commission and are currently taking donations to honor the two students that were lost this week. He said that any help from the public in regards to donations so they can purchase these trees would be greatly appreciated.

Councilman Mead asked who the contact would be.

Councilman Jaehnig said they would just call the school directly and ask for the Advisor for the Student Council.

Service Director- Service Director Larry Reinsmith had no report.

Safety Director – Safety Director Russ Burton had no report.

Reports:

A motion was made by Wells and seconded by Stuckert to approve the following reports as received:

Auditor-Treasurer Report, December 2011

Annual 2011 Treasurer's Report

Statement of Interest Earned – Second Six Months of 2011

Statement of Interest Earned – Twelve Months of 2011

Investment Summary

Income Tax Report - December 2011

Income Tax Report – Annual 2011

2012 Projected Revenue Report

Motion passed.

Reports accepted as received.

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

Keith Collins: 256 Elm Street, New Vienna. As many of you may know, I'm running for Clinton County Commissioner. We have four people that are vying for that position since Randy stepped down and became Mayor. The county's loss is the city's gain here. My name is probably recognized being a mayor of the Village of New Vienna, but what I want to do is address council for a minute and give a little of my background. I've lived in Clinton County all my life. I was born and raised here back in 1949. In fact, people ask where I was born and I say, "New Vienna." Well, there's no hospital in New Vienna. But, if you go back to '49, not all of us were born in hospitals. I'm a graduate of East Clinton High School in 1967. After I left high school, I decided to serve my country by joining the military. I spent two tours in Vietnam. I spent my last year of active service in Dugway, Utah, and I spent three years in the inactive reserves. After that I came back and worked in the private sector where I met my wife, and we've been married happily for 39 years. We have three children and ten grandchildren. I decided to go back to school under a GI bill and got my Associated Degree and then I had to stop for a while and raise my family. After I did that, I decided to go back, so I went back later in life and got my Bachelor's Degree. I have a four-year degree in business administration. I went back to school as well, too, so when you talk about all these topics about Water and Wastewater, I'm a Class III operator with the state of Ohio and also a Class IV operator with the State of Ohio as far as wastewater. One of my proudest achievements in my job and occupation is I work for the City of Mason and we just completed a 32 million dollar wastewater project that I was in charge of, and we brought that in with 3-5% being on budget. I do a lot of projects for the City and I'm proud of my record of bringing those in. So, when we talk about preparing for the position of Commissioner and budgets and staffing and personnel, I have a lot of experience in that area. So, later on, the position for mayor came open and I looked and we were really in a pretty bad financial situation for the village over there. So, I decided to go ahead and run. The books were really atrocious. I don't point any fingers or anything, but under my administration we were able to get all the audits done, bring all that forward. The commissioners were really

great on some of the properties we work with and I really appreciate that. Right now, I am proud to say we haven't had to raise any water or sewer rates under my administration and we will be able to go ahead and streamline the operations over there. We have been able to go ahead and balance all of the books. All of our fund balances are in the black. I bring all of this up, because I think it goes to where your leadership is at and what you're playing at and your responsibility is to the residents, not only just the community but to the county, to watch the money and see how it is spent – to see where it is best spent out. I have a lot of experience in those areas. I've been doing a lot of research as well, too. I have looked at the CEDS program and I really think that's a good roadmap and that's where my experience is. I know there was time spent out on 68 and 73 and those areas looking at water and sewer districts. That's what I do and that's what I build. I streamline departments. I'll be the first to say, too, that I haven't had to lay anyone off from our departments. We were able to streamline our operations for the City of Mason and take care of that. In fact, we haven't laid anyone off in the Village of New Vienna as well either. We've reorganized the departments and things. I think that's what we need to focus on. I agree with Randy. Sometimes you do have a spending problem, but right now we do have a revenue problem as well. The only way you can bring revenue and do that as well it to bring business back into the county. That's the reason I'm running for commissioner. It feels like I've been training all my life to do this job. I've gone back to school. I'm a self-made person. I've never had anything given to me. I've always worked for it. I've worked on farms around here. Whatever it takes, I've been willing to do. I've been in the ditches. I've made those repairs. I've patched those lines. I've been out on sewer breaks. I still do it for the village over there as well. I have 30 years of experience in management and I've got 20 years of experience in water and wastewater, trimming budgets. One other thing that I will mention before I leave off here, though, is because when I became the director for the Utility Department for the City of Mason, no one asked me to cut my budget, but I saw we needed to do that. We needed to streamline to keep a real lean department. Back in '06, I was doing that 3-5% every year. In 2010, the Finance Director said, "Hey, you need to cut your budget by 15%." Well, I liked to choke up. Fifteen percent, are you kidding me? Well, we did that. We cut it by 15%. We didn't have many funds left. We were able to do it. We were able to survive. We didn't really have to cut services. We are always looking for a way to streamline. I think there is always room for improvement. I think I would be a prime candidate for the position. I appreciate your time. If anyone would like to talk to me later, I will be around.

[Applause]

Kerry Steed: 2017 SR. 134 N. Wilmington, OH. I am the owner of Generations Pizzeria. I am also a candidate for commissioner of Clinton County. For almost two decades I have been fortunate that the hard work and effort that I have put forth into this community and into my business bring me amazing success. Because of that, I have been personally responsible for the creation and implementation of budgets and economic impact totally nearly \$20,000,000 through my business. I have created, trained and led nearly 1800 people to greater opportunities, and I believe I have proven my service to this community by generously volunteering my time and my resources. I want to expand my role in this community by asking that you support and vote for me as a commissioner. We all know that the commissioners perform a vital function. They must have extensive business experience to control budgets and make wise fiscal decisions. They must have the leadership abilities to unite rather than divide. They must have an enduring willingness to service the public of a diverse community. I believe these qualities of business experience, the leadership and the service, they have been the building blocks of what I have built my success on for the last 20 years. I believe they have shaped me as a serious and qualified leader. Lastly, I believe it is the duty on those that service the public through office to protect and promote the voice of the people. We need someone with the experience to control our budgets. We need someone with the leadership to bring everyone to the table and listen, and we need someone with the service that is willing to perform every duty of the office. I thank you for your time tonight. I ask for your vote on March 6.

President Kirchner: I would like to say before we adjourn tonight, the legislation that we did tonight regarding Mike Hatten. Mike Hatten, if I am correct, had 37 total years of service to this City.

Councilman Jaehnig: Twenty-eight as chief.

President Kirchner: He has seen this town through a significant time of growth and change and has been an absolute champion of the protection of our citizens. It is an honor that we were able to pass that legislation. I just want to say, for the record, thank you to Chief Hatten for that service.

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.

A motion was made by Jaehnig and seconded by Wallace to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, February 2, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, absent at roll – joined meeting later; Mead, present; Siebenaller, present; McKay, present.

Acting Chief Duane Weyand was also present.

A motion was made by McKay and seconded by Mead to excuse the absent member.
Motion passed.
Absent member excused.

Council gave the Pledge of Allegiance to the flag.

President – President Kirchner asked for a motion to approve the minutes of the January 19 regular meeting of council.

Mayor Riley asked to change the bottom of page 3 in the portion regarding the mammography van. He said the date should read February 22 rather than February 27.

President Kirchner also mentioned that on the current agenda it indicates that the minutes were from January 19, 2011. He corrected that it should read 2012.

A motion was made by Jaehnig and seconded by Mead to amend the minutes of the regular meeting as stated above.
Motion passed.
Minutes amended.

A motion was made by McKay and seconded by Stuckert to approve the minutes of the last regular meeting as amended.
Motion passed.
Minutes approved as amended.

Mayor – Mayor Randy Riley introduced Keith Valiquette from Honeywell to talk about the City of Wilmington's energy program.

Keith Valiquette: Honeywell International. First of all, thank you for allowing me to be here. It's great to come back here. This is actually one of the fun parts of the job. No matter how one of our energy projects turns out, the opportunity to work with a company like Honeywell to stand behind what we said we'd do about a year ago and be able to bring back results. What you should have is really a brief overview of what is contained in our report. We delivered, I think, three or four copies to Larry. So, if you need any additional copies of this report... Basically, what you have is the savings portion of what's contained in here and I would be glad to provide electronic copies of this report. I wanted to briefly talk about a couple of items and then open up to any questions you might have. First of all, when we projected the project costs, we took into account the fact that there would be some energy rebates available through DP&L as well as Vectren. Actually, DP&L in this case. We estimated about \$39,000 and we came up with about \$43,000. We always try to err on the conservative side and actually overachieve those. So, we were able to get some additional rebate dollars from DP&L than what we had originally projected. The other program that requires a little bit of an explanation is the Demand-Response Program. The Demand-Response Program is administered through DP&L Energy Resources, which is a sister company to DP&L. It is actually administered with what is called the Transmission System, which is PJM, which stands for Pennsylvania, Jersey, Maryland, which is basically the transmission grid. When the utilities deregulated, that is a third party that operates the transmission. They are always in need in other parts of their system of being able to shed load. The PJM Demand-Response Program provided an opportunity for (and this was part of the scope of the project) for you to operate your generators at the water facilities to demonstrate reduction of your load when PJM called for it. I don't believe they have had to exercise

that, so on an annual basis, all you have to do is (and I think it's sometime in August – I don't remember the exact month), but you actually have to exercise the ability to start your generators. We took into account the costs of fuel, etc. when we developed that contract. Essentially, they will write you a check to participate in that program. We estimated about \$9900 in revenue from that program, and last year, over the last 12 months, it has performed almost \$12,000, which is really where we want to be. That was actually set up as – we only counted the savings of the revenue from that for two years – so, if the program continues and extends into a third year, that's even more positive money back to the city that we weren't counting on. The last thing and probably the most important thing in standing behind what we said we would do in front of council is the Energy Guarantee. Now, we look at the Energy Guarantee in two different pieces, if you will. Number one is during installation. So that once council voted to move forward with the contract, we immediately hit the ground running to try to implement as quickly as possible so you get the savings as quickly as possible. The projects that we hit first, because they are a lot easier to deploy, also provide the best benefit are things like lighting, where we went through and did lighting retrofits of your buildings as well as traffic signals. Those provide a really good payback. They're very easy to deploy as we are waiting for, for instance in this building, some of the HVAC items to come in. So, during the installation period, which was November '09 until October 2010, we actually had and started accumulating almost \$60,000 in savings back into your budget. The other thing that that accomplished, because of the way the payment is set up with the bank across the street, it allows you to start getting some positive cash flow back from the savings to be able to make the first payment to the bank. So, it is a great way to hit the ground running and get some savings early. Then from that point, once Larry signed off on the project and said everything was finished per the specification of the contract and that everybody was happy with the punch-list being knocked out, then we actually started the 15-year guarantee period, which actually started in November 2010 and went through October 2011 of last year. During that period of time, our first year savings ended up being \$173,000, almost \$174,000. The guarantee that is in our contract with the city is \$164,000, which essentially puts it at about \$69,000. If you include the installation period savings, it actually puts you about \$69,000 ahead of our projections, which is where we want to be. It is probably a little bit better than what we had projected. What we typically do is look at what is 100% of the savings we think we can derive from the projects that we've designed. Then we back that down to maybe 92% to give a little leeway. So, if you operate your buildings a little differently, have additional community events in a building, it doesn't throw the savings off. We actually over-performed even what we suspected with that conservative approach. The other two documents you have are really kind of the break-down from the report on what I just demonstrated to you. So, if you take into account the construction term savings, we're well ahead of where we want to be. I'll open it up to questions. I'll keep this short, but I want to be here to answer any questions you might have.

[Councilman Wallace joined the meeting during Mr. Valiquette's presentation]

Councilman Jaehnig: In comparison to our first year's payment on all of the expenses, what is the comparison between the two.

Keith Valiquette: The payment I had, Mary Kay provided that to me. I believe \$128,000 was the payment. Then, on the annual basis, there was money in the contract for us to do the annual measurement verification. So, what we do is project what we believe your usage will be based on our calculations, then we track that against actual utility bills. Then, our auditor will come by here on maybe a quarterly basis when he is in the area just to make sure things are happening. Then, on an annual basis, which we just did last week, we sat down with staff and presented the report. So, if you take all that together, you are still right on target. \$164,000 is what we were shooting for as far as the energy, and I believe your payment was \$128,800 with the bank.

Councilman Jaehnig: So, is that where the net result is coming into this \$69,000?

Keith Valiquette: No. The net result... We don't take the finance into this. We can show that. It is still going to show that you are above what we projected it to be. Our guarantee amount is \$164,000 on an annual basis.

Councilman Jaehnig: Which we already know would be above the expense or we would have never have moved forward.

Keith Valiquette: So, doing the math, I don't think anything changed with the loan from the original projections. So, you are right in assuming that that number is what you would be above the cash flow that we originally projected.

Service Director Reinsmith: The original money was the head start - the date they started tracking from the get-go.

Councilman Jaehnig: During the construction.

Keith Valiquette: Exactly.

Councilman Jaehnig: I was just curious what our cushion was above what our expenses were?

Keith Valiquette: It wasn't a lot. If you remember, there were a lot of needs that we were trying to take care. Just as a quick review, we did heating and cooling in this year. This building has heat pumps above the ceiling. It is a water-source system. We replaced the building control system in here. We did lighting. We did traffic signals. We did some emergency generators at a couple of your facilities. We put in UPS backup at a couple of intersections. If you remember, it has been a while ago, but when we got the force of what was left of the hurricane, everybody's lights were out for a long time and intersections were scary at times. So, by going to the LED technology at some of the key intersections and dropping the usage down to practically nothing, then we were able to put in a fairly cost-effective UPS system intersections. I don't remember how many intersections it was. So, not only did it have the energy perspective but also had a safety component to it. We did the roof over at Fire Station 2. Hopefully that building is sealed up tight. You did all the work inside the building. Now the roof is in place. Hopefully that will take care of that investment for a number of years. We put in some programmable thermostats. As I mentioned, we did some emergency generation at the transit building at the service garage.

Mayor Riley: I think energy conservation is a very important part of what we all should be doing. Keith, I appreciate what you and Honeywell have done for the City. Thank you.

Keith Valiquette: Thank you for your time.

Mayor Riley: There were just a couple of items. It was noted in the newspaper we were quite busy yesterday entertaining Israeli guests. We had two gentlemen from Israel – Zvi Herman and Daniel Kutner. Mr. Kutner is Consul General and Zvi is the Minister of Science and Agriculture from Washington DC from the Embassy. We were talking to them at some length, as you saw in the paper, about some opportunities to do business and implement some commerce between this area and Israel. I say this area because it wasn't just Wilmington and Clinton County, but we also included our friends from Highland County and Fayette County, so we had a very productive meeting with those gentlemen that went quite a while. I believe we made some good progress. Hopefully, we will be able to get some commerce going with the Air Park and the transportation of cattle by air. Also, I would like to point out, just as a third item, this afternoon we had the Business After Hours at Boyd Cancer Center. They were having the 5th Anniversary of the opening of the Boyd Cancer Center named after Dr. Jack Boyd. I would just like to note how important that building has become for this community. If you have ever had or any of your loved ones have ever had cancer, I could almost guarantee you that that includes every person in this room, you know that the five-year survival is a lynchpin. That is a very important mark for people. If they survive five years without a recurrence, they can pretty much take a sigh a relief. The Center has now been open for five years. Praise God, we have people that we diagnosed, went to the Center and are no longer cancer victims – they are cancer survivors. That has all been done locally through CMH and through the Boyd Cancer Center. So, when we talk about buying locally,

which is a very important thing for this community, we also need to recognize that we have a great opportunity to be treated locally with a state-of-the-art facility at our Oncology Center, the Boyd Cancer Center. It also was the kick-off for Relay-for-Life, the signature event for the Cancer Society for fundraising. That also kicked off tonight as part of the anniversary celebration of the Boyd Center. I encourage everyone to get behind the Relay program. I have been part of it for several years. I always say, somewhere in the United States sits an unused Petri dish in which we will find a cure for cancer. Wouldn't be great if money raised here in Clinton County bought that Petri dish. We are getting close and there are opportunities. I encourage everybody to support Relay for Life. Thank you.

President Kirchner: Thank you, Mr. Mayor.

President Kirchner asked the record to reflect that Councilman Wallace had joined the meeting.

Assets Acquisition and Use: Chairperson Bob Mead had no report.

Auditor – Auditor David Hollingsworth had no report.

Finance Committee – Chairperson Bob Mead: There are three items on the agenda. The first is an ordinance making supplemental appropriations. There are two different appropriations in this ordinance. The first one, you will remember from the last council meeting, is a \$70,000 amount for CORF. That is either the final or one of the final invoices to be paid for the repair, maintenance and rehab of the Textron building for the Solid Waste Department. That is for the end-wall on the building. It is all in and fine and everything looks great. The second part of that ordinance will be accepting a \$100 gift from Dr. Matrka, who apparently does this regularly to help support the K-9 unit at the police department. Those of the two items that are on this ordinance making supplemental appropriations.

Councilman McKay clarified that it was the Wastewater Department using the Textron property, not the Solid Waste Department.

Councilman Mead thanked Councilman McKay and said that he had misspoke.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebnaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5011 passed as read.

Councilman Mead: The second item this evening is the first reading on an ordinance making miscellaneous transfers. This involves the Police Department and the necessity for having money to pay for one of the Police Officer's to attend classes. According to Union Contract, it is all above board and agreeable. The chief just needs to move some money from one line item to another.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Miscellaneous Transfers.

Motion passed

Director of Law read ordinance by title only.

Mead requested that the second and third reading be on the Agenda for the next meeting.

Councilman Mead: The third item, Mr. President, is three readings on a resolution authorizing a request for advance payment for settlement from the county. It is my understanding that this is something that happens once or twice a year where the city makes a request to the county to go ahead and pay them the money that is supposed to come to the city. It is basically a housekeeping operation.

Auditor David Hollingsworth: If I could interject, Bob. This is a request for the real estate tax monies that the city receives. We are requesting an advance since it's paid in two installments during the year. If you are a property owner, you pay in February and then again in July. So, we are requesting an advance before we get our final settlement for cash flow purposes so we have money to operate on.

A motion was made by Mead and seconded by McKay to give the first reading only on a resolution Authorizing a Request for Advance Payment for Settlement from the County. Motion passed

Director of Law read resolution by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Stuckert, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Stuckert, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2271 passed as read.

Law Director Shidaker: This is an ordinance. Do you want to do an emergency on the resolution as well? The advance payment for settlement? Do you want both of these to go as emergencies?

President Kirchner: Do we need that to be an emergency there? Probably so. And it doesn't say it in the language?

Law Director Shidaker: No. It does.

President Kirchner: It does?

Law Director Shidaker: I think so. That's what we were planning on doing. I was planning on doing these as emergencies.

President Kirchner: Do you need a motion to make them an emergency if...?

Law Director Shidaker: The same thing we just did with that one on the one that the auditor talked about – the resolution authorizing a request for advanced payment for settlement from the county. We need to do that one now.

President Kirchner: What do we need to do, because I thought we just...?

Clerk Brenda Woods: We did that one.

Law Director Shidaker: On both of them?

Clerk Woods: Yes.

Law Director Shidaker: Okay.

Paul Fear: Point of order. He read it wrong. Bob was making a motion for the authorization to request for advanced payment for settlement to the county and Brian read miscellaneous transfers. He read the wrong suspension of rules.

Law Director Brian Shidaker: Oh, that's what happened. Correction: That would be an ordinance making miscellaneous transfers.

President Kirchner: This one.

Law Director Shidaker: Okay. Law Director read the resolution in title only.

Laura Curliss: Point of order, if I may, I think all financial ordinances and resolutions are immediately effective. You don't need to say they're an emergency.

Law Director Shidaker: Okay.

President Kirchner: Very good. Thank you.

Councilman Mead said that was all he had on the evening's agenda.

Water Committee – Chairperson Mike Wallace: We have two items on the agenda for this evening. These are items that come up before council at least once a year. The first one is the first reading on a resolution giving our mayor authorization to advertise for bids and purchase of chemical for treatment.

A motion was made by Wallace and seconded by Wells to give the first reading only on the resolution Authorizing the Advertising for Bids and Purchase of Chemicals for the Water Department.

President Kirchner asked for discussion.

Seeing none, President Kirchner called for a vote.

Motion passed.

Director of Law read resolution by title only.

Councilman Wallace requested that the second and third readings be on the Agenda for the next meeting.

Councilman Wallace: The second item is something similar. We have to haul the sludge out of our retention pond, so we need to give authorization to advertise and contract for that process. Are there any questions?

A motion was made by Wallace and seconded by Stuckert to give the first reading only on the ordinance Authorizing Advertisement and Contract for Hauling of Lime Sludge from Water Treatment Plant.

President Kirchner asked for discussion.

Seeing none, President Kirchner called for a vote.

Motion passed

Director of Law read ordinance by title only.

Wallace requested that the second and third reading be on the Agenda for the next meeting.

Councilman Wallace: I must say we had some ferocious middle school basketball games tonight and that was the reason I was tardy. I apologize, but we had a lot of great basketball played out by the middle school students.

Mayor Riley: How did the Hurricanes do?

Councilman Wallace: This was a tournament, and neither one of our teams were in the tournament. They drew the games for Saturday.

President Kirchner: If you could turn your coach's note into the clerk.

[Laughter]

Councilman Wallace: Will do.

Streets Committee – Chairperson McKay had no report.

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President. We have nothing on the agenda. However, we do need to have a committee meeting to talk about passing some legislation for our fees. We're going to have to try to set up a committee meeting as soon as we can.

President Kirchner: Do you have a date in mind?

Councilman Wells: No. We had one earlier, but that fell through. So, we will have to try to rearrange that. That is all.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Rob Jaehnig had no report.

Safety Committee- Chairperson Wells: Mr. President, I have one item on the agenda tonight. It is three readings on a resolution authorizing the mayor to sign a memorandum of understanding to accept a gift and declaring an emergency. However, our resolution does not say, declaring an emergency, so we need to amend that.

A motion was made by Wells and seconded by Mead to amend the resolution to declare it an emergency.

President Kirchner asked for discussion.

Seeing none, President Kirchner called for a vote.

Motion passed.

Resolution amended.

A motion was made by Wells and seconded by Stuckert to give the first reading only on a resolution Authorizing the Mayor to Sign a Memorandum of Understanding to Accept a Gift

President Kirchner asked for discussion.

Councilman Wells: Chief, would you like to explain what this gift is?

Assistant Chief Weyand: It started out as a necessity, not just for the Police Department, but for some of the other departments to have WebCheck. We are required every five years through the Ohio steering committee that operates our LEEDS system, which is how we do our background checks or how we run license plates or driving record information through the Police Department, we've always had a need to have people fingerprinted, so we have had to send them out and kind of outsource it. It became a problem with scheduling and a problem getting it paid for. We have also encountered problems with the Park or the Taxi Cab and they have had a need to have people fingerprinted and have these background checks done. I was fortunate enough to work through a few vendors and was able to get in contact with the Director of the Attorney General's office and he was able to get us one of these systems for free – at no cost to us. There is a fee for using it, but the nice thing about it is, we are able to fingerprint our own personnel, any prospective employees, seasonal and intermittent employees at the parks or the seasonal people that we hire at the cab service. We will be able to fingerprint them in-house. It is a cheaper rate to do it for the city. At the same time, it makes it easier to schedule the service because it is here, inside the City building. Then, we are able to sell the service to people – teachers, nurses, whoever, - who need to be fingerprinted for employment. We can sell the service to them and make money off of the machine itself.

Councilman Jaehnig: We use that same service or method for our coaches in the parks department also, correct?

Assistant Chief Weyand: Correct. Well, in the past, we have sent them over to the Ohio Board of Education, which is over at Laurel Oaks. Now we will be able to do it here. We will be able to pay less as the City for the service.

Councilman Wallace: Is this the same system that the Sheriff's Office has?

Assistant Chief Weyand: Yes. The same system.

Councilman Stuckert: It has a substantial value too...

Assistant Chief Weyand: It's about \$8000. It's free to us.

Councilman Wallace: And this costs us nothing?

Assistant Chief Weyand: It costs us nothing.

Councilman Wallace: And what do we pay when we use it?

Assistant Chief Weyand: You pay \$24 for a BCI check, which is a state check and then you pay \$24 for the federal check. Like when we go to send our employees to have it done, typically we are paying between \$56-\$58 to have both of those done. So, we will save about \$10.

Councilman Wallace: Are saying it costs us \$48 to do a federal check. Could you just do a state?

Assistant Chief Weyand: Well, for state and a federal it is \$48. It's \$24 a piece. Those fees are consistent. It's in MOU that I am asking the mayor to sign. That's the same whether it's at the county level or if the school has a system. The fees are consistent across the board.

Councilman Mead: Are we talking about a one-year cost or is this just a program you are given and it will last forever?

Assistant Chief Weyand: The system itself will be ours until either it's outdated or until new technology presents itself.

Councilman Jaehnig: How many requests for this identification do you have on an annual basis?

Assistant Chief Weyand: On a given week, we probably have at least three or five that will show up wanting it. When you have the system in place through the Attorney General's website, they will list you as a vendor or as a place that you can get it done. People will be able to look at it and say, well, I live in Wilmington I could go to the Police Department.

Councilman Wallace: So, three to five a week?

Assistant Chief Weyand: Yeah. But, then you have to figure that we still have to do our own employees that I have to do. I don't know how many people we hire at the park each year or at the cab company. We probably hire a handful a month with the turnover. There is no cost to this at all. We make the money off of it, and we get a system.

Councilman Wallace: We pay to use it. Sort of a like a credit card. I use credit cards all the time, but I end up paying every time I use the darn thing.

Assistant Chief Weyand: Yeah. You pay it if you use it. If we don't use it, there's no charge. So, you only pay if someone does it. That's the thing, you collect the money from the person who is getting fingerprinted. So, we're not out anything.

Mayor Riley: If we didn't have this, we would be having to pay to get it done elsewhere.

President Kirchner: In the case of our seasonal employees and new employees, we would actually have paid another vendor to do this. Now, we will be able to do that at cost as opposed to pay more for it elsewhere.

Councilman Wallace: Right. So, when I come in and I get fingerprinted, the money I pay, does that go into the General Fund or does that go into the fund for the Police?

Assistant Chief Weyand: It goes into the General Fund.

Councilman Wallace: So, then, the General Fund will be billed for this thing as well?

Assistant Chief Weyand: If you come in and get fingerprinted, we'll probably collect between \$56 and \$58 for you to be fingerprinted for a state and a federal background check.

Councilman Wallace: Right. I'm asking where the money is going in and going out of.

Assistant Chief Weyand: We'll have an established line item so there is a money transfer in and money transferred out.

Councilman Jaehnig: But your cost will be \$48.

Assistant Chief Weyand: Our cost will be \$48.

Auditor David Hollingsworth: To me, it is a no-brainer. It's a free system and we have to pay to have it done anyway. This way we keep the money in house.

Councilman McKay: It's additional revenue.

Assistant Chief Weyand: And there is the scheduling convenience of doing it here. Rather than at most places, it's Monday, Wednesday, Friday. It will be nice to have it here and we can accommodate most any schedule.

Councilman Wallace: When do you anticipate this being?

Assistant Chief Weyand: I'm hoping within the next thirty days, as soon as we get the MOU in place. I've already got it sitting downstairs and plugged in. I just can't use it until I have the signature in place.

Councilman Wells: That's why we are doing it as an emergency.

Councilman Jaehnig: I would like to applaud you, Chief. It's another example of going out there and finding ways to save us some money and get the job done. Thank you.

President Kirchner asked if there was further discussion.

Seeing none, President Kirchner called for a vote on the motion.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Stuckert, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Stuckert to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Stuckert, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2272 passed as read.

Councilman Wells: I would also like to add that it is with grateful appreciation the City does hereby accept such gift. We thank them very much. Thank you, Chief. That is all I have, Mr. President.

Downtown Revitalization Committee - Convener Mark McKay had no report.

Parks and Recreation Committee - Convener Rob Jaehnig: We have no official report, but I would just like to make a mention on one item, a list of meetings have been released today. They continue work on the plan for the master trail plan for the county. There will be dates: The Trail Coalition, with the Visitor's Bureau, Regional Planning. So if you have an interest in having a voice in that master plan, there are going to be multiple opportunities coming up. Again, February, March and April. Toward the end, we will have a City Parks Board meeting to discuss this also. I am very pleased to see that project moving forward. That is all I have, Mr. President.

Service Director- Service Director Larry Reinsmith: No report, Mr. President. I will say that we do still have plenty of salt.

[Laughter]

President Kirchner: I believe that could possibly be the best report you have ever given.

Service Director Reinsmith: Our overtime is way down.

President Kirchner: We appreciate both efforts at cost savings. If you could keep the 65 degree weather, I think the council would...

Service Director Reinsmith: I haven't heard...did the groundhog see his shadow today?

[Affirmative answers and banter about Groundhog Day]

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

Reports:

A motion was made by Wells and seconded by Mead to approve the 2011 Municipal Court Operational Report and the Income Tax Report – January 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

Paul Hunter: 200 Randolph Street. This situation is located here. At a recent meeting held by Rob, they discussed the gateway to the city and how it appears to people coming into the city. This particular instance I have complained over the years for some kind of remedy to no avail. As you can see from those pictures, it's not a very nice situation we have. I have suggested to at least put a barricade around it, some kind of a temporary fence around the parking lot. Theoretically, someone runs in there at night and ruins their front axle, the city could be held liable for not enforcing their own codes. Whether or not that is so, I don't know, but it is a possibility. That stuff speaks for itself. I have no more to say about it.

Service Director Reinsmith: Paul, is that the shopping center you are talking about it?

Paul Hunter: Yes. You told me something about the church buying it or something.

Service Director Reinsmith: There is that discussion, but also, there are not a lot of codes that cover commercial properties. We have a property maintenance code, it is only for residential properties. The Ohio Building Code doesn't cover things like that.

Paul Hunter: I don't see any exception in the code.

Service Director Reinsmith: It's residential.

Paul Hunter: You mean, if a business has a sidewalk gone in front of it, you have no tools to enforce?

Service Director Reinsmith: Now, that sidewalk is in the right-of-way. This is private property.

Paul Hunter: But we... I don't want to get into a big...

Service Director Reinsmith: I know. But there are differences.

Paul Hunter: But we do control...we have an obligation to keep the building and facilities safe, do we not? Or is that a criminal...?

Service Director Reinsmith: Okay. I walked through this myself. Where do we go from here?

Paul Hunter: The city could patch it or put a fence around it and build...but they won't do it...or condemn the property. I suppose they can condemn.

Service Director Reinsmith: ...spend the money they don't have and they could put it on their taxes and hope that they can get it someday. Right? Those are the problems we are faced with.

Paul Hunter: I don't have the answers, I just have the problem.

Service Director Reinsmith: I know.

Paul Hunter: I rely on the experts, or the people that have to do with safety and appearance, which is his committee...

Service Director Reinsmith: I'm sure they would love to sell that building...

Paul Hunter: Well, it's lost half its value...

Service Director Reinsmith: Well, they're upside down on it to start with, so I'm sure they want to throw more money into a parking lot.

Paul Hunter: Well, then, take it over. Condemn it. Demolish the building, put it on the list and we can sell it to a new vendor.

Councilman Jaehnig: I appreciate you bringing this up, Paul. I know one of the issues that we have with that particular property is while the appearance is that it is part of that strip mall, unfortunately, it is two separate pieces of property.

Paul Hunter: The parking lot that faces the building, that is on the same parcel.

Councilman Jaehnig: I agree with you on that. What I am saying is, when they have attempted to fill this, the agreement in putting in the strip mall gives the strip mall some rights of refusal on who's allowed to move in. That is where we are coming into issues with the church that wants to move in. The renters or the businesses that are in there don't want non-retail moving into that space. For some reason, they feel that having somebody in there instead of nobody would be better for their business. It makes no logical sense to me, but that is part of the issue that we are running into. But, I agree...even if we can't legally do anything, I think it's a discussion that should be opened. We have an issue, let's all sit down and see if there is some way we can come to terms. Because that lot is getting worse and worse and worse. You're right, somebody is going to break an axle in there. That is on private property. Unfortunately, it doesn't give us much.

Paul Hunter: I don't think it is too much to ask for them to put a picket fence around that...at least the part that faces the bank and the Hallmark.

Councilman Jaehnig: I think it is a discussion that definitely should be had in regards to public safety. I appreciate you bringing it up.

Councilman Stuckert asked about condemning the building.

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Service Director Reinsmith: Maybe Brian could research that a little bit. You're going have to do it sooner or later.

Councilman Jaehnig: It is still something that we could have just an open discussion about. What can we do?

Service Director Reinsmith: He's gone out before and he has patched it. He's put gravel in those holes. He's put cold patch. I know he's way upside down on that deal.

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

Bob Johnson: 326 Walnut Street, Port William, presented a campaign speech for the office of Clinton County Commissioner.

Molly Dullea, 81 W. Main Street, Wilmington, presented a campaign speech for the office of Clinton County Commissioner.

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.

A motion was made by Jaehnig and seconded by Wells to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, February 16, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, absent (joined meeting after roll call); McKay, present.

Acting Chief Duane Weyand was also present.

A motion was made by Wells and seconded by McKay to excuse the absent member. Motion passed.
Absent member excused.

President Kirchner: I will share with council that Councilman Siebenaller had indicated he does have parent-teacher conferences tonight and would likely be arriving a little bit late, so we may see him before the evening is through. If you would all stand for the Pledge of Allegiance, I would like to ask Pat Taylor, who is working on his citizenship badge, and his brother, Steven Taylor, to lead us in the Pledge of Allegiance.

Council gave the Pledge of Allegiance to the flag.

President: President Kirchner requested that all present put their cell phones on silent mode for the remainder of the meeting.

A motion was made by Jaehnig and seconded by McKay to approve the minutes of the last regular meeting, February 2, as received. Motion passed.
Minutes approved as received.

President Kirchner: The second item and last item on my part of the agenda tonight is that in your packets you received a copy of the edited council rules that Ad Hoc had met and worked on. They went through the Law Director. There was one additional edit.

Clerk Woods: I didn't send them out.

President Kirchner: We didn't send them out?

Clerk Woods: We did before. Not the revised ones that we just fixed today.

President Kirchner: Okay. You will be receiving these. We will be trying to schedule an Ad Hoc meeting between now and the next council meeting to review those edits and address some other items, but we will be voting on those as a council. It is required at the beginning of every year, and I just wanted to make you all aware that they were coming with the edits that Ad Hoc had done. That's the end of my portion.

Mayor – Mayor Randy Riley: Just a point of personal privilege, if you don't mind, I have found many of the things that the mayor has to do are not all that much fun. One of the things that I truly enjoy is having scouts with us. A few weeks ago, I believe I mentioned that I was privileged to award a proclamation to one of our Eagle Scouts – Zachary Davis – and that was a great joy. It's good to have you young men here also working on your badges. Hopefully, some day we will be seeing you at an Eagle Court of Honor. The second item that is just a good time. I performed my very first wedding on Saturday and that was fun. Mr. and Mrs. Shaw are out there enjoying themselves as a wedded couple now. Other than that, Duane, I think you had a few comments about the Open House that we are going to be having.

Assistant Chief Weyand: Yes. In your packets you received a flyer announcing we are going to have an Open House for Dispatch. It was finished in late fall. We received about \$140,000 worth of funds through Congressman Turner's office. We were also able to use other funded money to complete our dispatch. We were able to finally put it all together and finish it all by the end of the year. We had a few things that we've tweaked

here in January. So, now it's pretty much ready to go. We're having an Open House that will start around 5:00 and will run to about 7:15. So, if you are able to stop in during that time I would appreciate it. We will show you some before pictures and after. We will show you what we were able to purchase with that money. I know the mayor's office extended the invite to Congressman Turner himself, so it will be nice to have him down and thank him for his support for, not just the Police Department, but our community as a whole. You are very much invited to stop in.

Councilman Wallace: Is this on-line now?

Assistant Chief Weyand: Yes it is. Everything is up and rolling and all functional. We even had the vendor coming that we purchased all the stuff through, and a representative from the company will be here as well. They will be able to answer any questions and talk about it. The technology has changed. It's moved on from 20 years old to current technology in the matter of a month. It made it really nice. Another thing I promised everybody is they would get a Hot Wheel when they came in. You all got yours tonight. This was about a year-long process where we were able to get a company called Green Light Toys. They saw us through Glenn Beck and saw the plight of the Wilmington Citizens. They looked on-line and saw our cruisers and said, "Hey, that looks like a really neat car." So the company chairman reached out to me the day after Glenn Beck and said, "Hey, we would like to reproduce your car." It took a little bit of time to get all of the paperwork signed and then as far as production, it took a little while. So, we got all of these delivered to us the second week of January. I got my first shipment and then a couple of weeks later I got the rest of them, so that is why you are getting yours tonight. They will retail for about \$5 through Toys R Us, Meijer's, and a handful of the distributors. You can buy them on-line through various vendors as well. Pretty nice. We are Hot Pursuit Series 9, and if you look on the back of it, it tells the other five police departments that are in the series with it.

Mayor Riley: Thank you, Duane. That is really pretty cool. I love Hot Wheels. Only five Police Departments in the nation are having their cars reproduced by Green Light, as I understand it.

Assistant Chief Weyand: This year.

Mayor Riley: The City of Wilmington is one of them and that is something of an honor and I appreciate it.

Assistant Chief Weyand: Everything on here is pretty much to scale. We had to take a lot of scale pictures. The color is Pb8, which is the color code for the Dodge Charger for the 2008. It's pretty much spot-on as the car is. That is what took a little bit of time. I had to approve the final draft and so the color wasn't there. Then they had yellow in the light bar and we don't have yellow in our light bar, so we had to work through a few things. It's spot-on now.

[General comments of appreciation]

Assets Acquisition and Use: Chairperson Bob Mead had no report.

Auditor – Auditor David Hollingsworth had no report.

Finance Committee – Chairperson Bob Mead: Mr. President, we have a number of items this evening. The first item on the list is going to be three readings on an ordinance making supplemental appropriations. Those of you who have a packet have a list of five different supplemental appropriations on the list. One of the council members would like to speak to one of those line items – the first one.

Councilman Jaehnig: Thank you, Councilman Mead. I appreciate that. In the review of this and having a discussion with the Law Director afterwards, the supplemental of funds from the General Fund to the Law Director's unemployment line item for this sum of money is not necessarily needed. Because of a job code change in this department, he has plenty of funds in his salary line item to do a transfer instead of a supplemental from

the General Fund. So, I would ask council's approval to amend this particular ordinance with the removal of line A from there. I will come back at the end of the Finance portion and put forth legislation to actually do a transfer instead of a supplemental. That way, we can keep these funds in the General Fund and work towards controlling our budget as we promised.

A motion was made by Jaehnig and seconded by McKay to amend the ordinance Making Supplemental Appropriations to remove item A from the ordinance.

Motion passed.

Ordinance amended.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations, as amended.

President of Council asked for discussion.

Seeing none, President of Council called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, absent; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller absent; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5012 passed as read.

Councilman Mead: The next item on the list is three readings on an ordinance making supplemental appropriations. These are negative appropriations. The council members know what that is...the money is going the other direction.

[Councilman Siebenaller joined the meeting]

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President Kirchner: Let the record reflect that Councilman Siebenaller joined the meeting at approximately 7:45 p.m.

President of Council asked for discussion.

Seeing none, President of Council called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5013 passed as read.

Councilman Mead: The next item is three readings on a resolution authorizing payment of expenses incurred in prior fiscal year.

A motion was made by Mead and seconded by McKay to give the first reading only on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

Motion passed

Director of Law read resolution by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2273 passed as read.

Councilman Mead: The next item is going to be the second and third readings on an ordinance making miscellaneous transfers. You will find in your packet quite a list of them. I certainly am not going to read them all.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance Making Miscellaneous Transfers.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5014 passed as read.

Councilman Mead: That is all I have, this evening.

Councilman Jaehnig: Before we pass through Finance, in order to correct the amendment that we did earlier and given that we do still have an unemployment payment that we do need to make tomorrow, I would move that we move on an ordinance making a miscellaneous transfer, specifically from account 110.181.5111, which is the Director of Law salaries to Account number 110.181.5128, which is the Bureau of Employment Services, the sum of \$12,610.00.

A motion was made by Jaehnig and seconded by McKay to give the first reading only on the ordinance Making Miscellaneous Transfers.

President of Council asked for discussion.

Seeing none, President of Council called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5015 passed as read.

Councilman Jaehnig: I appreciate council's patience in correcting this and their indulgence in letting me do so. Thank you.

Water Committee – Chairperson Mike Wallace: Mr. President, we have two items for this evening. Both are carried over from the last meeting where we had the first reading of each item. The first item I would like to move on is the second and third readings on a resolution to give our mayor the opportunity to advertise for the bid of chemicals. I would like to move forward on this for the Water Department. Is there any discussion on this?

A motion was made by Wallace and seconded by Wells to suspend the rules and give the second and third reading on the resolution Authorizing the Advertising for Bids and Purchase of Chemicals for the Water Department.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wallace and seconded by Stuckert to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Seibenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2274 passed as read.

Councilman Wallace: Also, Mr. President, we have some lime sludge which we need to get hauled out of there. We did have the first reading at the last meeting.

A motion was made by Wallace and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance Authorizing Advertisement and Contract for Hauling of Lime Sludge from Water Treatment Plant.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Wallace and seconded by Stuckert to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5016 passed as read.

Streets Committee – Chairperson McKay had no report.

Solid Waste/Recycling Committee: Chairperson Don Wells had no report.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Rob Jaehnig: We have one item on the agenda tonight, Mr. President. I was in a meeting earlier this week with the CDC on this particular ordinance. With the state budget cuts and such, the CHIP funds that are going to be available this year have been cut drastically. Instead of cutting the amount of funds that are available for grant, they are going to cut the number of grants that are available. Traditionally, there are about 95 applications for these funds and they fund somewhere between 75 and 85 of them. This year, they probably will only be able to fund about between 50 and 60. Thankfully, Amy Schocken and Whitaker Wright with the CDC are moving ahead quickly on filing with this. At our next council meeting will be a public hearing to discuss these funds further. These are the funds that are used in housing improvements, emergency rent actions and things of that nature that Community Action uses, the Housing Authority uses, the Homeless Shelter, Habitat for Humanity...these types of funds. Tonight we are going to go ahead and do the first reading in preparation for the public hearing at our next meeting.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on the resolution Authorizing the Submittal of an Application for the FY 2012 Community Housing Important Program Grant and Declaring an Emergency.

Motion passed.

Director of Law read the resolution by title only.

Jaehnig requested that the second and third readings be on the agenda for the next meeting.

Safety Committee- Chairperson Don Wells had no report.

Downtown Revitalization Committee - Convener Mark McKay had no report.

Parks and Recreation Committee - Convener Rob Jaehnig: We have nothing on the agenda tonight, Mr. President. Just for public knowledge, the Parks Board is meeting weekly currently, so every Monday night at 6 p.m., the Parks Board is currently meeting as they move forward with the different decisions and the reformulating of the parks and how they are going to move forward in 2012. If that is an area of interest of yours, I highly encourage that you come out.

Councilman McKay: Where?

Councilman Jaehnig: In the community room downstairs in the city building. 6:00. That is open to the public, so please come and join us. That is all I have, Mr. President.

Service Director- Service Director Larry Reinsmith had no report.

President Kirchner: Larry, can I ask...I know last time we talked about commercial property and whether or not code applies, with Gary here, could we perhaps give some clarification as to whether or not commercial property owners are governed by Wilmington's code?

Service Director Reinsmith: Well, yes.

President Kirchner: Thank you very much.

Service Director Reinsmith: I went looking at that ordinance. So, it has been changed, so it does cover some aspects. I immediately sent a letter to that shopping center. I gave them 15 days to rectify the situation. I haven't heard anything back from them yet. I looked today and I didn't see any repairs made yet. I did send that letter out. But there are different issues when it comes to building and certain things about the structure that normally fall under the state code. It talked about, I think, sidewalks around the premises, the exterior safety and parking lots. So, I fired off a letter to him.

President Kirchner: Thank you, Mr. Service Director. Mr. Safety Director?

Safety Director – Safety Director Burton: No report, Mr. President. Just a comment if I may. I have been working with the Police Department and the Fire Department for almost a month now. They do an outstanding job at what they do every day. When you see them out on the streets, thank them and tell them that you appreciate the job that they're doing. They are doing a tough job and they are doing it very well. It's just a comment. It means a lot to them when you see them and you thank them.

President Kirchner: I completely agree and thank you for the report. We're blessed with what they do every day.

Reports:

A motion was made by Wells and seconded by Mead to approve the Hotel Lodging Tax Report and the Auditor-Treasurer Report – January 2011, as received.

Motion passed.

Reports accepted as received.

Councilman Jaehnig: Mr. President, just one item. In regards to the Hotel Lodging. The Baymont Inn would still owe us some taxes because they did not shut down until this year.

President Kirchner: I am not familiar with when they shut down.

Mayor Riley: I think it was last year, actually, that they shut down. I would have to double check that.

Councilman Jaehnig: It just seems to me that they are probably 4th quarter taxes that haven't been paid there.

Mayor Riley: I would have to check with the County Auditor to be sure, but I do believe...

Treasurer Paul Fear: Councilman Jaehnig is correct. We are still trying to find out if they are in receivership or foreclosure. We have gotten some information towards both in the discussion we have had with the county people. So, as soon as that gets resolved, we'll go to whatever litigation we have. I guess there is some due, but we don't know how we are going to deal with it yet.

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

Paul Hunter: I just want to thank Larry for the prompt action on the parking lot issue, and the mayor as well.

President Kirchner: Thank you, Paul. Anybody else?

Councilman Wells: Because I read in the Wilmington News Journal about Lenna Mae Gara being one of the outstanding women of Clinton County this year, that she was very instrumental in starting our recycling program, I would like to thank her for her leadership and I would like to encourage the citizens of Wilmington to please recycle. It's the right thing to do. We would like to increase our numbers. I would encourage the citizens to get a bin and please recycle. Thank you.

Councilman Wallace: Do they register those numbers to the houses?

Councilman Jaehnig: That is what we were told.

Councilman Wells: Yes.

Councilman Wallace: Because I had one blown in over there and I have an extra one. That means someone doesn't have one.

[Discussion of recycling program]

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.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, March 1, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

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

Acting Chief Duane Weyand was also present.

President Kirchner requested cell phones be placed in silent mode.

Council gave the Pledge of Allegiance to the flag.

President

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, February 16, as received.

Motion passed.

Minutes approved as received.

President Kirchner: The second item on my portion of the agenda tonight is the second public hearing for the 2012 CHIP grant program with Whitaker Wright.

President Kirchner opened the public hearing on the 2012 CHIP Grant Program.

Whitaker Wright: Thank you, Mr. President. Tonight is the second public hearing on the City of Wilmington's application for Community Housing Improvement Program funds. The application is due April 2. The City will be applying for four housing activities and two administrative activities. The total request for funds will be \$500,000. The city will be targeting a portion of the funds to the south, southeast-central target area, and there is a handout on the table. The third page of that shows a map of the area. This is the portion of the city where we have worked before, both through the CHIP program and the Neighborhood Stabilization Program, where we knocked down a number of condemned units. The four housing activities include home repair, private owner rehabilitation, new construction and tenant-based rental assistance. Home repair: We will be requesting \$125,000 in Community Development Block Grant funds to assist 12 low and moderate income homeowners to make repairs to one or two major health and safety issues. The private housing rehabilitation: The city will be requesting \$200,000 to assist five qualified homeowners to bring their homes up to the state's residential standards. The home repair program is a grant. The private housing rehabilitation is a loan. The third activity is new housing construction. The city is proposing to work again with Habitat for Humanity. It will be requesting \$44,000 to construct two units. Habitat owns two lots on Paris Avenue in the target area and that is where they are proposing to build. The final housing activity is tenant-based rental assistance. The city will be applying for \$71,000 to help probably 10 households. These are HOME funds that are administered actually by the Metropolitan Housing Authority to mirror the Section 8 program. Participants in that activity will be taken from the Section 8 waiting list. The two administrative activities – the first one is Fair Housing. This is \$1000 allocation that is required. The CHIP program does provide fair housing information to all residents of the city during the grant period. Finally, grant administration funds will total \$59,000. As I said, the application is due April 2. If the city is funded, it will be notified probably in August or September. The program will be starting up in January of next year and be completing October 31 of 2014. I open the floor for questions.

Councilman Jaehnig: Whitaker, if I could just expand a little bit. When you were talking about the territory, while the territory is similar to the previous years, this is an expanded territory based on what we have done in the past. The really nice thing about this is it is covering quite a bit of the downtown area. It is also covering two of our major entry points into the city with Locust and a lot of South Street, so some of those homes that have been on our major thoroughfares which were not in the area before, are now. This

will allow us to take a look at them for inclusion in the program. So, the expansion of the territory is a good thing for us.

President Kirchner: Whitaker, on the map, picking up on Councilman Jaehnig's point. We have delineated the boundaries along streets. Does that mean that houses on the both sides are included in the zone – for clarification.

Whitaker Wright: For clarification, they probably would be on the interior side of the street. The state is not going to be that fussy. If they are on, Rombach Avenue for example, they are going to consider that part of the target area.

President Kirchner: Okay. Very good. Thank you.

Paul Hunter: What does the balance goes toward administration or inspection or what?

Whitaker Wright: The administration funds are used to pay for the inspection and the case processing work that is required in the federal funds.

Paul Hunter: About \$40,000 more or less?

President Kirchner asked if there were any more questions from the public or if there was anyone else present to speak on the matter.

Councilman Wallace: Who is doing the inspections?

Whitaker Wright: They will be done by the consulting firm. I do not know the gentleman. I am sorry, but I am filling in tonight for a coworker. All work, however, has to be verified by the city. Larry Reinsmith.

Mike Mandelstein asked how much the inspections were going to cost.

Whitaker Wright: They are just a part of the grant. The inspectors can take anywhere from, depending on the time to inspect the property, prepare a write-up, in performance with the state standards. Do you mean in terms of hours?

Mike Mandelstein asked if the people doing it were out of the area and asked if that was past practice. He also asked if they bid to do the inspections.

Whitaker Wright answered in the affirmative to all three questions. .

President Kirchner asked again if there were any more questions from the public or if there was anyone else present to speak on the matter.

Seeing none, President Kirchner closed the public hearing on the CHIP program.

President Kirchner: The next item on my portion of the agenda is the Clinton County Health Commissioner, Pam Walker-Bauer.

Pam Walker-Bauer introduced herself and stated she was present along with Tammy Miller, Administrative Assistant for the Clinton County Health Department. She said she was there to request support for renewal of the health levy that would be on the ballot for March 6. She explained that the current levy expires at the end of the 2012 and that it was a .5 mil, or \$15.75 for every \$100,000 of property. She stated that it would raise about \$415,000, which was about a third of the Health Department's total budget and about half of the nursing budget. She explained that they are seeing record numbers of children for immunizations and the WIC Clinic is also very busy. She said that they have made cuts in the Environmental Health program and in Emergency Preparedness. She said that if the levy passes, they would like to add the Ohio Buckeyes Buckles program, a car seat installation program, which currently does not exist in Clinton County. She stated that at one time used to be run by the hospital and she thought that it also used to be run by the City Police Department. Ms. Walker-Bauer explained that fees would be

increasing for seat belt violations, which is one of the funding sources for the program. She asked if there were any questions.

President Kirchner: Pam, you indicated that this is a renewal. So it will not raise taxes. It will simply continue things as are.

Pam Walker-Bauer said that is correct.

Councilman McKay: You said this only funds a portion of your budget. Where does the balance come from?

Pam Walker-Bauer explained that the balance comes from fees and permits, such as food service and swimming pool licenses. She said they also charge for some vaccinations and they have other grants that come in through the Health Department. She said the City of Wilmington also pays \$25,000 to the Clinton County Health Department through a contract agreement.

President Kirchner: Next on the agenda is Clinton County Treasurer, Geoffrey Phillips with the Tax Delinquency Report for Wilmington.

Treasurer Geoffrey Phillips presented the Tax Delinquency Report for the City of Wilmington. He said at the end of year, there were 288 real estate properties in Wilmington delinquent, for a total of 1.6 million dollars. There are 1300 parcels across the county delinquent for a total of \$5,000,000 through the entire county. He said the City delinquencies account for an appropriate percentage of the delinquencies, based on population. He said in terms of manufacture homes, 13 were delinquent for a total of \$6,400. He briefly discussed personal property tax delinquencies and said that there were very few of these. He explained the method they use for payment plans and went through some success stories. He encouraged the council members to look at the lists he provided of delinquent taxpayers and if they have any information regarding them, such as the property owners being deceased, then please share it with the County Treasurer's office so files can be updated. He said that some of the things that have helped in the collection process include sending out reminder tax statements and letters offering a contract plan to people who were severely delinquent. He also explained that in the future, if houses do not sell at Sheriff's sale, they will now be able to be sold through an Auditor's sale to recoup some of the tax monies owed on it. Mr. Phillips shared several tax delinquency anecdotes. He asked for questions.

Councilman Jaehnig: What is the percentage or average of taxes that come into the City of Wilmington from the taxes?

Treasurer Phillips asked for clarification.

Councilman Jaehnig: Well, you had talked about 1.6 million in delinquent taxes. If that was collected, and I know it won't all be, but if that was collected, what would the percentage possibly be that would be City funds?

Paul Hunter said it was 16 percent.

Treasurer Phillips talked about Blanchester's percentage and said that Paul Hunter was probably correct. He added that the schools get a percentage of it including Great Oaks.

Paul Hunter said that makes 53 percent.

Treasurer Phillips went on to explain that the remainder goes to the Health Department, the Library and other entities.

Mike Mendelstein asked what percentage of delinquencies are collected.

Treasurer Phillips stated that is was probably around 75-80%.

[Further anecdotal discussion of payment contracts and what other counties do]

Mike Mandelstein asked what additional costs have been incurred by the Treasurer's office in order to implement the program.

Treasurer Phillips said that the only costs were in extra postage and phone calls.

President Kirchner: That concludes all of the agenda items officially under my portion of the meeting, but I do have the pleasure of letting everybody know that the 14th Annual Soup and Chili Luncheon fundraiser benefit for the Clinton County Homeless Shelter, A Place to Call Home, is going to be held on Friday, March 16, 2012 from 10:30 to 2:00 p.m. right downstairs in the Robert Moyer Community Room, here in the Municipal Building. So, that wraps up my agenda. Mr. Mayor?

Mayor – Mayor Randy Riley: I would recommend everybody mark their calendars for two weeks from tomorrow because that's some of the best soup you're going to get anywhere. It's really good potato soup. Thank you, sir. I want to thank Pam for coming out. I fully, absolutely, 100% support what the Health Department has done. Bless your heart for all the work that all of the people are doing, day in and day out. I personally, strongly support your levy. I have a sign in my yard, you have my vote, and thank you for your hard work with that. I also want to recognize that Lee is back. It's good to have you back, Lee.

Lee Hendee: Glad to be here.

Mayor Randy Riley: Thank you. We ran talking about openness and transparency. It's nice to have Huff here all of the time. But, it is also nice to have you here, Lee, so that we are covering another segment of the population. It's good to have you back, Lee. We did have a Town Hall meeting on Tuesday. The results are still being tabulated. We're working on all of that. Again, when it comes to openness and transparency, every bit of that information will be made public once we get those all done. We don't really feel we've completed tabulating yet, because there were probably close to 70 people in the Moyer Room Tuesday when we had our Town Hall Meeting, and we would like to get the questionnaire that people filled out to more people. We're going to be doing that. We talked about putting it out in their utility bills. About 5000 of those go out, and that's a whole lot of copying. We're looking at the possibility of how much that might help us or how much return we might get from all of those copies. We're definitely going to put it on the website, and we're going to put a note on the utility bill to remind people of the Town Meeting and ask them to access the website or call the office and we'll make a copy and send it to them if they can't get on the website. So we're going to do our best to get those in everybody's hands. As that information comes in, all of the outcomes will be made public. I do appreciate the folks that turned out the other day.

Mayor Riley: The other thing, we just had a meeting yesterday and I didn't have time to get it on any agenda, but you probably have never heard of CW150. I don't see any eyes going, "Oh, yeah." We had a meeting, CW150 is the Civil War – the 150th anniversary of the Civil War. And there are quite a few people in our community who will be working diligently – almost reminiscent of our bicentennial – getting prepared for next summer so that we can celebrate the 150th occasion of the Civil War. You know, luckily, we had very little action in Ohio. Morgan's Raiders streaked through and did some damage and there are still some people in Ohio who don't forgive the south for that one. But, we will be working and planning for a really good educational experience for people in July of next year. I was on the committee and Duane will be working with us. A lot of it is coming from the Americorp Vista Volunteers who are working throughout Ohio to make this happen. So, look for CW150 – you'll see that more and more – that's Civil War 150th Anniversary. Other than that, there are rumors that presidential candidates may be coming to Wilmington in the near future. I have talked to reporters beside Huff from Germany to Tokyo. I was on the phone all day today with people wanting background information about what's going on in Wilmington and why these three presidential candidates will be coming here. It was interesting. It's going to be an interesting weekend. I have very little idea of what all is going to happen, but happen it will. I am delighted that we have presidential candidates coming to Wilmington. It kind of points out the importance of this community in the grand scope of things. We have

heard it before – I have said it many times – that with the timing of DHL departure, their announcement of their departure, and then later that year with the banking financial crisis, we were the tip of the spear in the recession. People know where Wilmington and Clinton County are at. This will just be a reminder. I am not putting a positive spin on it – I’m telling it positively. We are prepared for the recession to end. We are in a good position. We have an excellent facility. As you all well know, we are anxious for jobs to come back and that is what we are working for. Other than that, Scott, who knows what is going to happen Saturday.

President Kirchner: But it’s most exciting.

Mayor Riley: It’s going to be interesting. It’s exciting to live in Wilmington, Ohio. Thank you.

President Kirchner: As always. Thank you, Mr. Mayor.

Assets Acquisition and Use: Chairperson Bob Mead: No report, Mr. President.

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

Finance Committee – Chairperson Bob Mead: Mr. President, we have one item on the agenda this evening. We are going to have three readings on an ordinance authorizing payment of expenses incurred in a prior fiscal year. One is for them for the Convention and Visitor’s Bureau and one is for the CHIP HOME grant. These are monies obligated last year and set aside to be used this year. We simply have to pass this ordinance in order to pay them out.

A motion was made by Mead and seconded by McKay to give the first reading only on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed

Director of Law read resolution by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2275 passed as read.

Councilman Mead: That is all I have this evening, Mr. President.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson McKay had no report.

Solid Waste/Recycling Committee: Chairperson Don Wells had no report.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Rob Jaehnig: We do have one item tonight, Mr. President. This is the second and third reading on the CHIP program, on which we had the public hearing tonight with Mr. Whitaker Wright. Before we move to the motioning, are there any additional questions in regards to this resolution?

A motion was made by Jaehnig and seconded by Mead to suspend the rules and give the second and third reading on the resolution Authorizing the Submittal of an Application

for the FY 2012 Community Housing Improvement Program Grant and Declaring an Emergency.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by Mead to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2276 passed as read.

Councilman Jaehnig: That is all we have, Mr. President. Thank you.

Safety Committee- Chairperson Don Wells: Mr. President, I have one item on the agenda tonight. It is the first reading on a resolution giving authorization and support for an application to the Ohio Department of Development, Local Government Innovation Fund (LGIF), and Declaring an Emergency. I am going to ask the mayor to speak a little bit about this. He's an expert on this.

Mayor Riley: The State of Ohio is anxiously looking at the possibility of a lot of the political subdivisions to merge services, combine services, for the efficiency and effectiveness of the taxpayer dollars. The LGIF, the Local Government Incentive Fund, is a fund that has been established for just that purpose. We have the possibility of looking at safety services throughout our entire community. Obviously, every township, every village, has an EMS service. We have dispatch. Actually we have two very well-operated dispatch systems that are providing dispatch to every police officer, firefighter, EMT throughout the community. If there is an opportunity to merge some of these services and to look at ways of combining services, I think an unbiased third party needs to look at that and give us an evaluation. So, by using these funds, we can get that unbiased third-party opinion. There is a party in Columbus that we have contacted who do this. It is made up of former Ohio State Patrol Officers, firefighters, EMT's, safety services people in general. They have agreed to do this for us. We can use those funds to help get the assessment done. And we can also use the funds to help implement those programs as needed. To be honest, I have no idea what they will find. I think we've got great dispatchers. The sheriff has a great dispatch. Certainly, the city has wonderful dispatch services. Everyone is doing their best to provide good EMS. One of the problems we have with EMS, particularly outside of Wilmington and outside of Blanchester, most of it is being offered by volunteers. And, in talking about this the other day, a gentleman told me that his son broke a leg during a sporting activity at East Clinton and it took an hour for the squad to get there. Boy, that is way too long for a young man to be waiting to be transported with three bones broken in his leg. That was years and years ago, but still, those types of things can happen. I don't know what these gentleman with find, but I think it is worth spending some money to find out what potential there is if we can do this.

Mike Mandelstein asked what the city's out-of-pocket expense would be for this assessment.

Mayor Riley: \$4,800, I believe.

Mike Mandelstein asked how long it will take for the assessment from the time they commence to the time they report back.

Mayor Riley: I have no idea.

President Kirchner: Just for clarification, Mike. At this point, this is simply legislation to authorize application to the LGIF for the funds. We don't even know if they will be appropriated. And, of course, if they aren't appropriated, they wouldn't be spent. At that point, we will have more details if we do get awarded the funds to fund the study.

Mike Mandelstein said he was thinking about some of the complications that have gone on as far as past business from previous council and administration getting cleared up in

the following years. He said he was just wondering what the time table might be and if it is expected to take longer than a year.

Mayor Riley: The grant application has to be submitted by April 2. At that time, we would contract with the study and we would get from them a timeline of their deliverables. My guess, Mike, I would push for a diligent investigation by them, but I certainly would want something done by end of summer. I don't know how long. Doing this March 1, I would be confident that we would have results back by the end of the year and everything would be behind us. Also, I have talked to the sheriff's office and Sheriff Fizer himself as well as Col. Prickett, who is in charge of their communications. They are more than willing to take a look at it, which is key to this. Who know what they are going to find. It would be rather nice for them to say, "You guys are doing a great job. You're doing better than most other communities." Maybe they'll find a little room for improvement and a little room for more efficiency.

TRANSCRIPTION INTERRUPTED – END OF TAPE.

Councilman Wells: Thank you, Mr. Mayor. Are there any questions?

A motion was made by Wells and seconded by McKay to give the first reading only on the resolution Giving Authorization and Support for an Application to the Ohio Department of Development, Local Government Innovation Fund (LGIF), and Declaring an Emergency.

Motion passed.

Wells requested that the second and third readings be on the agenda for the next meeting.

Downtown Revitalization Committee - Convener Mark McKay – Thank you, Mr. President. I have the pleasure of asking council tonight to appoint a couple of folks to a very important board in the downtown. It's called the Design Review Board. I am pretty familiar with that as my wife Tammy served on that for a couple of years. In fact, she was one of the Charter members. But, with time and attrition folks drop off of the board. The way this is set up is council appoints three people to the board and the mayor appoints two people to the board. The mayor's appointments are Susan Ertel and Steve Brown. Council already has one appointment, which is Leilani Popp. She will be put on this resolution as well. The two new members – one who is in the audience tonight – are Phil Swindler and John Schum. John is right over here – if you would wave your hand and say hi to him. We really appreciate folks like these stepping up and volunteering. I had the pleasure of asking John if he would serve on this. He didn't hesitate. Of course, he is a business person in the downtown and very familiar with the types of things it takes to evaluate the store fronts, facades, signage and things of that nature that this job entails. With that all being said, do I have any questions?

Councilman Mead: I just want to make a comment, I know John has had some problems in the past and he is aware of some of the things that can happen. He understands when people have a problem that it is frustrating, so I am sure he can be a big help on the board.

Councilman McKay: I think we had that discussion, didn't we?

John Schum: I believe so.

Councilman McKay: He said that there are some rules and regulations that people have to follow. You're going to get a copy of those. Are there any other questions?

A motion was made by McKay and seconded by Wallace to give the first reading only on a resolution Appointing and Re-appointing members of the Design Review Board and Declaring an Emergency.

Motion passed

Director of Law read resolution by title only.

A motion was made by McKay and seconded by Wallace to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by McKay and seconded by Jaehnig to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2277 passed as read.

Councilman McKay: That's all I have, Mr. President.

President Kirchner: Thank you, John, for being willing to serve.

Parks and Recreation Committee - Convener Rob Jaehnig: We have nothing on the agenda tonight. I did want to comment that the Parks Board is continuing to have weekly meetings as they work through how they are going to restructure and move forward. I do hear a great deal of rumors in regards to what the parks are going to do or not going to do. I can assure everyone that everything is going to be moving in the very slow and precise manner. There have been no decisions made. They are doing a very thorough job of investigating where they are and then making determinations of how to move forward and are very excited about the possibilities that they are looking into. Also, just to expand on the downtown revitalization, just real quick. Mark, I waited for you to do it. We did have a new business open downtown this week – The Crave – a candy shop. It's between the Murphy Theatre and Books 'N More. I already got my chocolate fix yesterday and I may have to go back again tomorrow. I thank you for your time.

President Kirchner: That would be across from Shake Those Pounds, right?

[Laughter]

Councilman Jaehnig: I've never heard of that one.

Councilman McKay: Thank you, Rob.

Mayor Riley: I hugged the owner.

President Kirchner: Just in case folks think we aren't doing enough for economic development, we're now handing out Mayoral Hugs.

[Laughter]

Mayor Riley: I hugged the owner; bless her heart.

President Kirchner: I know we don't have the Service Director with us tonight. Mr. Mayor, do you have any report?

Service Director- In the absence of Service Director Larry Reinsmith, Mayor Riley: I just wanted to report that Service Director Reinsmith had some fairly extensive surgery on his foot and will be out for a while. He keeps saying he is coming back next week. If he does, I may kick him out of the City Building because he was told to stay off of it for about six weeks. Keep Larry in your thoughts and prayers. I know it has to be painful. One other thing that I wanted to mention and I was very remiss. I thanked Mike Wallace; I thank the coach for reminding me. Just this past week, we had an outstanding young person in this community win the State Championship in swimming – Josh Quallen. I think that's absolutely amazing that some young man from Wilmington, Ohio, is winning state championships.

[Applause]

Councilman Jaehnig: The good news is, he is only a junior.

Mayor Riley: I know! Thank you, coach.

Councilman Wallace: The second race he swam, he swam 20 minutes after that, was a butterfly, which I think is one of the toughest strokes out there. He actually set the state record and came in second.

Mayor Riley: What an athlete. I can give you some credit for this young man. As the Athletic Director, you encourage these young people. Mike, we appreciate it. Thank you for all you do for the kids of Wilmington.

[Banter and discussion]

Safety Director – Safety Director Burton: No report, Mr. President.

Mayor Riley: He is a new grandfather, though, since our last meeting.

President Kirchner: I believe we will reflect in the report that Russ is a new grandfather, then. Thank you and congratulations.

Reports:

A motion was made by Wells and seconded by Jaehnig to approve the Income Tax Report – February 2011, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

Paul Hunter: 200 Randolph Street. Mr. Hunter explained that his presentation concerned the JUMP hangar, the Joint Use Maintenance and Paint hangar that is contemplated of being built out at the Air Park. He presented a handout to council. He said the purpose of the presentation was to discuss the TIF (Tax Increment Financing). He said that in this situation, it allows the city to declare certain property development located in the City to be for a public service. This declaration allows the city to divert all or a major portion of the property taxes that the development would have generated to be used to help pay down the mortgage, in this case the JUMP hangar. He said that the long payoff of the Sort F Building was indirectly reduced by abating 100% of property taxes on the building for seven years. The abatement, which began in 2007, will continue until 2014 and will cost local tax revenue shares around 4.5 million dollars. Mr. Hunter explained that the city hoped when they built that building that we would see revenues pouring to the city, the county and school system, but that did not happen. The experience we got was an empty building and surrounding areas, which produce nothing but must be maintained. He stated that it was his understanding that in our economic situation, corporations take risks and either gain rewards if the plan is good or suffer the consequences if the concept fails. It is not the purpose of local governments to take risks with taxpayers money on businesses they know nothing about and put money at risk based on a promise of jobs that may never fully materialize. The county, the city and the CIC have already donated over a half-million dollars to that project. This project created matching funds to facilitate loans and grants for the construction of the JUMP hangar. The sponsor and the end-user of that hangar has publically stated, as quoted in the paper from the ATSG Board of Directors, that they had better things to do with their money than contribute to that matching fund. Mr. Hunter explained that the TIF process is very awkward and involves establishment of a separate parcel at the Air Park. The city will gain title to that property and give the title back to the Port Authority. The council will then pass an ordinance that will include the amount of property taxes to be diverted to the hangar mortgage pay down and the terms of the agreement. This tax diversion is very complex. He said the handout is more detailed. He said the best case scenario under a TIF is that the schools will agree to a 75% ten-year tax exemption. The county and the city will forfeit 100% of their share of the tax revenue and 250,000 per year will be applied to the hangar mortgage. Mr. Hunter offered two alternatives. The first alternative involves the Enterprise Zone created by the county and the city several years ago. He

explained that it is a simple system where if you build an improvement or new construction in the enterprise zone, you can apply for and receive a 75% tax exemption. The city schools and county, everybody else gets their 25%. The schools can usually ask for a little bit more. He explained that we have done one for Timbertech as a model. Mr. Hunter said that he prefers his second alternative because no taxpayer money is put at risk and all tax revenues from the hangar project would go toward improving budget problems faced by the city, county and the school district. In 1970, the city ordained that the Wilmington CIC (Community improvement Corporation) be the development arm for Wilmington. The CIC has had a long and historic tenure, but with the creation of the county-wide port authority, the CIC has become redundant. Mr. Hunter said that during its time, the CIC has acquired significant cash and property portfolio, meant for city development. The portfolio totals more than 2.4 million dollars according to their 2011 financial statement. These funds are being depleted every year because they have no new revenue, yet they have to pay taxes on the properties that they own and they have to pay their staff. Each year, that money is disappearing slowly. They have no mission because the Port Authority now does all of the things that they were created to do, plus. He suggested that the CIC be asked to transfer that money over to the Port Authority. He went on to say that he was not sure about the legal aspects, but thought that if the city created it, then they should be able to un-create it. He concluded by saying that if we can save the JUMP hangar, maybe the jobs will show up and we will all prosper, but we would not be putting any precious tax revenues at risk.

Mayor Riley: Just as a point of correction, Paul, at the last Wilmington CIC meeting, the executive Director has agreed not to accept a salary anymore, so he is unpaid at this time. That was about \$20,000 a year, I believe. So, he is no longer going to be accepting the payment. He will be working pro bono. I would have to check the report to see how much it was, but there is money coming in every year from the rental of the farmland. There are a few hundred acres that they are renting.

Paul Hunter: 126 acres.

Mayor Riley: 126? Thank you.

Paul Hunter: Some of it is rented; some is not.

Councilman Jaehnig: It's almost about 1600.

Paul Hunter: But they also have to pay property taxes. They are not tax exempt like the Port Authority is. The newest member of our CIC is our new mayor.

Mayor Riley: Thank you.

Mike Mandelstein: I have questions about what you were saying. What is the legality of transferring the funds?

Paul Hunter: That's what I'm saying. That's up to the legal eagles. The city created them. They have already given 125,000 and 250,000 to the port, donated to them, so they can give to them if nothing else.

Mike Mandelstein: So it is conceivable, if they have already gifted two amounts, you're saying you believe they can gift the entire...

Paul Hunter: I know they can gift that if they decide to do it. It's a good and older established organization. They have a lot of history. They are the ones who got the air park from the airport back in 1972. They converted that and sold it and that gave them a pot of money, but they bought land and sold land... So, they're not gaining any new territory. They're not doing any development, which is what they were created for.

Mike Mandelstein: Then, I was put the next question to you, Mr. Mayor. Do you know why there has been no new development by CIC at this time?

Mayor Riley: I can't give you dates and times, Mike, but there has been movement by the CIC. They helped Alkermes and Emsar, several of the companies that are outside of the fence, helped them get established because they are now on land that was owned by the CIC of Wilmington.

Mike Mandelstein: Okay, so, they're still a functioning entity, albeit with gradually dwindling assets, the Clinton County Port Authority is a new and functioning entity. Without putting anybody on the spot, is there anybody in this room that sees where both entities need to be essentially, one of them lopped off, in this case, Mr. Hunter proposed disbanding CIC? I'm having a little bit of trouble getting my head wrapped around the idea of disbanding CIC based upon what I know when I first came here 37 years ago.

Councilman Jaehnig: Well, one of the things to keep under consideration. The Port Authority works on the port. The CIC works on development for the entire community.

Paul Hunter: That's incorrect, sir. The port has authority over the entire county. The port did one of their projects as the Air Park, but they're county-wide jurisdiction. They can do a job in Sabina. They can sell bonds for Blanchester.

Mayor Riley: I think to answer your question, Mike. They have different missions. The mission of the Port Authority is to engage companies to come here right now. Right now, the most marketable property we have is the Air Park, obviously. They are working with Jones, Lang, LaSalle and several other people. There are several other companies that they are working with to bring to the Air Park. They are quite busy. I would say that the role of the CIC of Wilmington is more as stewards of undeveloped property. It's property that's there. It's in a prime location. If a sister company of Alkermes or some other company wanted to come to Wilmington and they were looking for someplace outside the fence, the CIC could work with them to make them successful by working with them on property and that type of thing. So, they are one of the stewards of this undeveloped property. Once somebody comes to town and they want to establish a business, that property becomes property of the new business.

Paul Hunter: The Port Authority is broke. There's no getting around it. So, we've got to do something for them. They've taken the property tax down to try to save cash flow. They're still not out from...

Mayor Riley: And you're very right, Paul. The CIC did help them out and has given them money in the past. Is that going to happen again? I'm not going to speculate one way or the other.

Paul Hunter: No. I'm proposing that it be considered.

Mayor Riley: But, there is a history of them working together, and that's a good history.

Mike Mandelstein: So, based on what we're hearing here, especially what I'm hearing from you, Mr. Mayor, they are both entities that still need to be very much active in the community. That's the impression I'm forming from your response.

Mayor Riley: I see no reason, as Paul suggested, to combine them.

Mike Mandelstein: So, moving on from that and to really muddy the waters... Where is the local Chamber of Commerce, then, in all of this as far as encouraging, developing or stimulating any potential location or relocation of business into the city particular or the county in general? And, to really pile on, is there, forgive my ignorance, is there a liaison between these three entities that meets regularly, irregularly if at all, or is this something that I've just thrown a match into a field full of soaked gasoline?

Councilman Jaehnig: Mr. Mayor. Let me just say something. We actually pointed you out on Monday night, wanting to know where you were. Because your question is right on target in regards to what the mayor spoke about as part of his presentation at the Town Meeting. That is, with his work, in conjunction with Mike Curry, the two of them have developed an Economic Development Group that is now meeting on a monthly

basis. I was very proud to say this morning at the Network Alliance that an openness and communication between these economic development groups, CIFT being one of them, and that is why I am aware of this. Working together instead of allowing to be at odds or who is going to land the business instead of making sure somebody lands the business. I was extremely motivated and felt very positive about it by the end of the meeting. I applaud the mayor for his work in putting that group together. It addresses that exactly. Included in that group is the Chamber of Commerce. They have been very active and they have been very vocal about not being at the table at some of these discussions. Also included in there is the CVB, the Convention and Visitors Bureau, with the economic development of tourism aspect of what is going on in our communities. So, everybody is at the table now, and we are working very closely together to make sure that we all succeed. Not to steal your thunder, but I applaud you greatly for putting that together.

Mayor Riley: My thought process in putting that work group together was to try to identify any group or organization, including the chamber of commerce, the Convention and Visitors Bureau, the City, the county, any organization that might get a phone call. Imagine, Mike, if somebody googled Wilmington or Clinton County, and they were thinking about bringing a business here, what might come up on their Google search. Those were the organizations that I wanted to have at the table. Rob covered them all very well. We are also looking at who is going to have primary responsibility, secondary responsibility, collateral responsibility, who the other stakeholders might be. We've only had one meeting so far, but the purpose of the meeting is to talk freely and openly about what's going on amongst that group. Some of the stuff that we may talk about – we do not want printed in the paper yet. Because if we get a company that has asked for nondisclosure, Rob might have some information he can give us, but not full disclosures. So, we're kind of working to keep everybody on the same page who has a big role in economic development. The first meeting we had this past month, I think it went very well. The chamber was very actively supported. We had the chamber director as well as the president of the board of the chamber at the meeting. Thank you.

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

Christine Estel: 777 E. Columbus St. I think most of you might have seen me last year on the same thing about the salvage yard at 805 E. Columbus. Last year you told them that they cannot have a salvage yard. They didn't go through the proper channels to have it come into the city and there was no salvage yard permitted in the city. The salvage yard is still here. As you can see, I put pictures in there last year at the beginning. At the very end of the picture of the salvage yard, it shows he has added more cars after being told not to. I have on the very back page a salvage yard fire that was in Dayton last year where they had to close down the streets because of toxic fumes, smoke. This salvage yard that is close to me is like only 100 yards from a city school. To me, the safety of it, it's just not right to have it in the city limits. I had talked to Randy about it and he has worked with me. On the front of it, is a petition that we took around the neighborhood, and if you look to the far right, it shows how long people have lived there. They don't want it in their neighborhood. I mean, it's not a very big neighborhood, but you have this right against their back yards. They go out into their back yards and they see junk cars. It's just not to be in the city limits. It's not safe. I guess what I'm up here tonight, I went to you before, I went to city zoning and they told them that they couldn't have it. He is still bringing in cars, as you can see on the last picture that I added in there. He's added a whole new row to the far left side. He's taken it all the way around the back of the fence. He's still taking cars in. I don't know how you're going to stop it. I really don't. I mean, it's a concern of the neighbors. The older people that live in the neighborhood have asked me several times what is going on. I say, you'll just have to wait and see. I just more or less want to remind you about it and keep you informed about it so you know it is in the city limits so something can be done with it.

Scott Kirchner: Brian, do you know where we are on this?

Brian Shidaker: Absolutely. Do I know where we are on it? Randy, do you want to discuss where we are on it?

Mayor Randy: I don't want this to sound like I'm putting you off at all, but we have an ongoing investigation...

Brian Shidaker: Right.

Mayor Riley: I would defer to our Acting Chief, but I wouldn't want to discuss the details of an investigation. I want you to know, that this is not a forgotten issue.

Christine Estel: That's what I wanted to know.

Mayor Riley: It may have been swept under a rug; it may have been forgotten at one time or another – I don't know – I don't know how it got to the point that it is today, but this is not a forgotten issue. When I say there is an ongoing investigation, I truly mean things are being done to find out what is happening. Also, Chris, if you see a car being brought in, let us know. If for no other reason, so we can log it one more time that it's coming in, and that will become part of the investigation. Because, we're really in the legal areas now of how to get this stopped. Then, we will be in the area of remediation and getting those cars out of there. I'm not going to be happy or comfortable until there is no junkyard in your neighborhood.

Christine Estel explained that she works during the daytime and is not there. She also said that she has spoken to her neighbors and have asked them to call her and report when things happen so she can call it in, but they are reluctant to get involved because they are older and scared.

Councilman Jaehnig: I can understand that completely, but again, it's our community. If we don't stand up for our own community, then shame on us. It is the hard thing to do...there's no doubt about it...it is scary to do. Being on the wrong side, being a witness of two violent crimes in the past, I know it's a very concerning issue. That was in Dayton, which is far scarier than Wilmington. If I can just implore them to assist us. Literally, all they have to do, behind the window, is just mark it down and let us know.

Christine Estel said that she has explained that to the neighbors. She said that they will try to help however they can and that she just wanted to keep the city informed so the issue is not forgotten.

Councilman McKay: I have a question. Can we give her any kind of idea of how long this process might take?

Mayor Riley: I've talked to Chris in private and I've told her some of the things – some of the details of the investigation that I would rather not make public.

Christine Estel: Yes. That's fine.

Councilman McKay: That's confidential. That's fine. I was getting the feeling that she didn't have all of the information.

Mayor Riley: I would also point out to council and to the citizens, the photos you see of junkyard fires, that is not an exaggeration. That may not be a great big junk yard. I don't know if any of you were around when we had the fire up on Prairie Road, at the junkyard. The smoke from that fire could be seen as far away as Washington Court House. It took a lot of effort to get that down. There was a heck of a lot of toxic material thrown into the air. There was not a housing subdivision just across the street from it. That's the main reason for my commitment to saying that we're going to get rid of that junkyard. I don't want this in our city.

Christine Estel said that the photo she brought in was from just one junkyard and that there were several others on the internet.

Councilman Jaehnig: I was in Dayton last year when the junk yard in Dayton was on fire.

Christine Estel said they told them to stay inside because of the toxic fumes. She said that the lawyer that was with him during the Zoning Council made it sound like it was nothing. He said, "It's only 450 cars." She said she thought that was 450 cars that should not be there. She said they could be leaking antifreeze or leaking acid from batteries and getting into the groundwater. She said, in addition to all of the rodents, one of her neighbors thought he heard a coyote back there. She said she had heard different kinds of noises like a coyote. She went on to say that too, that she had seen children in the neighborhood climb the fence and was worried that one of them might get caught in a trunk in 90-degree weather. She said that there were a lot of issues, she knew the city was trying to resolve them, but it just seems like it's dragging.

Mayor Riley: I've been here for two months, hang in there.

[Laughter]

Brian Shidaker: I'll just want to add one thing, Mark. I have a priority list in my office. This is number two on the priority list. I'm definitely working on this.

Councilman McKay: That's not bad.

Christine Estel expressed her thanks.

Brian Shidaker: It's a top priority.

Mayor Riley: We've discussed this.

Councilman McKay: I'm hearing a lot more positives than the last time you were here.

Mayor Riley: I've spent considerable time talking with Brian about it and also talking with the Police Department about it. This is a priority issue for us. I want to thank you again for coming. You are protecting your neighbors and your property, and I do appreciate it.

Christine Estel said she had one more issue she wanted to bring up. She said that the road over on Columbus Street needs attention behind the school because of all of the school bus traffic. She said that it had not been repaved for a long time and it is in disrepair.

Mayor Riley: Are you talking specifically East Columbus right there?

Christine Estel described the bus route and the amount of traffic on Columbus and Applegate behind the school.

President Kirchner: We appreciate you coming tonight.

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

Dick Unger: 1036 N. Lincoln Street. Mr. Unger said that he was not able to come to the Town Hall meeting but did appreciate the article in the paper. He said he has concerns about the point brought up by an ex-council member regarding creating an income tax rather than an earnings tax. He said he felt that would be too much of a burden on elderly people who depend on a fixed income pension to survive. He said it seems like old people are an easy target to pick on, and he did not think it was a good idea. He said you just can't keep taxing people that have no source of income when they're on a fixed income.

President Kirchner: Thank you, Dick. It would seem that the majority of tonight's audience has participated in tonight's meeting. I would like to continue to open it up in case there are any remaining.

Mayor Riley: Pat Haley hasn't said anything yet.

[Laughter]

Mayor Riley: It's good to have Pat Haley with us, too. It's always good to have the commissioners. I remember working with you guys. Are you going to give all of the hospital money to the city?

[Laughter]

Pat Haley: It is a pleasure. I like to come over and listen to know what is going on. As the mayor said, he was over yesterday and we talked about combining and consolidation in general terms. I think that's encouraging. I feel a good spirit when I do come into council chambers. Anything the commissioners can do to be help to the city, we're right across the street. It's always good to see all of you.

[General comments and banter]

President Kirchner: I would also like to note that former Councilman Jan Claiborne is here this evening. Jan, did you have anything you wanted to add? For the record, I was at the meeting the other night. Jan was not the former councilman who made the recommendation that Dick spoke about. But, it's good to see you, Jan.

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

A motion was made by McKay and seconded by Jaehnig to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, March 15, 2012, with President Scott Kirchner presiding.

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

Assistant Chief Duane Weyand was also present.

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

Council gave the Pledge of Allegiance to the flag.

President of Council

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, March 1, as received.

Motion passed.

Minutes approved as received.

President Kirchner: Item two tonight is three readings on the new council rules. We will be asking that it be declared an emergency. We have reviewed the Rules of Council and updated them to more modern times to reflect what we are doing, and we have also added something that we are going to be trying out tonight, which is a new roll call vote procedure which will rotate it. So, I will encourage all of council to stay on your toes and listen for your name. It won't be in the same order you have been used to for a while.

[Banter]

Councilman Jaehnig: Having not had a piece of legislation out of ad-hoc in a long time, I have a question in regards to procedure. Is that something that a council member has to put forth in a motion?

President Kirchner: It is.

Councilman Jaehnig: Then, I would gladly do that.

President Kirchner: That is fine. I would gladly accept it.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on the ordinance Amending Codified Ordinance §110.10 Regarding Rules of Council and Declaring an Emergency.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Siebenaller, yes; Mead, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to pass the ordinance as read.

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

Motion passed.

President of Council declared Ord. No. 5017 passed as read.

President Kirchner: I just realized an edit problem I have on that sheet. I don't know if anybody else caught that. I apparently switched Siebenaller and Mead, so we will be visiting that again. The next item on the president's portion is the announcement of a public hearing to discuss electric aggregation. In the Ad-Hoc Committee, we also visited the question of whether or not the city might consider getting into aggregation. It was the Ad-Hoc Committee's desire to send it to full council and to advertise an opportunity for

the public to come and have input to it, ask questions about, and we will be doing that during the regular council meeting on Thursday, April 5, at 7:30 p.m. We just want to make sure that got out to the public. There are copies of the press release over there for anybody in the audience. And there's one up here for you Gary, the original, if you would like it for the News Journal. We would love to get the word out to folks so they can come and find out about it and give any input. There is no more under my part of the agenda; however, I did, just before this meeting, get indication that we have a date...that is correct?...that we will be calling a special council meeting for the purpose of holding a public hearing. It will be the only item on the agenda, regarding potential legislation on licensing fees for games of skill, electronic arcades, whatever you want to call them. But, we will doing that meeting here in council chambers on Thursday, April 12. It is my understanding that is at 7 p.m. So, 7 p.m., Thursday, April 12, there will be a special meeting for a public hearing only on that item. Then, one last item I had in my packet was that the Clinton County Solid Waste Management District is needing volunteers in March, April and May for cleanup. Groups who wish to contact them can call them at 382-6177 to get involved in volunteering on cleanup days. That is the completion of my portion of the meeting. Our mayor is on vacation, I believe, so we will have no mayor portion. We will jump right into committee reports.

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

Asset, Acquisition and Use –Chairperson Bob Mead: No report this evening, Mr. President.

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

Finance Committee – Chairperson Bob Mead: No report this evening, Mr. President.

Water Committee – Chairperson Mike Wallace: No report, Mr. President.

Streets Committee – Chairperson Mark McKay: No report, Mr. President.

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President, I have no report this evening, but something has come to my attention. We have got...where the railroad crosses Sugartree, close to the Shoppes at the Old Mill area, along the railroad property, which would be to the south, there is illegal dumping going on right there in that area. Has anyone looked at that? Have you seen that, Larry?

Service Director Reinsmith: No, but I think has been going on for years. Hasn't it, Bob?

Councilman Mead: They clean it up and then it comes back.

Service Director Reinsmith: Yeah...they clean it up and then they start it again...they clean it up and it starts again.

Councilman Wells: I was out there and looked at it the other day and... What can we do about that? Anything at all? Who cleans it up? Do we clean it up? The City?

Service Director Reinsmith: I don't know. I think that we have had some trucks out there before and they loaded them. We've done a couple of neighborhood cleanups out there and brought trucks out there and everything. We have the same problem on Hawley Avenue.

Councilman Wells: I had not noticed this before. This time I did. I looked at it and I was stunned; I didn't know anybody was doing that. So, I didn't know what we had to do to... Of course, it's illegal to do that in the city. Now, that is railroad property, is it not?

Service Director Reinsmith: I'd say it is. It's almost up to your building, Bob. I don't know.

Councilman Mead: It's railroad.

Councilman Wells: I wanted to bring that to the mayor's attention tonight, but he's not here, so... I do hope maybe we can take a look at that.

Service Director Reinsmith: Well, I'm going to talk to the railroad, so maybe I'll mention that to them. I'll tell you about it then.

Councilman Wells: Thank you.

Councilman Jaehnig: Could you mention again the regulations in regards to box springs and mattresses. I know spring cleaning must be going on because all of a sudden they are ending up on the lawns again.

Councilman Wells: As far as I know, on the box springs, they are supposed to be wrapped in plastic. Is that correct?

Service Director Reinsmith: Yeah. But, we've modified that a little bit.

Councilman Wells: We have?

Service Director Reinsmith: Yeah. Right before I went for my surgery I think I told Donnie, if we have stuff out there that sits out there for more than a week, we've got to get it picked up. We can't let that stuff lay around. If it means we do a pickup one day a week, we'll go and do the whole city and the boys who do it wear Tyvek suits because of the bedbugs. We will do it that way, but we can't continue to let these things sit around for two or three weeks and hope that somebody picks them up.

Councilman Wells: Okay.

Councilman Siebenaller: One other question in regards...you made me think of this when you mentioned the Sugartree Crossing with the railroad there. I think it was back in the fall the question was asked about that particular crossing. I notice that is really rough. I think you had mentioned that you had talked to the railroad....

Service Director Reinsmith: You know, the business out there had filed a complaint with PUCO and they came down in October and did an inspection and said, "Yes, it's a mess." So they notified the railroad and gave them 30 days to clean it up and said they would be back in 30 days to inspect it. So on November 18, I think, they came back and inspected it. They said, "No, he hasn't done anything." Then in December they wrote us a letter saying, "We did this and they didn't do this and we're going to close the case." But they say the city has the right under ORC 4920 to do something. Of course, I didn't do anything in January or February because of the winter. But today I wrote them a letter and I gave him 30 days. I told him he has 30 days to fix the crossing adequately – not just throw in a little bit of cold mix – you've got to do a good job to our satisfaction, or we're going to go ahead and...That Ohio Revised Code section allows a municipality to have somebody repair the crossing and then we make the railroad pay for it. I gave a copy of that letter to the Law Director. We sent it certified down to them.

Councilman Wells: That's good. That's good. Anybody else? Any other questions?

Mike Mandelstein asked if the awareness factor for the disposal of mattresses and box springs was high enough. He asked if there could be an assessment added to the utility bills to cover the expense. He said the city could pick a number they thought was reasonable. Mr. Mandelstein also asked if there was a minimum standard for repair that could be presented to the railroad to ensure that the job was completed to the city's satisfaction and so there was no question as to what is expected.

Service Director Reinsmith said he thought they would repair it to a minimum standard.

Mike Mandelstein asked if both sides know what the minimum standard is and if there was the potential for misinterpretation.

Service Director Reinsmith said that is really was not that difficult.

Mike Mandelstein asked about a situation in Greenfield where cars went off the tracks and they had to come back with a crane days later.

Service Director Reinsmith explained that they had a broken rail right there and they went in and repaired that rail. He further explained that they did not do a full repair at the time because of weather or some other reason. He said that they had never come back and finished the repair.

Councilman Wells asked about the special fees.

Service Director Reinsmith: I know we've talked about that. I know Don, he wants the ability to assess a special fee on things like that.

Councilman Wells: It's not been very effective because when you make a special fees, sometimes people will just heave it out somewhere in the middle of the night and leave it, and we still have to go pick it up.

Mike Mandelstein: Would you say that compliance would be in a majority then as far as the special fee or you're just saying, "Why waste the time?"

Paul Hunter: Many of those are evictions. You're not going to get any money out of those people.

Mike Mandelstein: Could it not be assessed to the owner of the property then?

Councilman Wells: We can do anything, but, you know...

Councilman Jaehnig: There's no guarantee that the owner of the property is actually the... I have people drop garbage in front of my house to be picked up. There is no reason to believe that the same thing wouldn't happen with a mattress.

Mike Mandelstein: Human nature being what it is, I understand, but gentleman, if you...

Councilman Jaehnig: Our concern is more for our employees and not wanting them to be bringing bedbugs into the vehicles and, God forbid, into their homes. That's why the ordinance was put into place – to protect our employees more than anything else. Once it's in the landfill, we really don't care. We are just asking our residents to please be considerate and consider those who have to handle them. Even if they were clean when they put them out in the road, they may not be by the time they get them.

[Anecdotal discussion of mattresses]

Councilman Wells: Well, when we have the next solid waste meeting, maybe we'll talk to Donnie about some of those situations.

Service Director Reinsmith: If you want to impose a fee, I don't think we should go crazy with it. I made a suggestion and I ran it by the mayor and he thought it was good. I said, "If that's the way they want to be, let's just pick one day a week and not do it during the regular route days, one day a week, we'll get everything. They'll make the one run through the town, wear their little Tyvek suits, get them picked up and clean up the town. That was my suggestion and he thought it was pretty good, so that's what I told Donnie.

Councilman Wells: Okay. Thank you.

Mike Mandelstein: How about an amnesty day maybe once a month where they get to bring them down to the landfill and nobody gets to handle them.

Service Director Reinsmith: They can do that any day of the week.

President Kirchner: The issue, Mike, is that many of these are evictions. They can be thrown out by any number of people just on their way out. Sometimes it can be college leaving town...any number of things.

Mike Mandelstein: I understand that. It's just there's a property owner behind these places somewhere.

President Kirchner: I agree. But, it's not necessarily the property owner that's done it. So, I think Larry has a great solution to use our resources effectively and keep our people protected. I think that's the critical thing – keep the mattresses and box springs out of the town and our folks from having bedbugs.

Mike Mandelstein: Any idea where it would play into the costs in the current finances in the city?

President Kirchner: Mike, I'm going to go ahead and move on this one.

Service Director Reinsmith: Mike, before we always picked them up anyway. So, it won't cost us any more anymore.

President Kirchner: We're not adding bodies and we're not paying overtime to do it. I think it's within in the same cost structure.

Councilman Wells: Thank you, Mr. President.

President Kirchner: You're welcome. Thank you.

Wastewater/Sewer Committee: Chairperson Loren Stuckert: Mr. President, we have no report.

Judiciary Committee: Chairperson Rob Jaehnig: We have two items tonight Mr. President. The first item will be a reading on an ordinance. We are looking to impose a six-month moratorium on games of skill establishments, adult gaming parlors, internet sweepstakes café and such while we study this further. We have a few sites that have already leased inside the community and while we get a handle on all the different aspects of this, before we have more and more and more move in, we are going to be looking to put a moratorium in place in regards to that. Are there any questions in regards to this motion?

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on the ordinance Imposing a Moratorium for a Period for Six (6) Months (180 Days) on the Granting of Any New Applications or Permits Allowing the Operation of Any Adult Gaming Parlor, Internet Café, Sweepstakes Café, or Any Other Facility Containing Sweepstakes Terminal Devices, and Declaring an Emergency.

Motion passed

Director of Law read ordinance by title only.

Jaehnig requested that the second and third reading be on the Agenda for the next meeting.

Councilman Jaehnig: The second item: I am very pleased to be doing the first reading on an ordinance adopting new codified ordinances in regards to off-street parking. Off-street is the non-public parking areas. It is the parking area businesses are required to put in when they maybe build a new facility. We have not updated our parking regulations in quite some time. So, in bringing things current with current codes across the nation and statistics of what makes a business successful, we will be reducing the parking requirements for new buildings and new construction and so forth. This is an effort to be more enticing to new development. Some of the reductions will be up to 45% reduction in number of parking spaces required. An example of that is if you think of the Staples development. All of you have driven by there. Rarely is that lot more than a fourth full. The reason they have that much parking is because those were the regulations at the time. So, we're going to right-size our off-street parking regulations to bring them into

line. This will also help with some of the developments that currently exist to freeing up land that could be developed as out spaces, which gives us a great opportunity for development without tearing up green space. So, there is a lot of good here in this particular ordinance to take that first step toward helping with economic development. Are there any questions in regards to this?

Councilman McKay: Like in the Staples situation, once this ordinance is passed, is there a way for them to go back?

Councilman Jaehnig: They would have been able to go back at any point through the PUD system and ask for a variance. This just says that the city is more open to that idea than they were in the past. The new developers are the ones that we are really trying to catch their eye. Because, unfortunately, if you have a development like Kohl's at one time – they were looking at what we were doing and looked at our ordinances, without talking to us, they may have made a decision about the fact that “Ooh, this is going to cost us an extra quarter of a million dollars in parking.” Now, a facility of that size is usually going to always be a PUD and that will all be negotiated out. But, again, we want to make sure that we are putting our best foot forward and really showing our openness for being current with the legislation and the codes.

Councilman McKay: I was just thinking that that would give more opportunity for development, especially in that area.

Councilman Jaehnig: And it definitely does, like the old Kroger/Wal-Mart complex. That will give them the opportunity for multiple opportunities there. Do you have a question, Bob?

Councilman Mead: Yes. The first time I saw this was yesterday when I got my packet. Are you saying...and this doesn't show what has been changed; it just shows what it is or what is proposed. Are all the numbers of parking places reduced from what they were in the old one?

Councilman Jaehnig: No. Not all. The retail ones were probably the ones that were affected the most.

Councilman Mead: Were all of the commercial ones reduced?

Councilman Jaehnig: Those were the ones that were reduced the most. A lot of the apartment parking spots and so forth almost remained unchanged.

Councilman Mead: I didn't have any problem with the residential. That seems reasonable.

Councilman Jaehnig: And these are minimums. This is the minimum amount of parking. They could put more in.

Councilman Mead: My point is, as a small businessman, there are a lot of small businesses out there, and these regulations could be quite difficult for a small business person to produce that many parking places.

Councilman Jaehnig: One of the changes, if you read in the text of the very first paragraph, is on the usable space, so it doesn't count the back room area or the warehouse area as it used...or the space that the shelving units take up...so, that's a major reduction in the square footage. This also doesn't apply to a facility like yours. It's already built.

Councilman Mead: It does apply, because it says if you alter or expand your business, you must comply with these regulations. Which means...

Councilman Jaehnig: And that's not a change.

Councilman Mead: Well, that's what I'm asking.

Councilman Jaehnig: That has always been the case.

Councilman Mead: What that means is that, with my little business, or anybody like me with a little business, which doesn't do very much business, I would have to install 60 parking places to comply with this regulation. Now, you are saying it's the same as the old one. Okay. So, I'm out of compliance now. But if I alter my building or...

Councilman Jaehnig: If you expand your building.

Councilman Mead: Or alter it.

Councilman Jaehnig: It really means expand. The intention is expand.

Councilman Mead: Well it says alter or expand and we have to go with what it says in the law. That would mean 60 parking places, and I probably have 15 now, which is 15 more than most stores. That has always been very adequate. If I make another expansion like I did a year or so ago, I would have to create another 40 or so fully paved parking places, which would negate the ability to even expand. So, I make an exception to...

Councilman Jaehnig: And you can still get variances in regards to that. Most of the ones that have been asked for have been approved. There are very few that have ever been turned down. But with businesses and buildings that already exist, there is very little enforcement going on. Unless, all of sudden, you decide and come and tell us "We're going to double the size of our facility." Okay, that's fine, but where are you going to put all of these people that are supposedly coming there. But, there are variances that have already been approved for many people that could be approved for your situation. With this new piece of legislation, maybe it does say 60 based on your square footage, my bet is before we made this change, it was closer to 100.

Councilman Mead: What I have a problem with is needing that many parking spaces for a business that small.

Councilman Jaehnig: But we're basing it under volume. If you put a different company in there that is a high volume company in the same square footage and we lower it that much, then they are not going to have enough spaces.

Councilman Mead: My problem is, I'm a law and order man, and I figure if we have an ordinance, we should enforce it. And you're saying, "Well, maybe we won't enforce it." I can see if this was a guideline for the people who approve new building. I could understand it being a guideline. The other thing that at least we're making clear is this is better than it was. My objecting to it is not changing anything because it's already in there – just like that. Right? Altering or expanding.

Councilman Jaehnig: Correct. That has not been a change.

Paul Hunter: Bob, you can go the Board of Zoning Appeals at any time and they would consider your situation and give you a variance. That is not breaking the law but that is giving you permission to do something less than the law.

Councilman Mead: I understand. I like to obey laws.

Paul Hunter: That is obeying the law. You go to the Board of Zoning Appeals and ask for a variance because you don't have the volume.

Councilman Mead: Okay. You're just asking for one reading. Right?

Councilman Jaehnig: We're just asking for one reading. That is correct.

A motion was made by Jaehnig and seconded by McKay to give the first reading only on the ordinance Rescinding Codified Ordinances §1165 and Adopting New Codified Ordinances in Chapter 1165 Regarding Off-Street Parking.

Motion passed
Director of Law read ordinance by title only.

Jaehnig requested that the second reading be on the Agenda for the next meeting.

Safety Committee- Chairperson Don Wells: We have one item. Tonight we would like to ask for the second and third reading on a resolution giving authorization and support for the application to the Ohio Department of Development, Local Government Innovation Fund, and declaring an emergency. This is to apply for a grant for the study of the dispatching systems. Are there any questions or comments?

A motion was made by Wells and seconded by McKay to suspend the rules and give the second and third reading on the resolution Giving Authorization and Support for an Application to the Ohio Department of Development, Local Government Innovation Fund (LGIF), and Declaring an Emergency.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by McKay to pass the resolution as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Motion passed.

President of Council declared Res. No. 2278 passed as read.

Downtown Revitalization Committee - Convener Mark McKay: No report, Mr. President.

Parks and Recreation Committee - Convener Rob Jaehnig: No report.

President Kirchner: Mr. Service Director. Welcome back. We trust that you're healing well.

Service Director- Service Director Larry Reinsmith: Yes. I have a couple of items: an update for Mr. Hunter. Our parking lot has not improved.

Paul Hunter: I didn't figure it had.

Service Director Reinsmith: No. I did send out final notice to him. I gave him 15 more days.

Paul Hunter: It's a good chance to test out the new man.

Service Director Reinsmith: I told him that he either gets it done in 15 days or expect court action. So that letter went out to him and we'll see what happens.

Paul Hunter: Thank you.

Service Director Reinsmith: If we have to fix it, we won't have any money to do it with. But, we have to figure something out.

[Discussion of parking lot]

Service Director Reinsmith: The second issue. I've thought about this a lot, is the gaming machine thing. I could care less about it one way or another. It is a business that wants to come to Wilmington that might provide a few jobs. I applaud anyone at this time who wants to come to Wilmington to start anything. I had people tell me that we had council people ask how we could stop the Dollar Store from being built at the location on Main Street. They didn't think it looked right for our city to have another Dollar Store on our Main Street. I don't think anything is going to look as bad as the old Fisher Lumber Company looked there. I also made the statement of how are we going to recruit for a fancy restaurant or anything to go there when it's cattycorner from an old abandoned gas station and next door to a feed mill. You know, the people that want to

build that dollar store there, they built it for a purpose because they want to accommodate college students that can walk from the college and shop at that store. Now, I know some people said we have a food kitchen right down the street and that looks bad. There probably will be a lot of people coming from the food kitchen stop there too and shop. It's hard to say we don't want these Dollar Stores in town. But there are a lot of people who can only afford to go to a Dollar Store. This brings a bigger subject up. It's really concerning. I know everyone wants to bring more jobs to the city, but we really have to open our eyes and we have to save what we have in this city. We just lost the Chinese restaurant on the south end of town. It was a fine little restaurant but they closed up. Granny's Kitchen closed up her food service operation. We lost Fortis at the beginning of the year. I got word that another big company is going to close by the end of the year and we will lose another 350 jobs. They've already started layoffs. We can't afford...it's like we need to create a task force where we go out and reach out to these businesses and sit down and talk to them and say, "Hey, how are you doing? Is there anything we can do to see if we can help you?" By the city...by the state...because this town is disappearing. We are going to end up with more and more empty buildings. Yeah, it would be nice to get somebody out at the air base with 5000 jobs, but we're going to lose everything in between. I wouldn't doubt by the end of the year, our unemployment rate is 14% or 15%. Because, I heard two factories might leave. Two big companies. That's serious stuff. You can't lay off enough people to cover that and still run the city. I think something needs to be created, like a task force to reach out to these businesses, to try to get a feeling for where they are. It's tough on those small businesses. You don't make any money. You pay unemployment, you pay Bureau of Worker's Comp, you pay local tax, state tax. There's no money left. They're all struggling. They all have increased utility bills and tax rates. We're going to have a city full of nothing here before too long. I mean. We got to do something. I know we had UDAG money, but we've always in the past kind of used that money to help businesses. Lately, we've bought more buildings and tore them down. That's created no jobs. You know, we've got empty lots to maintain now. So, we've got some work to do. We want to get new jobs, but we've got to save what we've got here too.

President Kirchner: I would completely agree with you, Larry. I know that the Mayor had made a commitment that he wanted to, on a regular basis, begin visiting existing companies here. While we are all hoping for new jobs coming in, one of the things that Mayor Riley had shared with me back during the campaign was why can't we go out and talk to businesses that are here? Is there anything we can do to help you expand? Are there any of our regulations that are inhibiting growth and inhibiting your operation. Randy wanted to do that reach-out and I believe he has actually been working on it with visiting existing companies. I can tell you, from my position, and I believe from every position up here, there isn't a thing that this council isn't willing to do to listen and to try to consider anything that can make business more competitive and fiscally viable in the town. I do believe that's true. The matter of what types of businesses we want in the town is a separate question from the fact that everybody wants to create jobs and good paying jobs. I completely agree with the statement, and I know the mayor has been working diligently with putting together the economic resources we have through CIFT, through meeting with the County Economic Development Coordinator, Convention and Visitors Bureau, Chamber of Commerce, and I don't want to leave anyone out. But, I know that he has put together a task force of all of the resources that are out there to try to recruit jobs. And they're meeting on a regular basis. Correct?

Councilman Jaehnig: That is correct.

President Kirchner: And Rob participates, obviously, as the CIFT representative locally. I think the organization and the effort is getting coordinated and done the best they can. A lot of that focus is new jobs, but you're right, we have to take care of our own too: the ones that are here. Point well taken.

[Banter regarding economic development]

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

Reports:

A motion was made by Wells and seconded by Mead to approve the Auditor-Treasurer's – February 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

Councilman Jaehnig: Just in reference and to expand on your comments, Larry. The group that Commissioner Curry and Mayor Riley put together – the Economic Development Group – is the Regional Planning Office, the County, the Economic Development Director, Brett Dixon with the County, Mayor Riley, Convention and Visitors Bureau, the Chamber of Commerce, and CIFT. That is to make sure we are all very open and having open discussions about everything that is going on. For two reasons: One is to support each other in the different actions that we're taking and make sure we are working together and not against each other. Secondly, to not duplicate work so that we can get more work done than actually doing the same thing over and over again in different departments. I am very pleased to say that I met this morning with one of our newest businesses in town, with Mr. McKay and Brenda representing the mayor, and that is Sapling Learning. Sapling Learning is based out of Austin Texas. They are very, very high-tech educational systems, mainly for the college field in sciences and biochemistry, regular chemistry, physics and those types of things. But they are also moving into the high school market. The amazing thing that they are doing is they are able to take software that allows the professors in regards to testing the homework that isn't just a simple picture; that it's the right answer. As we all know, in many things, there are multiple right answers. It is able to recognize all of the correct answers. And if the answer isn't correct, it can talk to them specifically about how to work through and get the correct answer. They have grown 50% for three years running. They have just opened up a sales office up here in Wilmington. They have four employees already and they expect to be adding more – maybe as many as another 6-10 by summer. The nice thing is these are all solid jobs. The manager that we met with this morning talked about the fact that they have 33 sales people, 4 of them up here. Three of the top five in sales last month were three of the Wilmington people. So, they are ecstatic by the work effort that they are finding up here. They are very committed to the community and expanding from there. So, while it's not that hundreds and hundreds of jobs, it is a very positive thing and it's very nice to see. We're seeing a lot more of those types of things going on. For the first time, I feel like we are very poised to be able to capitalize on economic development opportunities as an entire work group. We don't have one working against the other or egos involved or anything of that nature. So, I feel very positive about it. The other thing, if you're bored tomorrow and the sun is out, please go to Wilmington College. The largest piece of art in Clinton County is now on display there in anticipation for the food symposium next Tuesday. They have a 70-yard by 50-yard piece of green that they have turned into a palette and have a very large art display on the green. It's really something to see. It's made out of 13,000 plant stakes. Each one of those stakes represents a meal that has been served in Our Father's Kitchen since January 1. So, 13,000 stakes out there to form this piece of artwork. It's an incredible site to see, so please take a stop out there. Thank you.

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

Councilman McKay: I want to applaud the city employees that volunteered to go down to the Moscow area and help with the cleanup there. I talked with Denny Gherman today. They saw a lot of devastation, but they did a great deal of good, both physically and I'm sure they reaped the benefits of when you volunteer to do things like that for your fellow man. We have a great group of people.

President Kirchner: I agree. Thank you, Mark.

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.

A motion was made by Jaehnig and seconded by Wallace to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, April 5, 2012, with President Scott Kirchner presiding.

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

Acting Chief Duane Weyand was also present.

Council gave the Pledge of Allegiance to the flag.

A motion was made by McKay and seconded by Mead to excuse the absent member.

Motion passed.

Absent member excused.

President of Council: President Kirchner: The first item on the president's portion of the agenda tonight is to approve the meeting minutes for the March 15, 2012 meeting. What's your pleasure?

Councilman Wells: Mr. President. There is an error on the very first line on the minutes. It has your name wrong.

A motion was made by Mead and seconded by Wells to amend the minutes to correct the name to read "President Kirchner" on the first line of the minutes.

Motion passed.

Minutes amended.

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, April 5, as amended.

Motion passed.

Minutes approved as amended.

President Kirchner: The second portion of our meeting tonight is dedicated to a public hearing/information system regarding electric aggregation and the potential for the city to be involved in it. Tonight, with us from the PUCO is Mr. James Drummond, Section Chief of the Ohio Public Utilities Commission, and he has a presentation to provide to go over the basics of aggregation.

James Drummond: Thank you, Scott. It's a pleasure to be here. A little bit about myself. I've been with the Commission since December 2008. I am the Section Chief in the Service Monitoring and Enforcement Department, Reliability and Services Analysis Division. What we do, is we managed the competitive part of the business – the electric and the gas side. So, we manage the certification process for suppliers, brokers, aggregators. We manage the clients with our rules, and we also manage the apples to apples chart that you can find on our website, both for electric and gas. Part of my coming to the commission, was I spent about 25 years as a energy utility facility manager for Abbott Laboratories and I was on the other side of the fence managing six seven million dollars worth of energy business on an annual basis. What I would like to do tonight is give you a little bit of background on what is governmental aggregation. There is a wealth of information on our website on our website. This presentation is a little bit of a summary of the information you'll find on our website under governmental aggregation, and hopefully will give you a better sense of what is involved with the process and why it might be an opportunity for you and your community and what needs to happen for that to go forward.

[Starts PowerPoint Presentation]

So, what is aggregation? Aggregation is just a group of customers joining together to a single larger customer for its members. So, in other words, we're taking everybody's gas from their individual homes and we're going to pool it into a bigger line of MCF's to go to a marketer and hopefully get a better price. And that's allowed by Ohio Law/Ohio

Statute and the rules of PUCO. I did look up the number, but I think somewhere upwards of 150 governmental aggregations and close to 100 in gas, so it's something that has been done for a number of years throughout the state in villages, townships, counties, cities, etc. So, again, you're allowed by law, by statute, and by the rules to do this. Per the law in the State of Ohio, all governmental aggregators buying electricity must be certified by the PUCO. Now there is a little bit different rule in gas in that there is a provision called Holt Rule in the gas side. In my three years with the commission, I have not seen come into play, but it is a little different. But in general, governmental aggregators are required to be certified by the PUCO. And, if you're going to do both, and there have been a number of communities I've been to that do both, there is actually a different certification process for gas and electric. So, it's very similar in nature, but there are a few different applications, they become two different cases in the documenting system of the PUCO. In order to do certification, you do have to be certified in the State of Ohio. In governmental aggregation, there are actually two types of programs: Opt-In and Opt-Out. Now, in my experience in the last three years, primarily they are opt-out. We'll talk about why that is. An opt-in aggregation is a program where the individual is permitted to sign up, but it is not automatic enrollment. It is very similar to being an electric choice customer in that you go out and you affirmatively make a decision to become a customer. And, it's a little different process – not quite as cumbersome in terms of the opt-out, but similar to the opt-out program, the plan, if it is something that is agreed to, there are still requirements to disclose the rates and terms and conditions that the customer would be under on the contract in an opt-in program. Most of them that I have been involved with that we see are opt-out programs. Under an opt-out program, everybody that is eligible (and I'll get into eligibility in a minute) – everybody that is eligible to be in the opt-out is automatically enrolled unless they affirmatively opt-out. There is a process that you have to go through if you elect to not want to become a customer of the supplier chosen for the aggregation. Now, in order to go through an opt-out aggregation, there are a number of steps that the city, township, village has to do to go forward. First off, you have to put it on the ballot. There has to be an ordinance passed. There has to be a majority of the constituents approve going forward with the opt-out aggregation. Once that's done, and as part of the process, I think there are two public meetings that have to occur, once the ordinance passes, the government must form a plan of operation and management. Typically, if you're working with the certified supplier/broker, they will assist you with that process. There are a number of things that have to go in there that talks about terms and conditions of the contract, the rate, and those kinds of things. But those are part of the process. All of these documents are in turn filed with the PUCO and we actually do get a chance to review them. Again, at least two public hearings must be held to allow customers to look at the proposed plan and voice their concerns. Once the plan is adopted, you get a notification if you're eligible. You will automatically be enrolled unless you elect not to participate. Part of the notification will include rate in terms of contract. One of the things you need to be careful for or be aware of and look at is whether or not there are any early termination fees if you decide you want to get out before the terms of the contract expire. Usually, the opt-out notice includes something you have to sign and return to the supplier indicating you elect to opt out. As part of the aggregation process, you must be allowed an opportunity to opt-out and actually this is incorrect and I thought I changed that, Scott, in all honesty. On gas, you need to be allowed an opportunity every two years; on electric, it's every three years. So, you have to be given a chance every three to opt out of the program without penalty. Typically, contracts include an early termination fee if you elect to opt-out early. Eligibility. There are a number of factors that determine if you are on the list as eligible, but a couple of key things that are applicable for most people. First of all, if you are on a low-income/percentage of income payment plan, what we call PIP, you will not be on the list. The other key individual that is not eligible, if you are already a shopper, if you're already a choice customer on electric, you are also not on the list and you will not get an opt-out notice. That's a key thing to understand, that anybody within the confines of the aggregation that has already signed up with a supplier, is not eligible and should not, under most circumstances, be sent an opt-out notice.

Councilman Jaehnig: Until their contract expires.

James Drummond: Bob, can you help me with that one? I'm not sure. Once a contract expires, they don't automatically get one, do they? Unless it's in the renewal period. Is it?

Terry Leach: I can answer that question. If a customer's contract expires, they go back to the utility company until the next time that you do an opt-out. Whether it's at a three-year interval or whether it's according to however you set up, they will then be eligible to join the program then.

James Drummond: So, just because their contract may expire.

Councilman Jaehnig: So, it's whatever we set up with whoever comes in as a city.

President Kirchner: The question, I think, and I have the same one. If someone is contracted at the time aggregation goes in, but their contract expires before opt-out...

James Drummond: They will not automatically be given the option to enroll in the aggregation.

President Kirchner: Would they be given the opportunity to choose to enroll at the time of the expiration.

James Drummond: I think that gets into something we call opt-in.

Terry Leach: Right. They could opt-in.

James Drummond: They could opt-in, but they would essentially be a choice customer. They would not be subject to the terms and conditions of the opt-out. You could...and I've seen that done in certain communities, where it is sort of parallel to the opt-out. They have an opt-in so that when a customer's contract expires, they can at least get the same deal. Go ahead.

Terry Leach: Actually, the way it happens is, is that if you're under contract with another supplier, you're not going to be a part of the list that is produced to a part of the opt-out aggregation, if you do an opt-out aggregation. If you want to come into the same, if you will, terms and conditions of the opt-out program, you first of all, if the contract hasn't expired, you can get out of your current supplier, but you are going to have to pay a penalty – because there are penalties. But, technically, if you come into the program other than through the opt-out, you're what is considered an endorsement customer and you're not actually a part of the aggregation. You actually belong to the supplier who is supplying the group. So, if you will, it's almost like you become a new choice customer for that supplier. But most of the suppliers will honor the same terms and conditions as the aggregation. That is something that will have to be negotiated at the time you go to find a supplier.

Councilman Jaehnig: Well, the question I have then is, if, at the beginning of the year, a person misses the opt-out because they've already signed up – and many of us already have – and ours won't expire – if we go forward and the voters decide to go forward come January 1. When is the next time that those of us who have already taken advantage of something like this, that we're going to be part of the process?

Terry Leach: Well once again, it depends on what supplier you will negotiate with and what they are willing to do. If you're under contract, you're not going to be eligible until either you terminate your existing contract or your contract expires. You're not going to be eligible for an opt-out until another opt-out program is run, which as this gentleman said earlier, will only have to be done every three years. But, a lot of times, you can negotiate with a supplier that they'll do opt-outs to get eligible people who become eligible in that midterm time every x amount of time and that's part of what would be negotiated with whoever supplier that you choose.

Councilman Jaehnig: So, if we want something like that in our contract every six months, we can negotiate...

Terry Leach: You negotiate that with your supplier...

Councilman Jaehnig: That's not something the state...

James Drummond: The rule only says it has to be done at least a minimum of every three years. It doesn't say it can't be more than that.

Councilman Jaehnig: Thank you.

President Kirchner: Jim, if I could, for the record, Mr. Terry Leach, from American Municipal Power, Inc. He is the Vice-President of Risk Control for them. I just wanted to make sure that everyone knew who it was that was speaking. Please continue.

James Drummond: So, in general, that's mostly where the eligibility issues come into play. There are some other things within the rule of people who are in eligible, but they're rather specific circumstances and we don't need to get into that in terms of the general nature of what we're trying to talk about here. Again, customers will not appear on the list that is sent to the supplier – who is going to be sent the opt-out. We kind of went through that. The second point, if you recently switched to a supplier and your company aggregates, it's possible you might get one just because of the switching process and that type of thing. If you want to be with the aggregation, you need to make sure you send it back.

Unknown Speaker: What about customers that are past due on their bill? I noticed that a lot in the other territories. That they're not eligible if they are past due on the bill.

James Drummond: Unfortunately, I'm not as familiar with all of the nuances.

Terry Leach: If you're past due on the bill, you're not eligible. You will not receive.

Unknown Speaker: That's what I just wanted to make sure.

Terry Leach: That's the third key group you might run into when you do your list process: The choice people, pick program, and the past due.

Councilman Jaehnig: Past due on the date the list is run or for a different period of time.

Terry Leach: It would be when they provide the list. When Dayton Power and Light would run your list, if you're past due and they receivable when they provide that list, you will not be included.

Councilman Jaehnig: So, if you're past due on that specific day, you're...

Terry Leach: That's right. Not if you were past due a year ago or something.

Councilman Jaehnig: No...I'm just saying, if you're past due one day and it happens to be the day that they pull that list, you're out. Correct?

Terry Leach: The rule says if you're past due, you're not eligible.

James Drummond: A couple of things to consider, whether you want to join an opt-out or whether you want to become a choice customer. What's the goal? Is the goal price? Is it different sources of electricity? There is some movement in going green and those types of things. Are their additional services you want to find from the supplier? Do you want price security? It wasn't too long ago that we were looking at a gas at a \$1.43 in Columbia Gas' territory. This past month, the new price is 37 cents. So, I used to tell my bosses years ago if I could forecast the price of gas, I wouldn't be talking to you. It's a commodity. You're kind of looking for – you got to decide what you're looking for: The lowest price, the price will carry you. That's a couple of things you need to consider. How big is the group? There are aggregations that are villages or townships. There are some that are county-wide. We talked about length of the contract. Do you want to have

more opportunity to opt-out than the three years that is required? Terms and conditions: one of the things that we see all the time is that people don't really read the terms and conditions. One of the things you've got to look at is what is the early termination fee if you want to opt out sooner than the opt out length of the contract. We find that all of the time – "I didn't know." So, make sure you understand the terms and conditions of the contract. What's the price? How long is it? You know, we see offers right now on the Apples to Apples: some are percent off the price to compare. In fact, that's one of the things that I haven't gotten into since I brought it up. But, for electric, on your bill, you should see something that says what your price to compare is. And that's really the benchmark of what you're looking at. Remember on your electric bill, your supplier charges are only about half your bill – forty to sixty percent is the numbers I recall hearing – and that's the generation portion. You'll still continue to pay transmission and distribution costs to the utility – DP&L. So, that's one thing to remember. Let's say the offer is 10% off the price to compare – well that's 10% off half your bill in round numbers. So, those are the kinds of things to remember. But, on electric, it's pretty easy to compare. If you're bill says your current price to compare is 7.5 cents and you've got an offer better than that, there's an opportunity there. That was the extent of my prepared stuff. There is a lot of information on the website – the handouts I brought are pulled right from the website. You can also call our helpline or call center at 1-800-866-PUCO and ask them questions and they can send you information on Apples to Apples and that type of thing. With that, I'll entertain questions.

President Kirchner: This is a public informational hearing, and we will encourage the public if they have questions, to step up to the podium and state their name and address for record and ask your question. You are welcome to ask any questions to Mr. Drummond that you have. I do want to state, for the purpose of this hearing, that council has been looking at the concept of electric aggregation only at this point and has been looking at it for the purpose of trying to find a way to bring benefit to the households of all of our residents. So, we very much would like to see public inputs to all of their elected officials if they can.

James Drummond: One thing that just came to mind that you and I talked about – going forward with the process of becoming certified to form an aggregation, doesn't hold you to moving forward with a plan and a program. But, if you're not certified, you can't move forward, so you can't take that opportunity. So, that's one thing you might want to consider if this gets on the ballot. There are a number of aggregations throughout the state that do not have an active plan, but if you're not certified, you've got to go through this process, which takes some time. So, it might be one of the things you want to consider.

Service Director Reinsmith: Does the election process – is it only required for the opt-out?

James Drummond: Yes.

Service Director Reinsmith: So, if you want to run an opt-in, you could do it without going through that process.

James Drummond: Yes.

Paul Hunter: Would this prevent an AEP type of bill surge like they had down in Highland County if you're under a contract.

James Drummond: I'm going to qualify my answer by saying, maybe yes, maybe no. Remember that going with an alternate supplier is only going to impact the generation side of your bill. What happened with AEP and I was not involved with that rate case – that's another department of the PUCO – but much of that was on the still-regulated side in distribution and transmission and tariffs and riders and that type of stuff. So, I think in terms of what it might do from a generation standpoint, it certainly allows you to shop. I'll talk a little bit about what has happened in the last 18 months. We didn't really have an electric Apples to Apples 18 months ago. When we did, we had two or three offers. Probably in the last six to eight months, we've seen a pretty significant up-tip in the

number of offers. In fact, I think we posted the first offer in AEP's territory sometime last year. So, there is movement. There are certainly opportunities out there to take a look at alternate suppliers. But, some of the stuff you're going to see from the utilities, you still have to have the electric company and what we call the EDU – the Electric Distribution company. They're still the people who supply the power to your house. Across the lines, down the street, and into your home. So, they're transporting the generated power from another supplier, but they are still charging you for the transmission and distribution of that power to your home.

Tom _____, Buckeye Energy: You mentioned on the website you have the opt-out form for the city to fill out for certification. Do you have an opt-in...

James Drummond: Not that I'm aware of. Again, with my limited experience that I've seen. The one or two times I've run into an opt-in, it was really in conjunction with an opt-out and it is sort of along the lines that was asked about for customers that we're not eligible at the time. I don't know if – Chuck Stockhousen – who is my staff member who handles the electric side of the business – we sort of consider it no different than a choice customer. It's sort of an endorsement. The city of Wilmington says this is a good deal – it's with a supplier, it's no different than signing up for a choice offer that you would find on our website. So, to answer your question, I don't think there is, but I'm going to go back and find out. I'm not aware of any.

Bruce McKee: One of my concerns about this, of course, the Hillsboro situation got so much notoriety that those people got screwed, and we've been screwed enough in this community. So, everything that happens, a lot of those, we're just kind of saying, "Okay now, what are we doing?" So, how does this compare to the Hillsboro situation.

James Drummond: I'm going to be honest, I'm not familiar with Hillsboro.

Paul Hunter: Double billing down there.

Bruce McKee: Yeah – double billing was rampant everywhere. Everyone who knew somebody from Hillsboro knew that they was being screwed by the utility companies and now we're talking about the same issue. I'm not really too sure, so that's why I'm coming and asking these questions.

James Drummond: Let me see if I can elaborate what I tried to answer before. When you go into an aggregation, you're shopping for the generation portion of your bill, which is, in round numbers, about half of your bill. That's not going to prevent if the electric distribution company says they have to raise their rates, they submit them to the commission, the commission approves them, there is not much you can do about that. But, by having the opportunity with an aggregation to shop your generation side, there is a chance you could mitigate what the EDU might be charging as a default generation charge. I don't know if that makes sense. You're not going to be able avoid what the utility might do on the distribution and transmission side of the bill because that's regulated and they have to file with the PUCO. The PUCO does the analysis and either approves or, as they ended up doing with AEP, they at least kicked it back and sort of hit the reset button and said, "Let's take another look at that."

Paul Hunter: But you will be protected from the generation...

James Drummond: You will have an opportunity to shop and see if there is a better deal. And to me, one of the things...

Paul Hunter: Wait a minute. If I'm paying...say I have a deal in aggregation of 6 cents/kilowatt hour...for three years. That can't change, can it not?

James Drummond: It depends on the terms of your contract.

Paul Hunter: Normally? What's normal?

James Drummond: If the contract was written for a fixed price for three years, it shouldn't change.

Paul Hunter: No matter. They don't have to go to PUCO or anything else involved in that portion of your bill.

James Drummond: That's correct.

Paul Hunter: So you are protected in that sense.

James Drummond: Yes.

Mayor Riley: But if the prices go down, as you described with natural gas, you're still paying the higher rate.

James Drummond: You signed a contract.

Mayor Riley: Right.

James Drummond: I think that's part of the negotiated process. And maybe that's where you look at maybe you should take a look at this every year. Again, the rules require an opt out only once every three years. That doesn't mean there can't be more opportunities than that.

Bill Limbacher, Resident: Does this apply only to residents like households or can it also be applied to businesses too?

James Drummond: I believe, and Terry, correct me if I'm wrong, small commercial can be involved, but not large commercial or industrial.

Terry Leach: What's considered for commercial under aggregation if 700,000 kilowatt/hours per year or less. I don't pretend to know what kind of businesses you have here. If you have a pizza shop a few doors down, which I'm sure you do, more than likely they will be eligible. If you have a manufacturing plant out on 68 that manufactures vehicles, they are not going to be eligible. So, it's residential and small commercial. Now, there is one exception tonight, now if you have a national chain like a McDonald's or a Wendy's or whatever, they are eligible to be part of the aggregation, but they have to affirmatively join it. They can't get an opt-out, but they can say they want to be a part of it and then they are eligible.

Councilman Jaehnig: Even if they are using more than 700,000 kilowatts? Why would a national chain get a benefit that a local person can't?

Terry Leach: Most of the McDonald's and the Wendy's and stuff like that are generally owned by a local franchisee – not McDonald's per se. It's a small business that exceeds that threshold, so they have the opportunity to say they can come in.

President Kirchner: To clarify on the point about business though, it is correct that businesses using over 700,000 kilowatts have the ability to negotiate themselves with different suppliers so they. So they already have that ability because of the volume of use they have.

Terry Leach: Yes.

James Drummond: Part of that, and I think the thought process is, because that's what I did for twenty five years, is that certain large industrials probably already have somebody doing it, but to speak to Terry's point about why it's an opt-in. When the whole opt-out process came and I was representing or company with the industrial energy users of Ohio, one of my issues is, if that opt-out notice gets sent to where my bill gets sent, well my bill gets sent to Chicago accounts payable. It's likely I will not get it in time to opt-out because some clerk is sitting on it. If it's routed through their accounts payable, it gets sent in the bucket down to the local accounts payable, I don't

get it within 7 days. That's partly why that is in place so that industrial customers are not automatically included without their ability to opt-out.

David Hockaday, resident of the city: To Rob's question, I just need some clarification. Is all DP&L billing now through DP&L source, or does DP&L still have customers that they buy on open market or whatever you call it in New York. Because, if you lose your contract, it doesn't necessarily go back to Dayton Power & Light choice, it goes back to the parent company who is still providing you electricity, which is the highest rate you can have. I just want to make that clarification, there is a little subtlety there that you don't automatically go back to the non-regulated source of utility if you're not buying from that non-regulated source now. If you play the margin, there's not a whole lot of difference over the residential usage in the long term, but if you get First Energy or you get somebody else, that's another issue if you've already gone out _____ (drophaz) and bought a contract. If that contract expires and you're not buying from the subsidiary, you're going to go back to DP&L, the parent company. I believe that's correct. That's just a little subtlety, Rob. When he says "source" he's talking about sourcing out, not DP&L energy source. Just so we have clarification.

President Kirchner: Just so we make it clear, that is in the current situation where customers individually are selecting. That would not be associated with our aggregation program, which would constantly review its offer.

David Hockaday: That is correct. To Rob's question about it. If you, as I have, have already exercised a discount program and we expire in the middle of your opt-out/opt-in option, I don't go back to DP&L source, I go back to DP&L, which is buying on the open market, I believe.

Councilman Jaehnig: No, you would have an opportunity to renew your contract...

David Hockaday: Yes, I understand that. I can renew my contract.

Councilman Jaehnig: Which would mean that you would miss the next opt-in also.

David Hockaday: That's why I was trying to clarify what he says....

Councilman Jaehnig: That's why I was trying to figure out how somebody who has already signed a contract has an opportunity to participate in aggregation.

President Kirchner: During the pause, let the record reflect that Councilman Wallace has now arrived at the meeting (8:05 p.m.)

James Drummond: One thing that I just thought of that we should mention because it has been brought up and we have gotten some calls about it, at least, and I'm not sure if it applies to aggregation, but on the electric side, if you become a choice or an aggregation customer and you're on budget billing with the utility, you won't be eligible for the budget billing on the generation side of the bill. So, you know, it's going to impact if you set up a budget billing process, all the utility can still budget bill you on is the transmission and distribution. They can't budget bill you on the generation side. So, that will impact your ability to budget bill.

Paul Hunter: I hadn't said that before, but the city's obligation, there's no cost to the city if I understand it. They don't become managers of our utility.

James Drummond: No.

Paul Hunter: They just do the administrative to get it started then they're done.

James Drummond: Typically they work with a certified supplier or broker.

Paul Hunter: Once all of the ballot issue and all of that is taken care of, then they are out of the picture. They don't have to keep managing it.

James Drummond: Correct.

Lee Curtis: My name is Lee Curtis and I live in the city of Wilmington. It seems to me like everything you're saying there's nothing concrete. You're not sure about this – I mean – whether the rates are going to be fixed, variable or how often they might change. Like you say, how they could fluctuate, and once you go into signing a contract, it seems like once you sign that contract, it should be fixed at whatever rate you opt-in at.

James Drummond: It will be.

Lee Curtis: But, I'm listening to you say, "I'm not sure about this or that."

James Drummond: Somebody said this to me the other day, if I gave you an option to buy gasoline for the next three years at \$4.50, would you do it?

Lee Curtis: Not at \$4.50.

James Drummond: Would you at \$4.00? It's sort of the same thing. Now, that also depends on what you negotiate with your supplier. Again, there are ways to do this and there are offers on our Apples to Apples right now. There is a percent off or cents off the price to compare.

Lee Curtis: So, you're saying what I would negotiate, so everybody has the same negotiable rights?

James Drummond: No, it would be under the confines of the city's program.

Councilman Jaehnig: The types of programs that could be reviewed in this process could be a single-fixed rate, it could be a percentage off of whatever the going rate is, or it could be a dollar amount or cents off of the going rate. So, there are different options that could be pursued, but it would have to be reviewed at the time as to which one would be the most appropriate for our community. There are kind of two questions. Do we want to look into aggregation and get prepared so we are allowed to do it by getting certified, and then when once we're certified, then we have to work out what is the best deal for our community. So, we've kind of got two different things that we need to do. One to be allowed to even do the other. We can talk about the rates and everything now, but until we're certified, it's kind of a mute point because we don't know what it's going to be when we get to the point of actually negotiating rates.

Unknown speaker: Correct me if I'm wrong, but once we get to the point, say we get certified and we go ahead and we negotiate something, there's got to be two public hearings once we get something ready to go after we're certified. So, there would still be at least two more public hearings after this.

President Kirchner: Many of the options that he has spoken of that you could change in the contract or allow to exist in the contract, have to do with the choices that the council would make on the type of contract they would pursue. They could pursue fixed rate only for a period of time – that period of time maximum would be three years for the opt-out or it could be less. The question of protection against the drop in electricity and the ability to lower that could be something that would enter into the negotiations. So, the reason he is covering all of those different possibilities is because there has been no concrete approach to aggregation considered by council. We are simply learning about the process at this point to see if we can provide protection, benefit and positive economic impact to the households here in the city.

James Drummond: I think that's a good point. As Scott and I traded some emails over the last couple of days in terms of what was the intent of the meeting, and you're early in the process. You don't even know if you're going to put this on the ballot. Again, to reiterate what I said earlier, to me there's nothing. It gives you the option. If there is opportunity out there. If you don't vote and approve going forward with an aggregation process, you can't do that. So, there are two steps. You have to pass an ordinance, you've got to get certified, then you can go out and solicit terms and offers and work with suppliers and see if there is a definite benefit. Maybe there is and maybe there isn't,

but until you go through the process of approving that the city of Wilmington wants to have an aggregation, you can't even...you can do it, but it doesn't mean anything. You would have to do it as an opt-in.

President Kirchner: To clarify that point, if an opt-out program was placed on the ballot and passed by the voters and the city council worked to negotiate a deal but could not find better deals than exist on the Apples to Apples comparison the citizens can get on their own, the city is not obligated to go forward with an aggregation contract or implementation. It simply would enable council to be able to use that bargaining power of the entire residential base and small business base below 700,000 kilowatts to see if we could negotiate a better situation for all involved. But, it does not obligate us to move forward. It simply enables us to, if there is value there.

Paul Hunter: I want to give you a real-life situation. I have been offered 7 cent per kilowatt area from various First Energy and others. I use Greenfield and Courthouse examples that I would be able to get it for 6.5 cents. They are both aggregated cities. So, that is available at this time. I'm not saying that's what will but, but at this time, there is a half-cent difference between individuals and aggregated offers.

Councilman Jaehnig: Well, the interesting thing that I found was as soon as we started talking about this publically, my mailbox got flooded with electric aggregation as individual offers. It was kind of amazing. I hadn't received maybe one or two in a year and I got four in less than week.

James Drummond: Some of that is I think activity is stepping up. We are aware of a couple of suppliers that are sending out pretty big mailings. It's hard to say what drives that.

Brad: My name is Brad. I live in Cincinnati and I have been a broker with several different suppliers. Just to kind of maybe put some things at rest with this, I think a lot of depends on your utility as well. I live in Duke territory. With Duke, you can still have the budget billing and it is for all of it. Another thing is, at the end of a contract, you don't necessarily go back to the utility. You either renew it for the same term or you go month to month at a potential variable rate. And all of the stuff is, like you said, in the terms and conditions, so you make sure everybody understands that. That's what I'm seeing in Cincinnati.

Unknown Speaker: Both of my parents are still alive and they're seniors. Fixed income is how they live. So, that's why, when you bring that up, it alarms them. They said, "What do you know about it." I said, "Well, I'm going to go tonight and I'll be able to tell you more." If you don't have that fixed income for your seniors, then things that look good are not necessarily always good. So, you're saying that you can negotiate that. Right?

James Drummond: Partly what the city would do is look at different suppliers and talk about, what can you do for us. What kind of offer. What kind of rate. What kind of term. You negotiate it so it can be looked at every year or whatever. That's part of the negotiation process between the city and the supplier. There's no definite answer in terms of what it might be. One of the things that I would strongly suggest everyone do. When I was in my other past life, I have actually given some presentations about understanding your bill. Do you really know how your bill is calculated? Do you know how much you use on an annual basis? Go to your utility's website. Most of them have pretty good primers on understanding your bill.

TRANSCRIPTION INTERRUPTED – END OF TAPE

James Drummond: We encourage competition.

Unknown Speaker: Does the PUCO know when other players will be getting into the game other than First Energy, AEP, DP&L, and Duke – the retail sources. Direct Energy, Dominion...

James Drummond: In terms of other certified suppliers.

Unknown Speaker: Yeah. In the DP&L territory. Because that's when we really saw the significant.

James Drummond: I'm going to clarify that with yes we do in that what my staff does is we have to review all the certification applications. Part of that indicates what territory they intend to be marketing. We don't necessarily track that. I was talking to Tom Harley earlier, I bet we process between about 70 applications, which is a pretty significant uptick in the last year or year and a half. So, there is a lot of activity.

Someone said that ones that are in the market all have a cancel fee, but larger ones, like Direct Energy and Dominion don't.

James Drummond said you need to look at three things on the contract: Price, how long it is and whether or not there is early termination fee. He said if you go down this path, look at your mail. He said that many people call because they say they never got the notice. It will usually say important information about your utility service on the envelope. If you don't want to belong, you've got to send back in the opt-out notice. That is your responsibility.

Unknown Speaker: ...said his meter went haywire and he was charged a lot on his DP&L bill. He said he called but because DP&L has a monopoly they made him pay.

[Discussion of meter ownership and responsibility]

James Drummond asked the gentleman for his name and said he would check into the issue.

Unknown Speaker: Will the notice come with the bill or will it be separate?

James Drummond: It would be separate.

Unknown Speaker: Will there be indication or notice in the newspaper to expect the notice and deadline dates?

James Drummond: That is not a requirement, but it may be something the city wishes to do.

President Kirchner: I would guarantee you that this council and administration would make every effort to broadcast it as loudly as we can through the News Journal and any other method on our website. We will try very hard to make sure that all individuals know if a program like that is moving forward. Again, to get the point, you would have to get to a point of approving legislation. We would have to hold multiple public hearings. There would be a number of opportunities for folks to know when that period was coming and we would work very hard to make sure it is as broadcast as it could be.

Terry Leach: One thing that I want to point out that addresses part of your question. It mentions here that you actually have two bites at the outcome. When the opt-out comes to your home, you have 21 days to either do nothing to become part of the program or to opt-out. If you do nothing within 21 days, the utility, in this case DP&L, are required to send to you a letter on a resend notification that says they have received information and if you want to switch to whoever the supplier might be...is that true...you have seven days to tell us that you didn't make the decision and you won't get switched. You have two opportunities before that switch takes place. If you miss both of those, then you're going to get switched. One other thing, DP&L territory is not set up to do budget billing on the generation side. I don't want anyone to think that maybe that could happen, because Tom can probably attest that people like him and us have been trying to make that happen for many years, as well as the commission. That will not happen in this particular program. Also, which council president pointed out, the city council's obligation to work with whomever they decide to work with to bring the best deal of the residents. I can tell you for sure, what you are doing here by making an aggregation is

your taking the load of all the participants and putting them into one group and what that does is entice the suppliers to give you a better deal than you are going to get individually switching. If you can't negotiate a better deal than the choice offer, there is definitely something wrong. That's the value of this. Although right now, you don't know what that's going to be. One last comment, everyone of those supply contracts is going to have an out-clause in it, because they're in business for money. If you negotiated a deal that was 10% off of the price to compare and for some reason Dayton Power & Light goes to the commission, the regulated side, and does a rate case. Let's use hypothetical numbers. If the price to compare is 20 cents. They go to the commission in two years and the price to compare goes down to 8 cents and your supplier, which was compared to 20 is giving it to you for 15, which would have been a great deal, then they are going to have an out in that contract saying I can't give you an automatic percentage off anymore because I can't do better than what the utility did. These are all things that you will learn through this process. The thing you really need to focus on first and foremost is do you want to have a program. All of these other details will fall in place.

Paul Hunter: The opt in period prior to the election, council decides we're going to do it and we're going to get it on the ballot – say they did it in June – the broker is going to offer an opt-in to cover the period from council's decision until the ballot issue takes place on the next calendar year.

President Kirchner: Paul, that would be a detail that would have to be determined later if council.

Paul Hunter: I just want to know if that is an option.

President Kirchner: It could be, but nothing is set in stone that that will be done.

James Drummond: You've got to watch your timing. Once again, an opt-in program is essentially to choice customers. They have a contract term in there too. So, in order for that to really work and you be eligible for the opt-out, is your contract would have to expire exactly at the point that the opt-out goes out. Otherwise...

Paul Hunter: That was mentioned that you can opt-in until... Is that no longer valid.

President Kirchner: That was a potential talked about by a specific broker. We have not investigated the details of any of those claims and have not determined any broker specifically to work with. So, what you heard is correct. It was talked about. It has not been pursued specifically with that broker and may not be available with all brokers.

Paul Hunter: That was my question. It is an option that can be obtained.

President Kirchner: We don't know.

Paul Hunter: Well, it's an option, obviously, because we received that option. Thank you.

Terry Leach: I actually would like to address that. Until you have a ballot issue, until you get certified, there is no such thing as a governmental aggregation in the City of Wilmington. So, nobody, and I don't know who's told anybody what here, but nobody can opt-in to an aggregation that does not exist. What you can do, and anybody can do even now or even after you have the aggregation program, is they can use the Ohio Choice program and they can choose to put themselves into anybody's offer anywhere. But, I'm going to sit here and tell you that you can't opt-in to an aggregation program prior to you having the ballot issue and having the certification and becoming aggregated. That's not possible.

President Kirchner: That is one of the reasons that I made it clear that we have not pursued or verified any of those options. Thank you, Terry.

Tom: To add on to that, I think on slide four you talked about opt-in aggregation. Could you address more of the option of opt-in aggregation.

James Drummond: Tom, I'll be honest with you, because I have so limited experience, I don't know a whole lot about it. I don't mean to cop-out, but I don't. I just don't have any experience.

Tom: Okay. But it is on slide four.

James Drummond: I got the information off of our website. But, I think to elaborate on what Terry says, I think maybe I misspoke, correct me if I'm wrong, but there is a way that a community can have what has been referred to as an endorsement program. You are saying supplier XYZ came to us and we think it's a good deal. We have a choice program, it's not an opt-in program.

Terry Leach: You're 100% correct, but it's not an aggregation. If this city council or the city of Wilmington wants to endorse a supplier and say "We love these guys. You should get in on their offer." Individuals will be getting into that offer as individuals and they are using the Ohio Choice Program. That is not an aggregation. The City actually does not even have the ability what that offer is going to be because you're not a governmental aggregator. You have to be a governmental aggregator before you can start negotiating supply prices on behalf of your constituents. Now, his slide four about opt-in. You can run an opt-in aggregation program and you can have an opt-out aggregation program. When you go to the ballot, you have to specify which program it is that you are wanting to do. That's the different. The slide is correct. You can have either a opt-in or and opt-out, but that has to be identified on the ballot issue. I'm going to tell you right now, my opinion is you don't want to do an opt-in program because that means that everyone is going to have to take their own initiative to get into the aggregation and that kind of defeats the purpose of what you're trying to do. You want to have an opt-out because that way people don't have to do anything to get into the program and they only have to do something if they don't want to be a part of it. You will also negotiate better deals with your suppliers if you do an opt-out program versus an opt-in program. Because quite frankly, I'm just using arbitrary numbers, an opt-in program will generally only generate probably less than 10%. People will take that affirmative action. Versus an opt-out program, the numbers will probably be somewhere around the 50-60 percent level at least. You can do it, just like that slide said, but I'm not aware of a single opt-in aggregation program in the state right now.

James Drummond: I'm not either.

President Kirchner: Do we have any other public input or questions or from council? One clarification that I would like to make about the opt-out period. During the opt-out period, there is no charge for any citizen to opt-out if that would be the type of aggregation that we would move forward with. There is no charge to opt-out during the opt-out period. So, residents would be able to choose whether they participate or not if the city moved forward with that without cost to themselves during that period of time. I wanted to make sure we talked a lot about cancellation fees and things of that nature. An aggregation program would have a period during which the citizens can choose without cost. Seeing no other input from the office or council, Mr. Drummond, I want to thank you for coming this evening from the PUCO. He brought hard copies of this presentation which are over on the table. A piece of information from the website, I would encourage all residents of Wilmington to educate themselves on aggregation and their options currently on the Apples to Apples to website. They can put PUCO into a search engine and will be directed to the PUCO website link. It is www.puco.ohio.gov. We encourage folks to find out more about it.

James Drummond: Just one final comment – become educated about this. If you want to go forward, look at your bill. What do you spend? What do you use? How is calculated? To me, you've got to become an educated consumer in order to make an educated decision.

President Kirchner: Thank you, Mr. Drummond. I appreciate you attending tonight.

President Kirchner asked Gary to turn off the projector.

President Kirchner asked everyone to put their cell phones on silent mode.

President Kirchner closed the public hearing on energy aggregation.

President Kirchner: As the end of my official portion of the agenda, I would offer that there are a couple of things that I would like to note. In my packet I received a couple of things. They mayor will cover those. The one thing I want to say is, thank God baseball is back. Go Reds. Mr. Mayor?

Mayor – Mayor Randy Riley: I want to thank all of these gentlemen for showing up today. Jim, Terry, Brad, Tom, everyone that came in to help. This is a very complex issue and I think one of the points that was made early on that can't be emphasized enough is that all of us, myself included, need to go home and get their bill and go online and find out what your bill means and how to read the bill. That's pretty complex. That knowledge will help make decisions later on as we get into the aggregation. A couple of issues that come in the past few weeks that bear mention or repeating. I publically want to congratulate Sgt. Ron Cravens and Lt. Ed Meyers for the recognition they received from the American Red Cross this past week for the Red Cross Emergency Services Heroes Award. Those gentlemen pretty much exemplify what we expect from our police officers and firefighters and they are a good example of a lot of good people that we have. But, thanks to Ron and Ed for all of the work that they have done. Also, a big thank you for American Legion Post 49, the Sons of American Legion Post Squadron and PESSO, the Emergency Room Physician's group for the donations they have made to our K-9 unit. I know it brought a big smile to Bill Russell's face and Hank wagged his tail. We certainly appreciate that. That was very generous of them, and we thank them for that. Also, I received in the mail today a letter from the Community Blood Center. They have recognized the City of Wilmington as a Gold Partner in their Lifesavers Ambassador Club. We hosted 12 blood drives last year and collected 678 units of blood. That's huge and that's due in large part to making the community room available and hosting them and doing everything we can. I'm very proud of that. That's good stuff. Also, I would like to give some kudos directly to Phil Floyd and our Wilmington Transit System. I received a letter this week from Sadie Hunter. Sadie is the Executive Director of People First of Ohio, it's a self advocacy organization ran by people with developmental disabilities. For the last several years, they have had their conference out at the Roberts Centre. She was so impressed with Wilmington Transit, WILTRAN, our cab company. The work that they have done to help these folks that are attending this convention, people with significant disabilities get to and from the convention site, the hotels and other venues, she said it would be almost impossible to do without the complete cooperation of Phil Floyd, the drivers and all of the folks from WILTRAN. We really do appreciate that and I want to acknowledge publically Phil and his staff for the great work that they have done. Also, Scott, has a flyer on this with a button. I don't know if you have all seen these buttons, but next Wednesday is "Wear Blue to Work Day." It is National Child Abuse Prevention Month and wearing blue to work helps bring awareness to the problem that we have not just in the community not just in Ohio but throughout the nation of child abuse. It is a horrible situation. We need not only to be aware of it, but we need as a community to support those people, particularly out at Job and Family Services to work with people who have been abused and adults who have possibly been abusers to help break this cycle of child abuse. So, next Wednesday, April 11, is the awareness day. I am encouraging everyone in the city to wear blue. Blue jeans, blue shirts, wear a blue hat, wear a blue scarf, blue suede shoes, whatever you want, but wear blue to work on the 11th to bring awareness to this situation. Also, it is kind of a way to thank all of the good folks out at Job & Family Services for the great job they do with child abuse and protecting our children. Lastly, on April 14, I believe this is a week from Saturday, they are having a fundraising event for Cpl. Josh Sams at the Roberts Centre. AS you know, Cpl. Sams was severely wounded in Afghanistan. He lost both legs and is still in the hospital. We as a community have wrapped our arms around him and his family and we want to continue to do so. There are several things going on to help raise money for Cpl. Sams. His rehabilitation is going to go well beyond what he is getting at the hospital in Washington. It's going to be a lifetime of change for him and his family. We want to support this young man and his family and attending the event, there are also yard sales and collection jars throughout the community. But, he is a local

hero, and we can't do enough to thank him for what he has done. That's my report.
Thank you.

President Kirchner: One other thing that I would add is that for all of our heroes, and I think we all owe them a debt of gratitude, but Operation Thank You is a program for thanking all of the local heroes across the country and veterans that have served and sacrificed defending freedom. I would like to encourage everyone in the community to come out and support our local hero and also consider supporting the Operation Thank You Program. Thank you, Mr. Mayor. We will start committee reports at this point. Thank you. Asset Acquisition and Use?

Assets Acquisition and Use: Chairperson Bob Mead: No report, this evening, Mr. President.

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

Finance Committee – Chairperson Bob Mead: Mr. President, we have four items this evening. The first item is three readings on an ordinance making supplemental appropriations.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

Motion passed.

President of Council asked for discussion.

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes; Jaehnig, yes;

Motion passed.

President of Council declared Ord. No. 5018 passed as read.

Councilman Mead: The next item, Mr. President is very similar. In fact, it is the reverse appropriations. This is three readings on an ordinance making supplemental appropriations.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

Motion passed

President of Council asked for discussion.

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes;

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Motion passed.

President of Council declared Ord. No. 5019 passed as read.

Councilman Mead: The third item is three readings on an ordinance making miscellaneous transfers.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Miscellaneous Transfers.

Motion passed

President of Council asked for discussion.

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Wallace to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Siebenaller yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Motion passed.

President of Council declared Ord. No. 5020 passed as read.

Councilman Mead: The fourth item on the list this evening, is three readings on a resolution authorizing payment of the expenses incurred in a prior fiscal year.

A motion was made by Mead and seconded by McKay to give the first reading only on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

Motion passed

President of Council asked for discussion.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Wallace to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Wallace to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2279 passed as read.

Councilman Mead: That is all the Finance Committee has this evening, Mr. President.

Water Committee – Chairperson Mike Wallace: Mr. President, we have nothing for this evening. We would like to request that we get a meeting set for next week some time. We need a committee meeting.

Streets Committee – Chairperson McKay: We have no report, Mr. President.

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

Wastewater/Sewer Committee: Chairperson Loren Stuckert: No report, Mr. President.

Judiciary Committee: Chairperson Rob Jaehnig: We have two items tonight, Mr. President. The first will be a second and third reading on a moratorium on any new businesses in regards to games of skill or adult gaming in the City of Wilmington. Again, this moratorium is being put into place while the council studies the situation to determine which direction the citizens would like to move – whether they would like to ban it, whether they would like to have it in a certain part of the city only, and how best to handle this as we move forward. As a reminder, next week on the 12th will be a public hearing to discuss some of these issues in regards to skilled gaming. So, while we are moving forward with the moratorium, this is not a statement in either direction, it just allows us the time before we get inundated with businesses in our community and gives us the time to actually thoroughly look through this and review this. Are there any questions in regards to this ordinance?

President Kirchner: Rob, I would offer that also it gives the state time to potentially complete state-wide legislation. That is one of the other purposes of the moratorium.

Councilman Jaehnig: Correct.

A motion was made by Jaehnig and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance Imposing a Moratorium for a Period of Six (6) Months (180 Days) on the Granting of any New Application or Permits Allowing the Operation of Any Adult Gaming Parlor, Internet Café, Sweepstakes Café, or any other Facility Containing Sweepstakes Terminal Devices, and Declaring an Emergency.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the ordinance by title only.

A motion was made by Jaehnig and seconded by Stuckert to pass the ordinance as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes; Jaehnig, yes; Wells, yes.

Motion passed.

President of Council declared Ord. No. 5021 passed as read.

Councilman Jaehnig: The second item we have on the agenda tonight is the second reading rescinding and then replacing our off-street parking ordinance. Just for council's edification, we did have some grammatical corrections that needed to be made in the text. That is why you are seeing this as marked amended. You have the current corrected version in your packet.

A motion was made by Jaehnig and seconded by McKay to give the second reading only on the ordinance Rescinding Codified Ordinances §1165 and Adopting New Codified Ordinances in Chapter 1165 Regarding Off-Street Parking, As Amended.

Motion passed

Director of Law read ordinance by title only.

Jaehnig requested that the third reading be on the Agenda for the next meeting.

Councilman Jaehnig: One additional item, Mr. President. The Judiciary Committee is now starting work also on reviewing the city's comprehensive sign ordinances and where we will be going through that line by line, we have some ordinances that need to be updated. We have some ordinances that probably need to be eliminated and maybe even added, so we are going to be looking at that. The first item on our agenda will be yard arm signs, which will mainly affect the downtown Main Street. But, our interest is hearing from any business that has issues in regards to signage that they would like to bring to our attention so we can look at it as we start to address this. We do expect to be taking this one bite at a time and dealing with each individual issue as we work through it instead of trying to redo the entire ordinance all at once. So, you will see many changes coming, but it may take us six to eight months to get through the entire process. One of the items, though, after talking with the mayor, that we will not be changing, so I please ask the citizens now to respect this particular ordinance, signs are not allowed to be placed in the right-of-way. So, the tree lines, as an example, we see a lot of signage being placed in that area, whether they be political signs, whether they be signs for businesses. What we've really seen are a lot of signs from outside of our community promoting furniture stores in Mt. Orab and things of that nature. We will be beginning to enforce that, so signage in the right-of-way will be being picked up and removed and not returned. That's all I have. Thank you, Mr. President.

President Kirchner: Thank you, Rob. I do know the committee is tackling an awful lot with the code reviews there, and I appreciate all the work that you and the committee are doing, so thank you very much for the effort.

Safety Committee- Chairperson Don Wells: Mr. President, we have three items this evening accepting gifts, which the mayor spoke about earlier. We are very grateful to receive these gifts. The first item is three readings on a resolution accepting a gift from the American Legion for the K-9 unit in the amount of \$1500.00.

A motion was made by Wells and seconded by Stuckert to give the first reading only on a resolution Accepting a Gift.

Motion passed

President of Council asked for discussion.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by McKay to pass the resolution as read.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Motion passed.

President of Council declared Res. No. 2280 passed as read.

Councilman Wells: The second item tonight is three readings on a resolution accepting a gift from the Sons of American Legion for the K-9 unit in the amount of \$500.

A motion was made by Wells and seconded by Stuckert to give the first reading only on a resolution Accepting a Gift.

Motion passed

President of Council asked for discussion.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Stuckert to pass the resolution as read.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Motion passed.

President of Council declared Res. No. 2281 passed as read.

Councilman Wells: The third item is three readings on a resolution accepting a gift from PESSO for the K-9 unit in the amount of \$250.

A motion was made by Wells and seconded by Stuckert to give the first reading only on a resolution Accepting a Gift.

Motion passed

President of Council asked for discussion.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Stuckert to pass the resolution as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2282 passed as read.

Councilman Wells: That's all I have tonight, Mr. President.

Councilman Wallace: Mr. President.

President Kirchner: Councilman Wallace.

Councilman Wallace: Don, could you tell me what percentage of the expenses that are K-9 Unit has this would help cover.

Councilman Wells: I cannot tell you that.

Acting Chief Duane Weyand: This is the first year, so we are kind of in a start-up costs, so it probably is going to be around \$4000. One of the biggest expenses we have had as a

startup is that we had a K-9 program that ended in 2009 and the car that we had it in, we traded the stuff in. When we started it back up, we were able to get hodge-podge of pieces of equipment to put back into a car from other agencies. This money here will help fund a fan that will go back of the car that will draw air in that will cool the back of the car where the dog is at, because it is actually a metal container that's back there to protect him. We have training that we fund out of it. There is also some other equipment, like leads. The dog is a tracking dog, so you're going to have harnesses and leads and stuff of that nature. Then, there is a national certification that we have to do. I believe it's biannual, so this money will help to pay for that. We also just have the normal vet care and maintenance of the dog itself. The vet care will probably run about \$700 and then food just depends on...we've been pretty fortunate. We priced it at Buckley's, but we got the best price actually out of PetSmart. They were able to give us a much lower rate to buy food from then, so we were able to get food at a cheaper cost. The dog is a hundred pound lab, so it is a big dog. Also, as part of the vet care, because we do take the dogs into houses. We've done probably 10 drug search warrants over each year, it pays for heartworm all year, as well we do flea and tick all year because there are a lot of houses that we go in that have fleas throughout the winter, so we treat the dog. Heartworm and fleas are involved in the cost.

TRANSCRIPTION INTERRUPTED – END OF TAPE

Mayor Riley: ...Safety Director some years ago, we had Murdock, which wasn't a tracking a dog, but he was an attack dog and a drug dog. If I'm not mistaken, I think Murdock cost us \$8000 just for the purchase of the dog. Of course, he was trained before we got him, and then you've got these ongoing costs as Duane described. So, getting these donations from the community is a huge benefit in helping us to maintain these animals the way they need to be maintained. Honestly, I would like to have every office to have a dog. They are a huge benefit to the officer.

Acting Chief Weyand: One of the things, hopefully as time progresses, because we are in a startup situation, but as the dog generates forfeiture money and stuff like that, usually you are looking at a year down the road before you realize some of that gain. Hopefully, at some point, we will be able that money to be able to put back into the program. But, so far this year, we'll probably be in access of 30 arrests, just from the dog alone. Last week and he came in...we had someone who came up from Dayton who was stopped down by Buckley's – 10 grams of heroin – you know at one in the morning. I mean, if we hadn't had the dog, we never would have had that. So, there is constant volume to the arrests that it will generate. We're not just using it locally, the Highway Patrol is changing their methodology of what they are doing statewide. They are trying to move away from just forcing just straight speeding but branching out. We have been out on the interstate for a handful of times up there wanting the dog when he has been working. It's not just a win-win for Wilmington, but it's a win-win for the county as well.

Mayor Riley: It's a huge asset to the P.D. I also have to compliment Officer Russell. The dog becomes part of this family while he is there. And, if you didn't love the dog and care of the dog, it would be a pain. But, he really gets along well with the dog. He and the dog are partners. I have to hand it to Bill for all the work that he is doing in taking care of that dog. He is really going above and beyond for us.

Councilman Wallace: How long will he work before he goes into retirement.

Acting Chief Weyand: The difference between this dog and our last one is that the work life of this dog will probably be a little bit longer. It all depends on how, but you're probably looking at at least six years, maybe as much eight years.

Downtown Revitalization Committee - Convener Mark McKay: We don't have any legislation, but I would like to point out a couple of things that were in our packet. I'm not sure if they are available out in the community yet. There is a great little marketing piece for Saturday, May 5, in the downtown area. I'm not really sure how to explain what this is, but it is small town day-tripping. It's either for fun girlfriends or for fun, girlfriends, but grab your girlfriend and drive on over to downtown Wilmington. It starts

at 7 a.m. at South Street Coffee House. And there are many businesses now that are open in the downtown area on Saturday, which is a really big deal. And, then you end your evening with your girlfriends or your best girl at the Kiss Tribute Band, Mr. Steve, at the Murphy Theatre at 7:30.

President Kirchner: Can you distinguish that again? It was...

Councilman McKay: It's either for fun girlfriends or for fun, girlfriends.

Mayor Riley: It's the latter. It's for fun, girlfriends. I want to give my appreciation for the Main Street Wilmington for putting that together – Steve Brown and Christine Krisa – that's a neat thing for them to do.

Councilman McKay: It's a great marketing piece, and we will get it distributed. Also, not in the downtown, but the Tree Commission is having a Tree Walk on May 15. For those of you who enjoy that kind of stuff, it will be a great opportunity. It is going to be out on the college campus. As I said, on May 15, Rick Stanforth and Chris Hodgson will be doing that. That's another cool thing happening in our community also. The Wine Walk is sold out, and that is...I think it is next Friday.

[Banter about Wine Walk]

Councilman McKay: There are just a lot of very cool things. You saw the ribbon cutting that happened in our newest business – the Crave – over on Main Street last Saturday. We're getting there.

President Kirchner: It was very exciting too. I was finally able to attend one because it was on a Saturday. It's a great place and I encourage folks to get out to it. It's great to have a new business opening.

Mayor Riley: These are the types of things that make Wilmington a great community to live in. I appreciate everyone who puts these things together.

Service Director Reinsmith: Mark, a little side note on your Kiss band. They were recently in a worldwide competition. It was a couple of weeks ago – and they were voted the best tribute band in the world. So, they do a great show.

Councilman McKay: Let's sell some tickets.

Councilman McKay: That is all I have.

Parks and Recreation Committee - Convener Rob Jaehnig: I just wanted to let everybody know there will be a Parks Board meeting this next Monday at 6:00 p.m. Thank you, Mr. President.

Service Director- Service Director Larry Reinsmith: No report, Mr. President.

Safety Director – Safety Director Russ Burton: No report, Mr. President.

Reports:

A motion was made by Wells and seconded by Mead to approve the Income Tax Report – March 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

Treasurer Paul Fear: I just wanted to make a comment about the Tax Report. We have mandatory filing. There will be an article in the newspaper coming out next week to remind the people that the 17th of the month is the day that it's due, because that's the

date that was moved back from the 15th. There will be an article in the newspaper for the mandatory filing of income taxes.

President Kirchner: I would offer one more encouragement for folks to plan on attending the benefit for Cpl. Josh Sams on the 14th out at Roberts Arena. I know one of the bands that will be playing out there this evening is Wreaking Havoc, with our own Chris Brannon who is excited to support the event. I encourage everybody who can to get out there.

[Discussion of locale of event]

Consensus among members that the Cpl. Sams event would be held at the Roberts Centre.

President Kirchner: The special meeting of council will occur next Thursday at 7 p.m. here in council chambers. The only topic that will be covered in that is the question of games of skill and the community's input to that issue. I do want to encourage folks to come out and let council know what their desires are with that issue.

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.

A motion was made by McKay and seconded by Jaehnig to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, April 12, 2012, at 7:00 p.m. with President Scott Kirchner presiding.

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

President Kirchner: The only item on the agenda tonight is on the president's portion of the council meeting.

President Kirchner opened the public hearing.

President Kirchner: It is a public hearing to address the issue of games of skill and the potential for legislation coming up in the city. Tonight's meeting overall is simply about getting public input to whether or not they have concerns or support for the games of skill. I know that many communities have reacted to it. Currently we have placed into law a moratorium on any further businesses locating here for six months while the state works to try to commonize legislation across the state regarding these types of businesses. At this point, it is an unregulated business from the state level. That's why local communities are having to grapple with it. At this point, I would let the chairman of our Judiciary Committee, which is working on draft legislation in the event that it becomes something that the city would need to allow and regulate. I'll let him tell you where that process is. Councilman Jaehnig?

Councilman Jaehnig: Thank you, Mr. President. Just to give you a little bit of an update on where things are so everybody has a good history of what has already come to fruition, where we are, what are options are as we move forward and where things could go, before we open it up for general discussion. The city did put a moratorium in place at the last council meeting for the purpose of hopefully the state will go ahead and put forth a common legislation for everyone. During that same time, if it indicates that they are going to be very slow in doing so or have decided not to, it will give the council time to look into this, to properly review the entire subject to have proper legislation prepared for the end of that time period. We don't have to necessarily use the entire six months, and the six months could be extended if council votes on it. We have, to my knowledge, as of the date of the moratorium, two locations in the City of Wilmington. One is Cactus Jack's, which is already open and has been operating in the complex including Cassano's pizza. The second one is under lease with money down and that is Lucky For You. I'm not sure if that will be the same name locally, and that's out in the old Kroger's/Wal-Mart plaza out on Rombach by the Taco Bell. The way the legislation works is any business that is already in place that already has money down so that it could be a loss to them, we, as a council, do not have the legal right currently to go in and decide that we want to ban them and shut them down and move them out of our city. At that particular point, we would be eligible for a lawsuit and we would most likely, based on other lawsuits that have already occurred in the state, we would probably lose. So, at that particular point, council then started looking at, it's apparent that we're going to have a couple of these facilities in the community, and so we need to start considering how we deal with those that are here. The second question is, okay, we have a moratorium in place; we already have two here; what does the community feel about any additional? If the state moves forward, the way the current legislation is proposed at the state level, if the state approves this legislation, this will give the community actually the right to go back and review those already in place. So, at that time, we could accept those that are already in place or do an outright ban in the entire city if the state goes through with what they are currently reviewing. That could be changed at any time, as we all know, with pieces of legislation the state can move very slowly. A prime example was the bath salts legislation that we took action on last year, and we did that because the state was moving so slowly. So, we are kind of in an unique position. If the state decides to strike that, a portion of the legislation, then we don't have as many decisions to make other than are we going to allow additional facilities. Are we going to put a limit on the number of machines and/or establishments in the community? What direction do we want to go? That's really what we're looking for – direction from the community and

their viewpoints. Is this something that is of high concern to the community and they prefer not to see them here? Is it something that is not a big concern, but we want to regulate it to make sure it is not in certain areas of the community? Or is it something that, it's jobs, it's revenue, it's opportunities for the community. Bring on all that you can. So, it's a pretty wide chance for opportunities to how the city proceeds. On our plate right now are basically two decisions. One is how do we deal with the ones that are currently here? The second one that we have to look into is what do we want to do with the future if we are given the rights to make decisions about future facilities. So, those are the two decisions that we are working with. The legislation that you have as a draft form in front of you deals with those that are already here. As the head of the Judiciary Committee, I felt that it was appropriate to look at what the industry is doing as a standard. Most communities that have these types of establishments in them have some type of a permitting or licensing legislation on the books. There would be a fee for each machine that is in the city. It spells that out. Just as a clarification, if you look at the fee, one through ten – that means machines one through ten are \$250. Machine number eleven then would be \$150. Just because you have eleven machines, doesn't mean the entire amount drops. So, you pay by machine. But, while that would bring some revenue into the city, the revenue is not huge. It's obviously not going to solve our budget deficit. The real purpose of the legislation is it's what gives us the legal right to actually inspect these facilities. Currently, with the current legislation that we have, we have no legal right to go in and inspect the machines to make sure they are what they say they are and they are games of skill rather than gambling. This permitting would allow us the right to actually inspect these machines. And, if at any time, the city feels that a machine may be improperly calibrated or fixed or something of that nature, then we can call in an independent third party to actually inspect the machines at the cost of the establishment only. So, the draft legislation that you're looking at, and there are some things that need to be addressed still in it, kind of speaks towards that piece of legislation and protecting the public from something that may be unscrupulous. The establishments – we do have one of them here tonight that would be more than happy to talk about the difference between a game of skill and gambling and answer any questions that you have. They're with Lucky For You, which is out of Jeffersonville and one of the larger establishments in the state and have been around for quite a while. They've worked very closely with the City of Jeffersonville in actually helping write and establish the ordinance that is in place up there. They are, from what I hear, very good community stewards from the City Council and from the Sheriff of Fayette County. So, please feel free to ask questions about it. I am not an expert in games of skill, so I'm very happy that they are here to answer those questions. But, we are interested in questions, opinions, thoughts and anything at all at that point. Is there anything I left out, Mr. President?

President Kirchner; I don't think so. I can cover the process if they want to get involved. For any of you who haven't been here before or perhaps have only been here a few times, to speak before council, because we need to have it on the record, you would just simply step up here to the podium, state your name and address for the record. Then you can speak on the issue that we have before us at this point. I think council is willing to hear any input that we have, and I encourage any of you. I would ask that you raise your hand so that we have an orderly flow to the podium. We don't want people jumping up and running to the podium. Everyone will get a chance to speak. So, if we can all just indicate if we want to speak, that would be great.

Dean Long, 102 McArthur Road, Jeffersonville, Ohio: I am with Lucky You. I just want to start out by apologizing to all the council members. You had to read in the paper that we were coming to town, and that's not usually how we like to do business. I should have been here a month ago letting you all know that we were coming to town. That's my fault; I am sorry about that. We do have a lease signed with Meadow Park Plaza out on Rombach. We made our deposit and signed the lease on the 21st of March. I believe that was in the deadline. We do a lot for the community over in Fayette County, but I really don't want to talk about that. This is a whole new county. I'm just asking for you to let me be here six months before you judge us. In six months' time, we will make a difference in the community. We've made a great difference in Fayette County. We help a lot of people, and we're more than willing to help Clinton County. I will take any questions.

Councilman Jaehnig: Could you talk to us about your constituency or your customers?

Dean Long: Our customers range from 40-year-old to 75-year-old mostly ladies. They're just looking to have a good time. A lot of people describe our place as more of a social hangout. They don't look at it as gambling. They come in there for entertainment. We have ladies that come in there – men too – they come in and they see somebody they hadn't seen in twenty years. They just laugh, giggle and have a good time all night. Any other questions?

Unknown Speaker: For example, you say you're doing a lot with the community. Give us an example of what you're doing with the community.

Dean Long: Okay, in Fayette County we do a lot with the 4-H program. We're big supporters of the fair. We do a lot with Commission on Aging. We do a ton with Hospice – every month. Boy Scouts of America. We're big supporters of the Shriners. That is one organization that we really feel strongly about. We do a lot with a lot of little people, but those are some of the bigger ones that we deal with.

Paul Hunter: Could you give a dollar amount possibly of the value of the community services that you rendered?

Dean Long: Last year - \$30,000.

Thomas Long: If I can address with him, I'm Thomas Long, I'm the dad and I also help run Lucky You. We, for instance, on the 4-H, last year, because the county was having a hard time, we actually donated \$12,000 just to the Fair Board. A lot of that was because in the hog barn, we helped them put \$5000 (I hate to say this, but it's the name of the business – it's called Big Ass Fans) But, in the hog barn, it keeps the pigs cooler and it makes a breeze in there. That's one of the many things we've done. Like I said, the Hospice is something that we do monthly. Meals on Wheels. So, we do have an impact. Of course, we operate 330 games in Jeffersonville. We're not planning on being that big here. Number one, because the clientele just wouldn't support it. We have a big facility down there. But, we do a lot of, by being in Jeffersonville, we always make sure that, because everybody's got a baseball team, you would not believe how many people want to get support for that. I'm not lying to you...we don't support...we try to support every kid versus Roger's baseball team. But out in Jeffersonville we do sponsor a boy and a girls baseball team, but that's the only ones that we sponsor. Hospice is a big thing. Shriners is a big thing for us. I would say 4-H is our biggest.

Paul Hunter: How big do you expect this to be compared to Jeffersonville?

Dean Long: We expect to open with 100 games over here. We have a 4000 square foot building.

Paul Hunter: Jeffersonville has how much?

Dean Long: 330.

Paul Hunter: So, we could expect maybe a third of the....

Thomas Long: That would be a good way to look at it.

Unknown speaker: Maybe this is just hearsay, I've heard that your place in Jeffersonville has been closed down a few times? Is that true?

Dean Long: We did shut down one time three years ago. The Attorney General was coming up with some new legislation and in the meantime, they told everybody to shut down. The sheriff came out and told us about it, and we automatically closed our doors until they said we could open back up.

Thomas Long: Let me address this. Your Chief of Police, who we will work very close with, all he has to do is walk in and say, "Mr. Long, we would like to shut down at 6:00 p.m. in the legislation." Let me tell you, at a quarter 'til, everybody would be out.

Lee Curtis: I've played there. You're a 24-hour operation.

Dean Long: Out there we are. Here we would close for that third shift. Don't hold me to it right now, but our hours would range from 8 a.m. to midnight throughout the week and then maybe on the weekend we would stay open 'til 2 a.m.

Councilman Wallace: Explain to me the difference between a game of skill and a game of chance.

Dean Long: Okay. The state of Ohio requires that 51% of the game has to have some kind of player interaction. Where a slot machine, you pull the lever or hit the button and it stops on one line, where this game...

Thomas Long: It can produce a winner on your first spin, where our game will never do that.

Unknown speaker: Are you talking maybe more like blackjack or something?

Dean Long: No sir, you've got the pay line and then you have to raise or lower a certain – say it's bars or cherries – you'll have to raise or lower that to make it a winner, and that's the 51% that the State of Ohio requires. You've got to know if you've got a winner or not. Like, I've seen people miss jackpots before because they moved it the wrong way. That's the skill part of it. If you move it the wrong way, you don't collect a win.

Lee Curtis: Well, I've played there. I've played there quite a few times – out of boredom. And I wouldn't call it a game of skill for the mere fact – to me – I look at it just like it's a game at the county fair. You throw that ball, if you knock over that item, if you miss, you win or you lose. I look at it – it's all about luck. Because you have a menu on the side of the machine and it tells you whether you lower or raise it. All you do is touch one button to raise or lower, so, an illiterate person can do that. Also, as far as the skill, anybody can touch a button and stop a button. So, I look at it as a game of luck – not skill. There's no skill to it.

Dean Long: Yes, sir.

Lee Curtis: I've played there and I've played over here. Most of your customers are poor people or middle class, and a lot of them – 80% are women. They play for, like you say, amusement, but in all gambling, some people can become addicted. So you have a lot of addicted gamblers that come there a lot. So, my feelings on it is, I don't know the judicial part of it or the legality of it, but I feel that our county fair charges that come in vendor's fees – some type of vendors fee or having a fee or whatever – a strawberry festival or whatever – they are charged a vendor's fee. So, I feel that your organizations should also be charged because those machines are vending machines. You can call them games of skill or whatever you want.

Thomas Long: Just so you know, we're right along with you.

Dean Long: In Jeffersonville, we pay the city every year - \$22,500.

Lee Curtis: For the amount of money you make in Jeffersonville, that is peanuts, okay, because I've been there several times. I even went there yesterday. So, \$30,000 is peanuts. I feel like, like I said, I don't know what the legal aspect of it is, but I know the city should be able, legally, to charge you under a vending license fee because the county fair, the strawberry festival, people that sell food, whatever, the games at the fair, they are all games of chance/luck.

President Kirchner: If I could interject, my preference would be that we get you up here and on the record to obviously get your opinion and council is very interested in it. This started out as a question and answer period. So, I'll encourage you to come up and give your opinion when you come up here. I do want to state, for the purpose of this meeting, that by law, by the interpretation of the State of Ohio, these games are considered games of skill. I simply say that because I don't want to have the debate become part of this. We can't have that debate. The state has made it clear to us. These are classified as games of skill, so I just want to make sure we keep on topic and have the discussion so that it is effective. Do we have another question?

Councilman Wallace: Are you required by law to give back to a tax-exempt thing – a certain percentage?

Dean Long: No sir. Not that I'm aware of.

Councilman Wallace: The reason I'm asking that is like we have Eagles and they have something there. I'm not sure what it is, but I know whatever it is, they have to donate those earning back to a tax-exempt entity.

Thomas Long: Just to help out, because I'm helping my son on this, we are a corporation in the state of Ohio. We do not fall into that because we are a profit company.

Councilman Jaehnig: Which means they are paying taxes on that. The non-profit for the Elks or the Eagles, in order to qualify to use gaming as part of their non-profit fundraising, they have to show that the money is going back to a nonprofit. Otherwise, they would fall under the normal gaming statutes of the state.

Paul Hunter: Like church bingo.

Councilman Wells: I have a question. It says no one under 21 can play a game, but are kids allowed in there?

Dean Long: No sir. In Jeffersonville, whenever we first came there, we worked with the sheriff. The state age regulation is 18. Our sheriff wanted it to be 21, so we worked with him on that and we wouldn't have it any other way. We like it being at 21. To answer your questions, kids are not allowed in there. If they do come in there, we ask them to leave.

Councilman Jaehnig: And that means that all of your employees are that age also.

Dean Long: Yes, sir. And we've got the windows dark to where you can't walk through that strip mall and look in there and kids look in there and see stuff.

Councilman Wells: So, you card everybody who enters?

Dean Long: Yes sir.

Councilman Wallace: So, with all of these machines, how many employees would you anticipate?

Dean Long: Around five or six, I would say. If we get over here and need more...

Thomas Long: As many as eight.

Dean Long: As many as eight.

Unknown speaker: Is there alcohol served in the facility?

Dean Long: No sir. There's no alcohol on the premises whatsoever.

Thomas Long: And, of course, no smoking.

Dean Long: No smoking. No alcohol.

Unknown Speaker: You can smoke outside.

Thomas Long: Yes. In fact, we would like to invite anybody, any of you all are welcome to come over and inspect us and let us answer questions.

Dean Long: You can always ask for one of us. We're usually around. We'll show you around.

Thomas Long: I will say that over there we do employ about 15 people.

Unknown Speaker: On that alcohol thing, are they allowed to step outside the premises and walk up to the counter of a business in the same mall and have a beer and come back in?

Dean Long: As long as they do not have it in our establishment. I don't know of any bars out there.

Councilman Jaehnig: Where you're located, that's correct, but we have another location that is in town that is very proximate to an establishment that serves alcohol. That is why that question is being asked.

Councilman McKay: How are your winnings paid?

Dean Long: We're on the voucher system. If you win...we've got a card that everybody gets when you come in. And, you load money on that card. You put the money up from your card on the machine, so it's all on that card. You don't feed bills in each machine. Whenever you're done playing, you come up to the counter and we print a ticket. And it kind of looks like a Lucky You check. It has recipient and amount. You write the number amount on there and date it. Then you would go to another business. In this case, we will have a location set up to where you buy like gift cards. And then you go over there and spend at least \$5.00 and they'll redeem the rest for you with the change.

Thomas Long: The state requires that you can win as much as \$10 per game. We've got ours set at \$5. But, by my no means, once you hit the button, that is one game. So, you might have three games that you win nothing. So, at that time, you would be able to get \$20 out of that machine on the fourth game.

Councilman Jaehnig: I could see eyes lighting up in regards to the vouchers and the paying out. Yeah, that's a whole other discussion. Unfortunately, it is at the state level because I have the same exact questions. We went in-depth how interesting it is that you can go next door, turn in a voucher for \$50, buy something for \$5 and get your \$45 back and how that is not different from gambling. Unfortunately, that is one of those things that is at the state level and is something that we are not able to review here locally.

Councilman Wells: How much does it cost you to play that one game?

Dean Long: We have games ranging from one penny up to a quarter. On a quarter machine it ranges – you can bet anywhere from one quarter up to five dollars.

Thomas Long: Just to help that out – even though it's a penny game, it might cost you 24 cents to cover all the lines.

Dean Long: You can play one line for a penny, but there might be 24 lines that you need to cover.

Thomas Long: You can play as much as \$5 per hand or toward a game.

Councilman Stuckert: How many different varieties or ways of payout exist. You say that you are on a voucher system.

Dean Long: Yes sir.

Councilman Stuckert: How many other kinds of potential systems are there?

Dean Long: To tell you the truth, I don't want to sound conceited, but we're one of the only businesses that go by that rule. The other guy in town here, I believe he does the same thing. But a lot of these people in Columbus and such, they're just paying out cash because they're not regulated. Whenever the Attorney General had that break three years ago, they went from you can't pay out cash to where you can pay out with the voucher system.

Thomas Long: That's why we actually stayed with that voucher system.

Dean Long: That's the only way I know of.

Unknown Speaker: Where's your payout location going to be?

Dean Long: Over here, we'll have our store right there, and then it will be right next door. It's going to be a little gift store.

Thomas Long: In Jeffersonville, there's actually two locations in the mall. One of them is a pizza shop and one of them is a restaurant. I'm not saying that we... This is just step one. Some of this we're just planning on, and there might be some questions that we can't answer for you right now.

Dean Long: Plans change. We might change it down the road. I will tell you about the gift card place. We plan on having gift cards around the city, you know to pizza places and stuff like that to where you can purchase that gift card for the \$5 or \$10.

Paul Hunter: Do you have an ATM machines in your big ones in Jeffersonville?

Dean Long: Yes sir.

Paul Hunter: Can we regulate it against that for habitual gamblers...if you have that machine right there?

President Kirchner: Again, if I can ask, for those opinions on requests for council to consider legislation, I would like to ask you to come forward. Asking questions is fine.

Councilman Wallace: Have you ever had an incident where you had to call the law? Did you ever have any problems?

Dean Long: Yes, sir. Like I said, we do have the elderly people and sometimes they fall or get sick and we call the ambulance and the police usually show up then.

Thomas Long: If you're asking the question if we are having trouble – No. My sheriff can verify that. We have had, because my son is correct, we've had a couple of people. For instance, one passed out from a heart attack and the life squad had to come in. But as far as have we ever had any trouble, we are fixing to celebrate our fifth year anniversary in Jeffersonville, and to this day we have yet to have a problem other than health.

Councilman Jaehnig: And I have to say, we have talked to the Fayette County Sheriff and he has confirmed that.

President Kirchner: What's the average annual salary of your positions?

Dean Long: They actually start at \$10/hour. Like I said, we won't have as many people here, but they all average about \$400/week.

Councilman McKay: Did I hear you say somewhere along the line that 51% is the percentage that is allowed to win?

Dean Long: No. That's 51% for the skill. There's got to be some kind of skill that requires 51% skill for you to win.

Councilman Jaehnig: And you'll drive yourself nuts, Mark, trying to figure out how they figure that out.

[Laughter]

Thomas Long: I've been doing this for fifteen years and that formula, I can't figure out.

Councilman McKay: I guess what I was getting at then, and I know you know, the percentage of winning.

Thomas Long: Each machine is different. I have some set on 92. To be honest with you, this is one of the things that is hard to understand. That machine will be set on 92%.

Councilman McKay: Which means what?

Thomas Long: Wins. In other words, just because you put a dollar in there, I'm not lying to you. I'm not saying that you're going to get 92 cents back on that dollar.

Councilman McKay: It's figured over a period of time?

Thomas Long: Yes. Over a period of time.

President Kirchner: So is it accurate that all machines are set...

Dean Long: Between 90 and 94.

Thomas Long: Not on dollar amount but on percentages.

President Kirchner: So, they are all in the house favor. There are none set at 100%.

Dean Long: No. None that I have seen.

President Kirchner: Okay. Do your machines indicate what percentage they're set at?

Thomas Long: No sir. If I'm inspected, for instance, if you want to see what that percentage is, yes sir, you would be able to. Does the patron see that? No. Some of them we will show them. Just so you know, that is in that game. We cannot change it.

President Kirchner: It comes from the manufacturer like that.

Thomas Long: In fact, the manufacturer regulates all that. I know everybody thinks there's a button in the back, but there's not.

Councilman Wallace: Is Jeffersonville the only other establishment that you have?

Dean Long: Yes sir. We've been working on it. He's kind of a perfectionist, so we've been there five years perfecting it, and we feel like we're capable enough to set up another one.

Councilman Wallace: Where are the nearest facilities that are not you guys?

Thomas Long: Yes sir. That would be Circleville that I know of, which is 22 miles.

Dean Long: Greenfield has one.

Thomas Long: Yes, Greenfield has one. In fact, the young man that has one here, has one in Greenfield.

Unknown Speaker: Hillsboro.

Thomas Long: Hillsboro, yes sir.

Unknown Speaker: Hillsboro has three or four right now.

Thomas Long: Okay.

Unknown Speaker: Four if you count the one at Rocky Fork Lake.

Thomas Long: Yes sir.

President Kirchner: At this point, I want to be sure that we give members of the audience that have come here to speak about how they feel about this an opportunity, if we don't have any more questions about the type of operation and the structure of the operation. Seeing none, I would thank you gentlemen for coming and being willing to take questions.

Dean Long: I do have some personal invitations for council. I didn't know the At-Large members sat on the board, so I will get those to you. I promise. So, I will get those to you.

Thomas Long: Because we really would enjoy you all coming down to see our place...just to see how we are...because we're pretty proud of it.

Lee Curtis: My name is Lee Curtis, and I live at 1004 Southridge Ave., Wilmington, Ohio. I will compliment the gentlemen. They do run a pretty clean operation. I have played there several times. I've never seen any trouble. I've never seen any arguments or anything like that, so I'm really proud of how they run their operation. But I do feel, as a citizen, that all operations like that do prey on the poor people. I don't look at it as a game of skill or how the state looks at it. Like I say, I don't know what the legal aspect of it is as far as charging them a vendor's fee. I feel that they should be charged some type of fee. Like I said, you run a good a operation as far as that goes. I still feel like all those operations prey on the poor. I don't care whether they run a good operation or not; that's my feelings on it. Because most of your people that play those games are generally poor or some middle class that just want to have a little fun. The win-versus-lose ratio is way below the standards you said. You know, you lose more than you win if you play at those games long enough.

Councilman Jaehnig: Well, otherwise, they wouldn't be in business.

Lee Curtis: Right. Otherwise, they wouldn't be in business. But, I will have to say, they run a good operation up there. But as being a citizen, I think if it's legally correct, we should charge them a vendor's fee because the state hasn't regulated them yet like they do all the other gambling, I think the city should charge them a vendor's fee, because they make a lot of money.

Councilman Jaehnig: Are you talking other than permitting fees?

Lee Curtis: I would probably imagine that...I don't know, like I said, the legal aspect of it, but I don't know what each vendor...like whether you can clarify just like you did in here, a certain percentage. If you was to charge them a fee per machine, I feel that would be correct – whichever way you decide to do it. But I would say, let them bring their operation to town because they do run a good clean operation up there as far as I am concerned. But, it's not a game of skill; it's a game of luck. I'll say that, but I do know you run a good operation.

Thomas and Dean Long: Thanks.

President Kirchner: Any other members of the audience? Paul, I think at one point you had started to have an opinion.

[Banter]

Paul Hunter: 200 Randolph Street, Wilmington. My only thing is you can't declare it illegal because the courts, so far, have said it's not a game of chance. However, we have zoning options and we can put them where we want them to be rather than just let them set up any place they want to be. And you guys will pay income tax on your earnings in our community, for example. So, say you make \$10,000, you would pay city income tax on the earnings at the shop here. And, of course, your employees would too. I do agree it's a tax on the poor, but it always was and ever shall be...sad as that is.

Bennie Guardado: I live at 484 Marlina Drive. They had mentioned their hours of operation: I was just curious if you guys were going to do anything to regulate those hours or if you were going to let them. Is that something you can talk to?

Councilman Jaehnig: That is something we would look into considering. The other establishment that is already located here in the historic district does have to fall under more restrictive hours than they would out at their location, because the historic district has a curfew that is much earlier. But, that is one of the items that we would definitely have to review.

Bennie Guardado: Have you guys talked about it all? I don't know how far in the process you guys are.

Councilman Jaehnig: We have not.

Bennie Guardado: I also was thinking, they mentioned that their business generally brings in an elderly crowd. It is just hearsay and stuff; I've heard about the crowd that Cactus Jack brings in. Do you foresee issues in becoming more of a rowdy place or a rowdy crowd? I mean, what kind of things do we regulate there?

Councilman Jaehnig: I think I understand what you're saying – if it all of a sudden trends to the young and more adventurous than the more well-behaved seniors. Is that what you're trying to say?

Bennie Guardado: Yes.

Councilman Jaehnig: I would assume that the same regulations and guidelines would apply that establishments that would normally attract that type of crowd currently already have to operate under. You know, whatever ordinance that is put into place will obviously have to be consistently reviewed to make sure it is current with current city conditions, what the public is seeing, and then, of course, state regulations. Yeah, but if all of a sudden it became a very young crowd out there and if it became very rambunctious, we would have to take additional precautions if we found that what we have on the books already is not properly addressing that situation.

President Kirchner: For the record, even if the elderly crowd got rowdy, we would...

[Laughter]

President Kirchner: So, this is not discrimination against the young or the old. We would address any issues we had. Really, we would look for our law enforcement officials to let us know if there were issues they were concerned about. But, your questions about zoning, hours of operation, and things like that are all things that this council will have to address with the legislation associated with this.

Lee Curtis: To answer his question as far as – I know these gentlemen here...from what I...I have a lot of friends in the Washington C.H. area that go there frequently. I've never seen an argument in their establishment or anything. People are friendly, respectable. I've never seen anything like that happen. Friends that I have that go there, they've never seen an argument or anything there. I can say, I am for charging them a fee, but they run a good operation as far as no rowdiness, no trouble. They're a good group of people.

Councilman Wallace: Mr. President. As far as seniors are concerned, if the rowdiness hasn't happened prior to 9:00 at night, it's not going to.

President Kirchner: Would that be the voice of experience or hearsay?

[Laughter and banter]

President Kirchner: I thank you for coming and speaking – everyone that has spoken so far. Are there other individuals?

TRANSCRIPTION INTERRUPTED – END OF TAPE

Mike Bray: 308 High Street. ...I'll try not to make this in the form of a complaint. I would just let you know, first of all, I appreciate the work you all do. I know it's a lot of effort and a lot of time and a lot of service, and I'm thankful for that. I would like to put a word in opposition. It's hard to extrapolate on what Mr. Curtis said. There is generally an understanding that this type of enterprise – if you don't say "prey" on the poor – at least it takes advantage perhaps of vulnerabilities that the poor have to fall in this kind of thing. I think that's pretty well established as a fact that it doesn't really raise the standards of behavior or quality of life among the people. But I would like to argue on the basis of a more aesthetic argument. When I think of what the city looks like, when I speak of its face, if I may. I come from a town, Bowie, Maryland, where I lived for about twenty years. It's right between D.C. and Annapolis. We don't have but a weekly paper there. It's very transient. We don't have anywhere near the roots that we have here...that I've come to love here...the deep roots and the life. You can see the difference when you just drive up to a stop sign and you hear someone say, "After you." "No, after you." "No, after you..." And it takes a lot of time sometimes to get through the stop sign, but it's a whole different world from the D.C. area that I came from. As I mentioned, we only had one paper for Bowie. Bowie is the second largest city in the state. It came into existence in the 60's just to house all the federal employees there, with the expanding government. It just came into existence. It's small...Levittown. You've heard of Levittown, PA. It came and built Bowie. So, Bowie just came out of nowhere and it's the second largest city in Maryland. Right behind Baltimore...bigger than Annapolis. But, we have a weekly paper...for as big as that town is. What that states is the fact that there is no real need for it. There is no real community like there is here. We have this daily paper. We have no money in this town, but we still have a daily paper. I like to pick it up and read about my town. I hate...Pottersville comes to mind. There was Pottersville and then there was the other town. You watch the movie every year...it's the movie about Christmas.

[Banter about Bedford Falls in *It's a Wonderful Life*]

Mike Bray: When I think of that and when I think of the face of the city – I think of our murals and I think of the pictures of the people working and people doing productive things. I think of walking downtown. I think of the churches here and there. You go down to the great Murphy and you look up and see Anno Domini 1918 – the year of our Lord 1918. You go down to the courthouse and you see the big four symbols there – agriculture, education, industry,

[Discussion about what the four symbols are]

Mike Bray: It has to do with the image of our town. It has to do with when you come to town – when you come downtown, what do you see? What's the face of the city? What does the city speak to? Do you see a gambling center or do you see places of business...of buying and selling...and people gaining things for their money rather than throwing it away. That's what I argue. Just for the aesthetics of the city, keep the city without that kind of an activity in it. Let it go out to the outskirts. Let the city remain a city without the gambling type facilities going on.

Lee Curtis: In rebuttal to you sir, it's going on all over America.

President Kirchner: Lee, if I could. I don't want this to become a debate necessarily between citizens. You are welcome to come back up if you want to make a point before council, but I want to be sure that we understand we are going to respect everybody's right to say how they feel about what they think about this issue. I appreciate your willingness to pause. I just don't want a debate citizen to citizen. Ultimately, council needs the input from all of you. We need to know what everyone thinks that wants to give their opinion. I appreciate that all of you are. So, if we can keep that to the focus, I will appreciate it. Thank you, Lee.

Mike Bray: My point is, and I thank you for helping me out there, is just that I think it's bad aesthetically for the city. Let that go outside of the city limits. Thank you.

Ken Gosney: 736 Mead Street. I just had a question in regards to the alcohol. Is there anything that is going to be established so that we can't provide that in the future.

President Kirchner: Actually, it is my understanding that based on state law, these facilities cannot service alcohol with the current state of the Ohio Revised Code. The expectation would be that that does not change. I have not heard that the state's legislation is considering changing that.

Councilman Jaehnig: I have not heard that either.

President Kirchner: So, we don't know that that is a possibility. We don't expect that as a possibility, and we know right now it is not a possibility.

Ken Gosney: Who is going to be enforcing the ordinance? Is that the Police Department or is that someone from the city who will be enforcing it, inspecting it, that sort of thing?

Councilman Jaehnig: We have to work that out through the administration. The department they feel is most appropriate to have that on their work schedule. Now, the mayor has at least stated that the Police could show up at any time and have the right, based on this legislation, to come in and check to make sure there are not underage children in the facility and that things are copasetic.

Ken Gosney: And the funding comes from...the funding to do that?

Councilman Jaehnig: The fees. Like I said, the fees that are proposed are not going to solve any type of budget deficit, but they will make us whole - minimum. We will have the right to revisit it each and every year, assuming that the state doesn't take that right away from us.

Ken Gosney: And just as a citizen, I personally wouldn't want something like this in or community. From the standpoint of the alcohol and that sort of thing...we had my daughters 8th birthday party at Cassano's in the back room, which is right by where you go in. And I had to explain to her at an early age why they kept coming in and out, drinking. Why those games were in there, why she wasn't allowed in there. I think from a small town standpoint, I hate to see that in our community and have to explain that to her at such an early age.

Councilman Jaehnig: I don't mean to speak for the rest of the council, but I believe if we hear of a continued issue of alcohol being purchased, drank quickly, to be allowing them to get right back into the gaming area, that would be of great concern to us.

Ken Gosney: It's my concern, there's a bar right outside the door...

Councilman Jaehnig: Correct.

Ken Gosney: That used to serve ice cream. I don't know what they serve now...

Councilman Jaehnig: Supposedly it's not a bar at the moment. They're selling snacks and things of that nature. It's my current understanding; Cassano's is literally right around the corner, and of course they do serve alcohol in that establishment.

Ken Gosney: Thank you.

Brent Cunningham: 451 Westfield Dr. My question really is for the Lucky You guys. Also, just as a citizen here in Wilmington. I do think it's a bad idea – bad stewardship – especially with the financial condition of our community. It's not like we have overflows of money laying around. Most families are in very tight budgets, if anywhere, at least here in our town. I know the state doesn't consider this gambling and we can't say what it is or what it isn't. But, to me, it just seems like a gray line – the game of skill – the gambling. My question to you is do you guys support anything that would help someone addicted to gambling or someone who may be addicted to games of skill? Do you support any type of...I know some casinos do that. I know you guys aren't a casino, but do you support...

Thomas Long: At this time...not that...

Brent Cunningham: So if somebody is spending a lot of money and going into incredible debt by being at your facility, you would offer them help?

Thomas Long: We haven't had that problem, but there again. Would I pay for somebody's...?

Brent Cunningham: I'm not asking that, but maybe steer them in the right direction.

Thomas Long: Let me ask you this...would I ask somebody to leave if they were losing too much? Would I bar them from my establishment? Yes sir, I have done that before. Not here, but in Atlanta, Georgia.

Dean Long: We're not after people's rent checks or electric money.

Brent Cunningham: But you don't know where the money is coming from.

Thomas Long: There again, when you come through that door, you're coming on your own will. We're not encouraging you...

Brent Cunningham: I know you're not holding a gun to them...

Thomas Long: Like I said, if I thought you were overboard – like I said, I haven't had that problem in Ohio – but I have had that problem in Atlanta and I have asked them to leave my establishment.

Brent Cunningham: Okay. I don't know if this question is out of bounds, this is silly, but what is the profit of your establishment in Jeffersonville. Are you allowed to disclose that information. I'm just curious.

Thomas Long: I can't....

Lee Curtis: To answer both gentlemen's questions – you take for instance the Ohio State Lottery, they have a 1-800 number for anyone who's a compulsive gambler, the same way with your casinos. An individual chooses – that's an individual's choice. That's free will. I look at any jobs that come into the city that will give someone a job; we need some jobs in Wilmington. If that individual has the free will that he wants to lose his paycheck or whatever, that's his property. We have to separate religion and state from our government. We have to separate it. I feel that it's an individual's choice. If he sits there and wants to lose all his money – that's his stupidity. I'm all for charging them a fee and also they do run a good establishment. I've never seen a fight or an argument or nothing there. I've never seen anyone under age go there before. I'm all for bringing as many jobs to Wilmington as you can, because we need jobs. I think the location, if you're all going to be near TSC?

Thomas Long: Yes, sir. On the other side.

Lee Curtis: On the other side. I think the location there is far enough away from the bars – Buffalo Wild Wings or what have you, that there is not a drinking facility in that complex. I'm all for charging them a fee and bringing some jobs here. If a person wants to lose their money – that's their free will.

Councilman Wells: Will you be hiring people from our area? From Wilmington?

Thomas Long: Yes sir. Another thing that we do...in Jeffersonville...of course you know, we're small in Jeffersonville. We buy our pop and as much as we can...we will buy from your people who are in business here already. We offer free soda. We go through about \$750-\$1000 in week in Jeffersonville. My IGA, Jeff Davies owns that, we've become good friends, and I buy all that through him. That's what we would buy. Of course, this is a different county, we would buy from stores here in town.

Councilman Jaehnig: You're about to be inundated tomorrow as soon as this hits the paper.

[Laughter]

Dean Long: And we do cater food in. We do it locally. We don't go to Papa John's and do it.

Thomas Long: For instance, on Tuesday nights, one of the things that we do...we have three pizza places in there. Well, I, because it's a small town, we go through about 40 pizzas, and we have each one of them deliver their pizzas to us. Like I said...when we buy stuff with the hardware, Mr. Kline's hardware store, we get it. Now, if he doesn't have it, we go to Home Depot, but we try to give as much or as much business to surrounding businesses around us.

Councilman Jaehnig: Thank you.

Dean Long: And we will be hiring in Wilmington.

Thomas Long: Yes sir. If you work in Wilmington, you will be living here.

Councilman McKay: Refreshments are provided free of charge?

Thomas Long: Yes sir. They are.

Councilman McKay: At all times?

Thomas Long: Yes sir.

Dean Long: Pop, water, coffee.

Paul Hunter: I would like to ask him another question, if I may.

Thomas Long: Yes sir.

Paul Hunter: What's the most a person could lose if they really went nuts and gambled the maximum they could for a few hours?

Thomas Long: I can't really give an answer on that, because I don't know how fast you can hit that button at a quarter a time.

Paul Hunter: So, a quarter a time is the most you can do?

Dean Long: No, you can pay five dollars at a time if you'd like.

Paul Hunter: So, you're hitting five dollar, five dollar, five dollar, so it could really add up.

Thomas Long: Yes, sir.

Paul Hunter: Thanks.

Bennie Guardado: I have a question for you guys. Do you keep track of any records. Say everyone get's their own voucher card, do you have any records of what the average person nets – whether they're losing or gaining? Because as he mentioned, it could bring jobs in this community – we're talking between 5-8 jobs at \$10/hour. If everybody works 40 hours a week, that's about \$20,000 a year job. So, we say we have five of those, that would be \$100,000 you guys would be putting back into employees. But, if the community is dumping more than \$100,000 into your establishment, what have we gained? It's just a comment. Excuse my youth here, it's the first time I've been a public forum, so I'm learning.

President Kirchner: You're doing a great job. You know what, incidentally, I think it is for most of us too.

Bennie Guardado: I'll come back up here when I remember my second question.

President Kirchner: If I can ask, if we can, keep it new topics. Also, I want to make sure that everybody's aware. This is about taking community input primarily for council to be able to understand what the preference of the community is. Again, I don't want to get into debating the values of their business with them as much as I want to keep it about input to council about concerns associated with the laws around that type of business. If we can keep it to new topics, that's the other thing I'll encourage folks to do.

Thomas Long: Can I make one more statement – just so everybody knows? We actually have certain days that we have specials go on. I can tell you right now, we average on a Wednesday or on a Saturday, and this gentleman can probably verify this, during that time, we're probably getting 60-80 people in a three-hour period from this town. That just kind of gives you an idea of how many people you've already got going up there.

Councilman Jaehnig: So you're saying, that's people leaving our community to spend their money outside of our community.

Thomas Long: Yes, sir. And I just wanted to throw that in there so you would get an idea of how many people are coming from Wilmington.

Unknown Speaker: How are you tracking that?

Thomas Long: Because we know our customers. We know your name when you walk through the door. We know what you drink and we know where your from.

Lee Curtis: If they purchase their pop, water, pizzas, if they cater meals in, if they are buying these items from our city, that will bring revenue to our businesses here in town. And they do a good job of stocking up with sodas. You can drink as many sodas as you want there. You can eat potato chips and snacks. They have pizza nights. I went up there yesterday and I put \$20 in. I left out with a \$125. But, it was luck. It's not a game of skill. But they do run a good operation. And it will bring revenue into the city. Whichever pizza place they decide to buy or sodas or water, so that will bring revenue into our city.

Councilman Jaehnig: When you talked about people from our community up in Jeffersonville, of that, what would the percentage overall of people in the establishment at that time, I mean, in general. 15%?

Thomas Long: It's less than that.

Dean Long: You have to understand that it's the busiest day of the week and we run probably 300 people through the door.

Thomas Long: In three hours.

Councilman Jaehnig: Do you expect to be able to draw...obviously, you're not going to be able to draw as well, simply because you don't have as many machines...

Thomas Long: Right. Let me say here, and it's really weird. Here's my vision of what Wilmington will do. I can already tell you we'll have one of what we call a wicked day. We have Thunder Thursday. We're just like anybody else. The way I look at it, we're in the entertainment business. But, you would be surprised how many people we will have from Xenia, Washington C.H., Lebanon that will come here on those days. Now, they won't be here any other day, but they will be there that day. Right now, on Wednesday and Thursday we have Xenia, Wilmington, of course, Columbus. We pull from other... Because we do have such a good business, we get everybody from other towns. I'm proud that our business is not your average game room. Like I said, there are some people in our industry that it's dark when you walk in. You don't know if you want to be there or not. I've been in this business a long time. I don't agree with them kind of places. Our place will not be like that here.

Lee Curtis: May I say one more thing?

President Kirchner: One more thing.

Lee Curtis: To speak on these gentlemen's behalf, these guys have the best operation of these types games I've ever seen. These guys run the best operation. But you have to charge them.

[Banter]

President Kirchner: Is there anyone else who has not spoken yet. There are a couple of people here, I would like to give you the opportunity. If you wish not to, that is fine. I think we have pretty much covered every topic that we are getting from the audience so far. I want to thank everybody for the input and the willingness to be here tonight.

Bennie Guardado: If this goes toward regulation, hopefully, you will talk about how you can't drink in the establishment. So, if you want to put it in the regulations that you want to set up, but there's nothing that says you can't go to the place next door and get a drink there and come back in. Have you given any thought to a regulation about not allowing anyone to be under the influence of alcohol inside, whether you get it from the bar next door...?

President Kirchner: It's not necessarily something that we can regulate at any business, let alone theirs. I understand what your concern is. In zoning, they can look at their proximity to things, so there is that opportunity. But, the question of someone entering their establishment having chosen to go somewhere else before, that is not something that we can look at. You had some other thoughts on the process moving forward?

Councilman Jaehnig: I wanted to clarify a couple of items. One of them is, the two establishments that we are aware of, what we are looking at in regards to them is simply what are the guidelines that they are going to have to follow since they already here. Currently we are not able to take any type of action that would say, "We don't want you here; you have to leave." So, I don't want there to be confusion. Now, what else is allowed in the future will partially be determined by the state, assuming that they ever make a decision on finalizing the legislation they're looking at and what it's final format is, and then what the city is eligible to do at that particular point. So, we are looking at two different things: How do we deal with the fact that we have a couple of establishments now, and how do we want the city to be in the future? Do we want to ban all additional, and if they were to close their doors and leave, no others would be allowed to replace them? Do we want to have a set number of establishments or a set number of machines in the city? Or, this is capitalism and we really shouldn't be involved in actually trying to control that. So, there are two completely different things. This is why the moratorium is in place, because it is a very complicated process that we do want to take the time to do properly. But, we didn't want to be infiltrated with an influx of six or seven of these establishments while we were doing our proper

homework. So, that's the kind of the two different areas that we are looking at. At this particular point, with the current state law in place, an option for us is not to close down these facilities. While I believe that most of council would agree that having one in the historic district would not have been at the top of our list, at our current time, I don't believe that there's anything legally that we're allowed to do about it if we decided we wanted to. Moving forward, we are going to be reviewing the draft legislation that is put before you. I've already noticed that there are a few typos and word issues in there. But, we will be reviewing that in terms of permitting and licensing, then we will be moving to the second phase of "Okay, what do we want in the community?" We would be very open to additional suggestions, ideas, comments and thoughts as we move through this process, and we will make sure that everything is publically noticed, so if you have an additional interest in participating, you can attend our committee meetings and/or council meetings. I believe that's all I have, sir.

President Kirchner: Okay. At this point, I want to thank everybody for coming tonight and giving their input.

President Kirchner closed the public hearing.

A motion was made by Wallace and seconded by Wells to adjourn.

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, April 19, 2012, with President Scott Kirchner presiding.

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

Assistant Chief Duane Weyand was also present.

A motion was made by McKay and seconded by Mead to excuse the absent member.
Motion passed.
Absent member excused.

President Kirchner announced that he had received a call from Councilman Siebenaller indicating that he had most likely would not be able to make the council meeting because of prior commitments.

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 Mead to approve the minutes of the last regular meeting, April 5, as received.
Motion passed.
Minutes approved as received.

President Kirchner asked for approval of the meeting minutes of the April 12, 2012, special meeting. He noted that the word “commonize” was spelled “communize” and would like that changed. He also added that he was not able to find the spelling of the word “commonize” on the web.

[Banter regarding the spelling of the word “commonize.”]

A motion was made by Mead and seconded by McKay to amend the minutes of the last special meeting, April 12, to change the word “communize” to “commonize.”

[More banter]

A motion was made by Wallace and seconded by Stuckert to accept the minutes as amended.
Motion passed.
Minutes accepted, as amended.

Mayor – Mayor Riley stated that there would be an announcement from the Park Board He asked Maria Butcher to come forward for the presentation.

Maria Butcher announced that the Parks Board had a meeting earlier in the evening and made the decision to hire Lori Williams as the new Parks Director.

[Applause and General Comments of Congratulations]

Asset, Acquisition and Use –Chairperson Bob Mead had no report.

Auditor –Auditor David Hollingsworth had no report.

Finance Committee – Chairperson Bob Mead had no report.

Water Committee – Chairperson Mike Wallace introduced legislation to provide access and water service to the proposed site of the Little Hearts/Big Smiles just outside of the city limits on Fife Avenue.

A motion was made by Wallace and seconded by Mead to give the first reading only on a resolution Approving Access and Water Service to a Property Outside the City. President asked for discussion.

Mayor Riley stated that the Little Hearts/Big Smiles project would rank among the best projects ever done in our area. He said he thought that the City and County, along with the local and county Park Boards, should work together to do anything they can to help Little Hearts Big Smiles with their dream of having a playground where children with disabilities can play with their brothers and sisters who do not have a disability. He said he was proud to endorse the project.

President Kirchner agreed with Mayor Riley. He said that he was familiar with the work of the families involved with the project and found it exciting to see it come to fruition. He added that he hoped council would support the project.

President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Wallace and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Wallace and seconded by Stuckert to pass the resolution as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2283 passed as read.

Streets Committee – Chairperson Mark McKay said that they had no legislation, but he wanted to cover some of the items that were discussed in the recent streets meeting. He said that there were several topics discussed. The first was parking on Gallup Street. He explained that it was a narrow street, which created issues with regular traffic and created difficulties with safety equipment. He said that it had been reviewed a couple of years ago by Councilwoman Peterson, but at that time, there wasn't sufficient off-street parking. Now, since the Homeless Shelter has built a parking lot that added about 10 spaces, the issue can be revisited. He said that they are considering eliminated parking on the east side of the street, the Homeless Shelter side, and that adjacent property owners would need to be notified and given an opportunity to talk about it. He added that they are also looking at the expanding the parking ban at the corner of Sugartree. Fire and Police would be looking into that issue.

Service Director Reinsmith said that the letters to the adjacent property owners went out yesterday. Residents will have an opportunity to address their opinions/concerns about change in parking on Gallup at the May 3 council meeting.

Councilman McKay said the second item was a proposal to gain more parking in the downtown. He said that one way that they considered doing it was to change the parking on the Main Street side of the courthouse to angle parking rather than the way it is now. They said that ODOT discussed this issue with the Mayor and Service Director. Councilman McKay explained that even though they would gain some spaces, it would not be a good idea because there is heavy traffic from time to time on that street and it would cause problems if a person were trying to back out from the angled space onto that street. He said it could cause accidents. For that reason the committee decided to let it fall for lack of a motion. They will continue to look for ways to increase parking in the downtown. He asked for questions.

Councilman McKay said the third item discussed was semi traffic in the downtown. He said that the issue was truck traffic coming into the downtown on Locust Street and attempting to make a right turn on 68 North. He noted that sometimes trucks tend to get

hung up on that corner. He said that they hoped that now that we have a bypass that allows the truck traffic to go around, maybe a ban could be put in place restricting the right turn off of Locust onto 68 North. Again, ODOT weighed in on that in order to ban the right turn, the city needs to have an alternate route in place that does not involve putting the semi trucks in residential areas. Since this alternate route does not exist, banning the turn is not a good option. Councilman McKay said the committee was approached by residents who want the city to abandon a portion of East Fulton Street. This land is owned by the city but is not being used as a thoroughfare. He explained that Fulton Street runs from North South Street left just before you make the turn to go out of town. He said that if you continued across South Street to East Fulton Street, there's a house there and it has already been abandoned to that homeowner. He said if you continue eastward, there is an area that the city still owns and it crosses Walnut Street and then comes out on Lincoln Street. The residents asked that that this portion be abandoned to them since the city really was not going to extend Fulton Street from 68 across to the east. Councilman McKay said the Streets Committee agreed that it probably should be done and it will be forwarded to Planning Commission to notify residents who may be affected by the change.

Councilman Jaehnig asked if these were roads that were never developed.

Councilman McKay said that was correct. He explained that these were areas in people's yards. He said there is an alley that does extend to the east of part of the Fulton Street area, which will remain an alley that runs from Lincoln Street around and out on Vine Street. He said that the last thing they talked about was that we need signage on the 73 bypass telling folks where Wilmington is. He said there are numerous instances where people, if they were looking for Wilmington, could not find it. He explained that they are pursuing rules that ODOT has in place to try to get better signage rather than the one at Mitchell Road that just reads fairgrounds. Councilman McKay stated that with the current signage, people traveling on 73 trying to find Wilmington could end up in New Vienna or Hillsboro.

Solid Waste/Recycling Committee: Chairperson Don Wells said they had nothing on the agenda; however, he pointed out that there is a resolution in their folder that they would be talking about. He introduced legislation authorizing the advertising for bids for a standard steel deck truck scale for the Sanitation Department.

A motion was made by Wells and seconded by Jaehnig to give the first reading only on the resolution Authorizing the Advertising for Bids for a Standard Steel Deck Truck Scale for the Sanitation Department.

President of Council asked for discussion.

President Kirchner said that the reason the legislation was not on the agenda was his error. He said that he thought that the motion had been made in committee to create the RFP and return it to committee for approval. After listening to the tape of the meeting, it was clear that the motion was to send it to council, not to return it to committee. He apologized to council for the error.

Councilman Wallace said that he did not remember an item like this being presented in the budgetary process for this year. He said that he had difficulties with approving this item, given the current budget concerns, and wondered where the money was going to come from.

Councilman McKay said that he also asked that question to the superintendent. He said that the idea was just to get an idea of how much it would cost and then it could be decided later if what it accomplishes makes it worth the money. He said he agreed with Councilman Wallace.

Councilman Wallace said that he did not approve of going forward with something like this.

Councilman Jaehnig stated that this was just a request for proposal and that it was not the approval of a contract.

Councilman Wells said that they were trying to get accurate data. He said that right now they just guess the weight of loads brought into the landfill based on a formula converting cubic yards to tons. He said that most of the landfills have scales. Councilman Wells stated further that the landfill superintendent was hopeful that this will make the landfill more efficient for the taxpayers. He went on to say that they were not voting to put the scales in; they were only voting to get pricing on scales.

President Kirchner spoke to the issue of spending additional money in a deficit budget. He pointed out that the landfill fund is an enterprise fund and is not part of the deficit situation.

President of Council called for a vote.
Motion passed.
Director of Law read resolution by title only.

Wells requested that the second and third readings be on the Agenda for the next meeting.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Rob Jaehnig announced that he had two items of legislation. He said that the second item would require a little bit of explanation as it had not gone through the Judiciary Committee before coming before council. He said the first item is the third reading on the new off-street parking ordinance. He asked for additional questions or comments.

Service Director Reinsmith said that today he had a realtor call him and talk to him about one of the shopping centers that is in a PUD. He said that the realtor had a 10,000 square foot store that wanted to come in and locate in front of one of the shopping centers. He said that one of the issues was the amount of parking that was required for him to locate there. Service Director Reinsmith said that he was able to tell the realtor that our parking regulations were in the process of being changed and this would make it possible for the store to locate there.

Councilman Jaehnig said that when he brought this forward, he was hoping that it would make a difference when things started to pick up a year or so from now, so he was very pleased that an immediate result might be seen. He asked for additional questions.

A motion was made by Jaehnig and seconded by McKay to give the third reading only on the ordinance Rescinding Codified Ordinances §1165 and Adopting New Codified Ordinances in Chapter 1165 Regarding Off-Street Parking.

Mead voted nay. All other members voted yea.
Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to pass the ordinance as read.
President of Council requested a roll call vote.

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

President of Council declared Ord. No. 5022 passed as read.

Councilman Jaehnig said that the second item on the agenda involved updating the written and on-line versions of the codified ordinances and was something that was done each year. He said that the company who updates the codified ordinances is Walter Drane and explained that they take all legislation passed in the previous year and put it into the codified ordinance book and then also add those changes into the city's on-line ordinances. Councilman Jaehnig stated that the other half of what they do is take anything that has been changed or added on the state level that would affect our community and move those items into our codified ordinances and on-line version so that everything is current. Each year when this is done, the city must approve or accept the new codified ordinances. He said that there was no time to put it through Judiciary Committee because Walter Drane just sent the city notification that they had already

made the on-line changes. He said that it is important to accept these immediately because the police officers are using the new on-line version as a reference, and in order to make those entries legal, council needs to accept the state's rules. He said it was important to move forward in order to not cause any potential problems with future prosecutions. He asked for questions.

A motion was made by Jaehnig and seconded by McKay to give the first reading only on the ordinance Approving the Editing and Inclusion of Certain Ordinances as Parts of the Various Component Codes of the Codified Ordinances of the City of Wilmington, Ohio, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Wallace, yes; Mead, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Director of Law read the ordinance by title only.

A motion was made by Jaehnig and seconded by McKay to pass the ordinance as read.

Roll call: Mead, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Motion passed.

President of Council declared Ord. No. 5023 passed as read.

Councilman Jaehnig said that they would be scheduling a Judiciary Committee in the future to go discuss yard arm signage and gaming legislation. He said they would send out notification when that meeting is scheduled.

Safety Committee- Chairperson Don Wells said he had nothing on the agenda. He announced that Safety Director Russ Burton has informed him that all tornado sirens are fully functional.

Downtown Revitalization Committee - Convener Mark McKay said there is a lot going on downtown. He reminded everyone that the Wine Walk was happening on the upcoming weekend. He said further that the Third Friday events were going to begin in June and there were going to be several cruise-ins this year. Councilman McKay said that we have more flexibility in closing the streets since the bypass and that will help with downtown programming. He also said the Farmer's Market would be in full swing soon in the mural parking lot.

Paul Hunter announced that the Earth Day Dinner would be on April 28 and reservations could be obtained at the hotel.

Parks and Recreation Committee - Convener Rob Jaehnig said there was no official report, but the committee would like to welcome Lori Williams as the Park Director. He said they look forward to working with her.

Service Director- Service Director Larry Reinsmith said he had no report.

Councilman Jaehnig asked about the status of the work on SR 73. He asked if they were just repaving sections or if they were going to repave it all.

Service Director Reinsmith said they are doing a full-depth repair. He said they were out on Progress Way today and the milling machine broke down at the intersection. He said they were going to repave from Mitchell Road to the fairgrounds. Service Director Reinsmith said they also would be starting at the intersection of 22 and Progress Road and work all the way to New Vienna. He said once they get it all finished they want to turn the city areas over to the City and the county areas out to the County.

Mayor Riley said that he has been questioned about the timing of the lights. He said that we all remember a time when you could cruise all the way through town at 35 miles an hour and hit all of the lights green. He said that the milling work has created problems with the timing because some of the sensors are in the blacktop and they mill them out to

complete the work. He says that he has been assured that it can be fixed as soon as the blacktop project is done.

Service Director Reinsmith said the problem with that theory is that the speed limit in the downtown area is 25 miles per hour, so that would mean that you are speeding when you come through.

[Laughter]

Lee Curtis asked Service Director Reinsmith what the policy is for abandoned vehicles that are on a property. He mentioned a property at 950 Southridge Ave and said that the tags on the vehicles there have been expired for 19 years and 22 years.

Service Director Reinsmith asked if they were on the roadway.

Lee Curtis said that they were not, but he stated that he had been ticketed in the past for license plates being expired on a car in his driveway. He complained that this is a nuisance. He said that he had asked the city workers about the cars and they said that they had reported it to the Service Director.

Mayor Riley asked him to repeat the address of the vehicles.

Service Director Reinsmith said they would look into the situation.

Councilman Jaehnig asked if it was business or residential.

Lee Curtis said that the rumor in the neighborhood is that the person who lives there is actually deceased but they are still collecting social security checks in her name. He said that he would appreciate it being looked into.

President Kirchner said it sounded like the Chief of Police is on top of the situation and will act on it. He went on to say that he had a citizen who lived on Piedmont ask about street lighting. He said they live toward Warren Drive, between Warren and Ridge Road. He said they asked if it was possible for them to have more street lighting in that area. He wondered if we only light the intersections in residential neighborhoods like that or if there was a spacing situation.

Service Director Reinsmith said that normally the city lights all intersections and curves. He said usually they do not light too much more, unless it's very, very dark. He explained that some of the trees in that area may be blocking the illumination as it falls, and said if he could have an address, he could investigate it further.

[Discussion of street lighting in that area]

Safety Director – Safety Director Russ Burton said he had no official report. He said that Wilmington College graduation is on the 5th of May this year, and they have asked that we do not set off the sirens in the middle of graduation. He asked Gary to put it in the paper that there would not be any siren testing on that date.

President Kirchner asked if there would be an alternative date.

Safety Director Russ Burton said that since sirens had been checked recently in the state-wide testing, they would just wait until the next regularly scheduled test.

Mayor Riley noted that in news reports he had heard after the Tuscaloosa tornados, one of the comments on television was a citizen saying that the sirens had gone off so often that they didn't even pay attention to them anymore. He suggested that if we schedule an alternative testing date, then people may start to become desensitized to the sound of the siren.

Reports:

A motion was made by Jaehnig and seconded by Wallace to approve the Auditor-Treasurer Report – March 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner announced the special council meeting on Thursday, April 26, starting at 6 p.m. for the purpose of the budget work session to discuss the 2012 remaining budget and beginning to prepare for the 2013 budget cycle.

Service Director Reinsmith said he had a superintendent express concern that they had not been notified that they needed to provide anything to prepare for the budget workshop. Service Director Reinsmith explained that if council needed information from the departments to in order to prepare for the work session, then the administration needed to be contacted so they could let the supervisors know.

President Kirchner said that he had had discussions with the Finance chair about the agenda and the details were being worked out. He said the best thing that he could say is for them to bring in their ideas.

Councilman McKay asked if we would be limiting discussions to primarily council and other employees.

President Kirchner said the purpose of the meeting was to discuss the budget and not much thought had been given as to whether there would be a lot of opportunity for public input.

Councilman McKay said that they had discussed it and thought it would be good if council members could have the discussion without audience input initially. He offered that perhaps there could be an open comment portion toward the end of the meeting.

Paul Hunter said he would not be there, so it probably would be okay.

[Laughter and Banter]

President Kirchner said that the meeting could be set up so that there was a portion at the end reserved for public comment.

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

Franklin Wall wanted to know if City Council could make an ordinance to make people license their cats because there are a lot of stray cats. He said that he had caught several cats in his life and had trapped and euthanized them. He asked if they could come up with something where people would have to license cats.

Acting Chief Duane Weyand said that there is not much that can be done because the ODNR does not list them as a domesticated animals. He said that they are considered free-roaming.

TRANSCRIPTION INTERRUPTED – END OF TAPE.

Acting Chief Duane Weyand said that the state classifies them the same as raccoons and opossums and things like that. He said he did not think anything can be done by council.

Service Director Reinsmith said there is an ordinance on the books that says that you can't kill any animal within the city limits.

Mr. Wall said he did not kill them in Wilmington but he takes them out into the country.

[Laughter and Banter]

President Kirchner said that based on the information, they would confer with the Law Director, but it sounded like the council would not be able to require licensure on cats.

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.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, April 26, 2012, at 6:00 p.m. with President Scott Kirchner presiding.

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

Acting Chief Duane Weyand was also present.

President Kirchner: Since this is a special council meeting focused on the budget, we have dispensed with the Pledge of Allegiance this evening. We will move right into our only item on the agenda, which is the Finance Committee budget work session. Late this afternoon, we found out that actually there was a presentation put together for council to review insurance, which, of course, benefits one of the major line items in the cost of personnel for the city and in the budget in 2012 and again will be in 2013, so we will make a few adjustments, I believe. But let me turn it over to the chair of finance and see how he would like to begin the budget work session.

Councilman Mead: I think we will just go ahead and take care of the presentation and then move ahead with the agenda the way it is.

President Kirchner: Okay. Liz. I would like to welcome you and thank you for coming tonight.

Liz Fortney, Hukill, Hazlett, Harrington Insurance Agency. I've been the broker for the city's insurance since April 2005. I've put together a presentation tonight that addresses some of the issues surrounding the city's benefit package, which is a large line-item in your budget, and we're all aware of that. I wanted to spend some time talking about the type of plan we have here at the city, which is a self-funded type of plan. I want to talk about the costs involved in that plan, the benefits that are involved in the plan and the things that impact all of the above. I think that will address most of the issues in the email that was requesting this presentation. I call this Self-Funding 101 because we're going to spend most of the time talking about how self-funded plans work and specifically how the city's self-funded plan works. I do want to take just a minute and talk about some of the other cost-saving things that we have implemented since you all have been dealing with my agency, Hukill, Hazlett, Harrington, from April 2005 until now. We added a voluntary life plan, which enables the employees to purchase life insurance at their cost through payroll deduction and has no cost impact on the city's budget. We also added line of duty coverage, which is triple indemnity for firefighters, police officers and officers of the court. In doing that, we were able to negotiate a contract that reduced the city's overall cost for life insurance by \$1900 per year. I also made the recommendation a few years ago that we self-fund the short-term disability plan. We did an analysis of claims versus premiums and elected to self-fund that coverage several years ago, and that resulted in a savings of approximately \$10,000 per year to the city. A few years ago, four years ago to be exact, we also decided to self-fund the dental insurance. We are, as of the end of 2011, are paying just slightly less than we were paying in 2005 for dental. So the savings for 2011-2012 over a fully funded plan was around \$32,000. Then we phased in a self-funded medical insurance plan over time, and that's what I want to spend most of the time tonight talking about. Self-funding in its purest form means that employees have claims and the employer pays them. The City of Wilmington, with 143 employees, is not large enough to have a truly self-funded plan. So, we phased in self-funding over a period of years. Our first step was to move from a traditional type of plan to what is called a Health Reimbursement Arrangement or HRA. An HRA plan has an underlying insurance policy with a higher-than-normal deductible, which is partially funded by the employer. This enables premiums to be reduced and claims are only paid when they are incurred, so if you have a good claims year, the employer retains the balance of the unspent HRA money in the employer's General Fund. If you all have any questions about this as we go, please stop me and we'll just keep this very interactive.

President Kirchner: You indicated that this was phased in over a number of years. That portion of it was the beginning?

Liz Fortney: That was the beginning in 2005 April.

President Kirchner: Okay. And how long did that period continue?

Liz Fortney: That continued until April 2009.

President Kirchner: Okay.

Liz Fortney: So over a four-year period. During that HRA structure, and just to give you a little bit of history of why we did that. When I became involved with the city's insurance, the renewal for the 2005 plan year, which actually began January 2005, was delivered by the previous broker at the 11th hour, with a 45% rate increase. It was too late for the city to react to that and it was also impossible for the city to absorb that into the budget. So, at that time, the city went out to bid. They met with various brokers – I'm not sure how many – and looked at various solutions to offset that 45% increase. By implementing that HRA strategy in 2005, we reduced the city's cost in the first year by just at \$400,000. So, it was a significant savings to the city to make that plan. In doing that, we did not make any significant changes to the employees' level of coverage, so it was a win-win situation for the employees and for the city. That is how we ended up with an April 1 renewal date because of that change and for that reason. We retained that strategy for four years. Each of those four years (and we'll talk about the renewal process in a moment) we did look at going back to a traditional fully funded plan and each year the HRA strategy proved to be more cost-effective. So, we retained that until 2009.

President Kirchner: Liz, can I ask a couple more questions?

Liz Fortney: Sure.

President Kirchner: On the last slide, and thought you had more to talk about there, and I'll encourage everyone to put their cell phones on vibrate. I forgot to do that. Employer claims liabilities capped at number of employees times the maximum per person reimbursement amount.

Liz Fortney: Correct.

President Kirchner: Are we still in a situation where that is an effective statement – being self-funded?

Liz Fortney: In principle but not in numbers. The numbers when you are in the type of plan that the city is currently in, which we will get into a little bit later, are much bigger than the numbers in a health reimbursement arrangement. Typically, with a health reimbursement arrangement, the maximum deductible that one may have is \$10,000. In the case of the city, since you all had not looked at any type of self-funded previously, we actually started with a \$2000 deductible and \$4000 per family. So, we took a little baby step, put in a \$2000, the city funded \$1500. If you have family coverage, the deductible was \$4000, the city funded \$3000, which resulted in no net increase in the employee's out-of-pocket cost. The city's maximum liability in that first year had everyone in the city and their dependents maxed out; the HRA reimbursement that they were allocated was \$412,500. During that first year, we did not spend the entire allocated amount, and the savings over the self-funded plan was right at \$400,000.

President Kirchner: Okay. Then moving forward to the slide you were on, you indicated that we made a switch based on that 11th-hour premium from the previous broker.

Liz Fortney: Correct.

President Kirchner: And then that caused us to shift to the April 1 start date?

Liz Fortney: Correct.

President Kirchner: Can you explain to me why we had to shift to an April 1 start date?

Liz Fortney: Certainly. When the renewal was delivered (and if my recollection is correct, it was on December 29 for a January 1 renewal). Obviously, when you get a renewal on December 29, there's nothing that you can do other than sign off on it. Beginning in January, as soon as the new year began, the city began interviewing brokers and looking at plans. When you're looking at moving 100 – and at that time a 150 life group – from one carrier to the next, there is a time period involved to vet the brokers, decide on who you want to deal with, obtain quotes from insurance companies and implement the plan. That took the first quarter of the plan year 2005, which resulted in an April 1 effective date. Having said that, I know that April 1 date gives a lot of you heartburn because it's not consistent with your fiscal year. What I do year to year is do departmental budgets using projections. So far, I have been pretty dog-gone close if I may say so myself. But, the advantage to having an April 1 effective date is that 70% of group insurance plans renew on January 1. So, underwriters are extremely covered up during that last quarter trying to renew those January 1 plans, and you don't get a lot of negotiating time with underwriters in that fourth quarter. With an April 1 renewal, that's probably one of the least common renewal dates. On the 2012 renewal, I actually was able to get four different meetings with underwriters to negotiate that renewal down. That does not happen for a January 1 renewal. There are plusses and minuses to it. I personally would rather have it on April 1 so that we've got that additional negotiating time with underwriters. Does that answer that question?

President Kirchner: Yes.

Liz Fortney: Okay. Is there anything else on this slide? In April 2009, we began looking at what is called a minimum premium plan, which is a larger step past that first baby step toward self-funding. Minimum premium plans are similar in concept in that each employee has a deductible. In the case of the city's plan in 2009 it was \$50,000. At this point, it is \$55,000. Beyond that, the insurance company steps in and pays the claims. Minimum premium plans are a la carte. It's like going to the cafeteria and saying, "I'll take one of these and one of those and one of these and this is how much of it I want." So, you can actually build your plan based on the goals and limitations of your finances, your employees and your administration. The minimum premium plans have a lot of moving parts, and I'm not going to try to make anybody an expert in that tonight, but I did want to touch on some of the important features so that you can kind of get an idea of how these things work. The first thing is specific stop-loss coverage, and that is that individual deductible, which is currently \$55,000, that limits the city's liability per any single employee or family unit. So, if you have family coverage, it's \$55,000 for your whole family. If you have single coverage, it's \$55,000 for you. Aggregate stop-loss coverage limits or caps the city's liability for all the employees and dependents as a whole. So, when you go into a self-funded plan, a lot of people think, "Oh my gosh, we don't have any idea what our liability is going to be," and that's not true if it's properly designed, because that aggregate liability tells you what your maximum exposure is. So, you know what that is and if it goes above that, the insurance company steps in and pays the rest. Monthly accommodation is a budgeting tool. I use that maybe 50% of the time in the private world. In the public sector, where you can't go out and raise your prices, I use it all the time. Monthly accommodation caps the city's monthly exposure to 1/12 of the annual liability, so it is a budgeting tool. It helps you control your cash flow. Cash management and utilization review are two things that the insurance company, or the TPA, provides that help you determine medical necessity and control costs. And then we also have some cost-savings features that are built in at the employee level, which would include the Future Moms Program, the mail order drug program, and the 24-hour nurse line. So, there are protections built in at the employer level and also at the employee level. Are there any questions about that?

President Kirchner: The aggregate stop-loss coverage caps the city's maximum annual cost. Can you explain how that is calculated? Like in 2012, what would be our maximum annual cost?

Liz Fortney: Can I defer that for just one second, because I have a slide on it in just a minute?

President Kirchner: Okay. If we're going to coverage these in-depth. I didn't know if this was it and then we move on to other...

Liz Fortney: No...I'm going to give you...from the email I got, it sounded like you kind of wanted to know what the numbers are, so I have that all included.

President Kirchner: Would it be possible for council to get a copy of this?

Liz Fortney: Absolutely. I can email it to you.

President Kirchner: Okay. Perfect.

Liz Fortney: And I can also give you the supporting collateral that shows where the numbers came from. I didn't do all the math on the slides. I'm happy to provide it for you. Are there any other questions on here? Okay. When the city started looking at minimum premium plans, we initially went with an independent third-party administrator and an independent stop-loss carrier. We were with that company, which was called Benovation, for two years. At the end of the two years, we went out to bid again and we moved the coverage April 1, 2011, so a year ago, to Anthem. So Anthem is now acting as the stop-loss carrier or the insurance provider and also the claims payer or the third party administrator. We did that for a few reasons. The first is the specific deductible with Anthem applies to the family. Under most stop-loss coverages, the specific deductible is applied per person. What that means to you is if you are a family of six and, God forbid, you and your other five family members were involved in a serious car accident and all went to the hospital, under most stop-loss contracts, the city would be on the hook for \$55,000 per person. So, for the six of you, it would be \$55,000 times six. Anthem offered a contract that I felt was superior in that they capped the specific deductible per family. So, in that same scenario, if six people in a family were injured in a car accident, the city's liability would be capped at \$55,000. One of my roles as a broker is to analyze where risks might be incurred and try to mitigate those to the greatest extent possible, and I felt like this \$55,000 family-specific was an advantage over what you previously had. In addition to that, Anthem offered a 24/12 contract. What that means is claims are incurred in 24 months, paid in 12 months. So, in a self-funded contract, your contract starts April 1, but there could be a claim hanging out there from 9 months ago that just hasn't showed up yet. That 24/12 contract says that Anthem will reach back all the way to 12 months ago and pick up coverage for anything that's out there that we don't know about. Your previous contract only looked back three months. So, again, I felt that this provided some additional protection for the city. The maximum total liability is capped under the Anthem plan at a level that is equal to and, in most cases, less than every other quote that we got, including the fully funded quotes. So I felt that in addition to having contractual advantages, the pricing with Anthem's plan offering was also superior. The funding levels that the city uses, and this addresses one of the questions that was in the email, the funding levels are "What do we charge?" "What do we consider to be the single rate and the family rate?" Because when you have self-funding, it's not really done that way. They've come up with a big pot of money by looking at the 500 people roughly that are covered under your plan and saying, "Okay, among all these people, how many dollars of claims do we think they're going to have next year?" And that's what it is. It doesn't come out in a quote of 'x' amount per single and 'x' amount per family. It's just a number and then we have to break that down using some mathematical formulas to come up a single rate and a family rate. However, it is important in doing that that we use funding levels that are based on the city's maximum liability. Each year when we do the budgets for the departments, we break down, based on the funding level, how much Mary Kay needs to pull from each department for each single person and how much she needs to pull from each department for each family person. That money goes into an insurance fund and claims are paid out of that fund. If we didn't use funding levels that were based on the maximum liability and the maximum liability was kept, then there wouldn't be enough money in the insurance fund to pay those claims. Under law, self-funded, particularly with municipalities, are required to maintain adequate reserves to pay the claims. So we have to use funding levels that are

geared to cover the maximum possible costs. What happens when we have a good year and costs are lower than expected, is that we end up with a balance at the end of the year, or a surplus, if you will, in that insurance fund. That's the position we're in this year, which we are going to talk about a little bit more in just a moment. Are there any questions on any of that so far?

Liz Fortney: Okay. So, to compare and contrast fully funded and self-funded plans. Fully funded plans – an advantage from an employer perspective is you have a premium that you pay every month, you know what it is, it's easy to budget to, and it's going to be fixed from one renewal to the next. Under a self-funded plan, you know what your fixed costs are, you know how much the premium is for that specific and aggregate stop-loss, you know how much it costs to hire an administrator to pay those claims (in this case, Anthem), but you don't know what those claims are going to be until the year is over. You know what the maximum is, you know what the minimum is, but you don't know where at on the spectrum your actual costs will fall. Under a fully funded plan, if the number of employees covered by the plan significantly decreases, you will realize an immediate reduction in your premium. You're not insuring those people; you're not going to pay a premium for those people. Under a self-funded plan, your liability is your liability, and if you lay-off 50% of your employees, your liability does not go down, except by the fixed costs. That is why, every single year when we talk about renewing the plan, the number one question is, are you expecting to have any significant reduction in workforce, because if you are, that would be a trigger to maybe look at going to a fully funded plan. The down side of a fully funded plan is that when you have a bad claims years, you're going to get a big rate increase. So, the next year, you're going to pay that big rate increase every single month, all the way through the year, even if the next year you have a great claims year – if it was a total anomaly. Under a self-funded plan, if you have a terrible claims year, they are going to raise that maximum liability, but if you have a good claims year the next year, you're going to recognize an immediate savings because you're only going to pay the claims that you incur. So, you're not locked in to that rate increase like you are with a fully funded plan. Another advantage to self-funded plans is that there's much greater flexibility and transparency in the claims process, so it enables us to look at what is driving our costs and is there something we can do with plan design to change behavior so that we can control the areas that are maybe being abused. Any questions on that?

President Kirchner: When you're talking about comparing and contrasting fully funded to self-funded, looking at how we fund a self-funded program, the part of the program that I'm curious about would be the down side. Let's say we have a terrible claims year. How does that kind of a situation – obviously we all hope that never happens – but if you had a significant claims year, how would that affect the immediate budget of the city. Maybe you are going to get to that later...

Liz Fortney: No. I'll answer that right now. It's actually a good time for that. It doesn't really affect it at all, because you know what your maximum liability is from the start, and as long as you establish your funding levels to fund to the maximum liability and budget for that, then the city's liability is covered and anything over and above that terrible claims year is picked up by the insurance company. So as long as you set those funding levels based on the maximum liability, it won't have any impact at all. So, it can only be a plus if you have a better year than expected. Does that make sense?

President Kirchner: It can't be a negative, you're saying...

Liz Fortney: It cannot.

President Kirchner: ...because the funding levels that are put in every year fund to the maximum exposure.

Liz Fortney: If it is set up properly, which we make sure that it is.

President Kirchner: So, we always have enough to cover the worst year.

Liz Fortney: Correct.

President Kirchner: Okay. Thank you.

Liz Fortney: Any other questions on that?

Loren Stuckert: I have a question.

Liz Fortney: Yes sir.

Loren Stuckert: On that 12/24 that you talked about...if you got into the 24 and they came back and had to clean up some claims that we didn't know we had, would that impact...you know...

Liz Fortney: No. Because they go back and they apply those to the maximum out-of-pocket liability for this year and that's why that 24/12 contract is more attractive. Because, you know, you don't expect things to come back nine months later, and usually when they do it is due to some very large, very complex claim that just didn't get processed and adjudicated in a timely manner. Insurance companies will pay claims up to twelve months following the date of service, so by having that 24/12 contract, you are contractually protected for the longest period of time that a provider can still file a claim against the city.

Loren Stuckert: Even if you had a surplus.

Liz Fortney: Correct.

President Kirchner: There is something else that you said that I want to understand. With a fully funded plan, no matter what your workforce size, if you shrink it, you would instantly have savings, but in a self-funded plan, you would not.

Liz Fortney: Correct.

President Kirchner: And I want to understand why the not.

Liz Fortney: The not goes back to the example that I gave about how there's not really a single rate and a family rate, there's a big pot of money. That pot of money is established contractually when the plan is written from year to year. It doesn't matter if you decrease workforce. What typically happens, when people have a big decrease in workforce, they're either having a layoff or something of that nature. People are generally not working in that case. So, if you have a pool of employees or ex-employees who are not working, which ones are going to pay the COBRA? Not the healthy ones. So, what we've found is that when employers have large reduction in workforce, their risk doesn't decrease because the unhealthy ex-employees are the ones who take COBRA. With a self-funded plan, that liability is fixed and that's why we have that discussion every year going into the renewal process.

President Kirchner: And that takes place...?

Liz Fortney: Annually.

President Kirchner: In the first three months of this year?

Liz Fortney: At the renewal.

President Kirchner: Okay.

Liz Fortney: You mean when does the discussion take place?

President Kirchner: Yes.

Liz Fortney: Oh. We start working on it in November for April 1.

President Kirchner: Okay.

Councilman McKay: Liz, when would the following premiums would be reduced?

Liz Fortney: I'm sorry?

Councilman McKay: The following year after a major layoff, then the total premium, if you will, would be reduced obviously.

Liz Fortney: The total liability would probably be reduced, but what the underwriter is going to look at is what are the claims going on in the group. So, let's just take a ridiculous scenario that you have 200 employees and you lay off a hundred of them and 25 of those hundred have cancer, and they all take COBRA. Well, they're still on your plan and so, you know, in that case, it's not going to go down the next year, any more than it would on a fully funded plan if all those people took COBRA.

Councilman McKay: Thank you.

Liz Fortney: Any other questions?

President Kirchner: So, based on what you just said there, any more than it would on a fully funded plan if they took COBRA, then I'm gathering that the same scenario in both of them would still be affected the same way, the only difference being in a fully funded you would not be paying the premiums, now the individual would be paying the premiums, but the claims would affect your overall future rating....

Liz Fortney: Exactly.

President Kirchner: ...which goes to the cost of your insurance.

Liz Fortney: The underwriting process is identical, whether it is self-funded or fully funded, it's just a matter of who's paying the claims. How the underwriter looks at the group is the same.

President Kirchner: Okay.

Liz Fortney: Any other questions on that? Okay.

Paul Fear: If you had a zero claims year, for example, or a minimal claims year, and you've gone ahead and done your self-funding to meet what your guesstimates would be. How would that affect your next year [Inaudible]?

Liz Fortney: It depends. That is not an insurance company question, that is an administrative question, because that is employer's money. It's in the employer's bank account, and the employer can make a decision about what they want to do with that money. Now, my recommendation is make sure first that you have adequate reserves because that's audited every year. We're going to talk about that in a minute. Make sure you have adequate reserves there. Some employers reduce the employee contribution. Some employers put it in the General Fund. Some employers use it to improve benefits or add different coverages. It's totally an administrative decision what you do with that money.

Paul Fear: [Inaudible] the following year because you would assume what those losses were going to be. So, if you say you have that you have 140 employees or whatever your number is and you have \$800,000 in the fund, that's it for this year. Now, if you don't have any claims and you have \$800,000 in your fund because you haven't paid any, you have the option of going to zero with the carryover or to reduce it or leave it the same and do something else with it.

Liz Fortney: Exactly. But that has nothing to do with the insurance company. That's an administrative question. Are there any other questions on that?

President Kirchner: So, you're indicating those aren't options to the plan like adding more coverage or reducing the employee cost.

Liz Fortney: That's an administrative decision that is made by the employer.

President Kirchner: So, we don't have to buy a plan with, say, a fixed employee cost and then the city's cost is the rest regardless of family or single? Every year...

Liz Fortney: No. You pay an administrative fee, which covers your insurance premiums and administration and providing the network and all the costs containment mechanisms and all of that. That's an administrative portion. The rest is a variable function, which is claims. You know the maximum, but you don't know the actual until the end of the year.

President Kirchner: Okay. So, there is a fixed cost for the portions that are known in the administration of the plan...the stop-loss coverage and things like that.

Liz Fortney: Correct.

President Kirchner: The variable is in the claims itself and then the question that I have been led to be the answer to Paul. If you have a zero claims year and you have all that money left over, you can do things with it like add coverages. So, you could add vision and dental and things like that. And that's what I'm asking, would that be kind of an a la carte menu where you would come and say, "Well, here are some other options that you have, if you would like them."

Liz Fortney: Assuming you would want to leave it within the insurance plan, which you don't have to do.

President Kirchner; Okay. Very good.

Liz Fortney: Does that make sense to everybody? Okay, so there are four partners in a minimum premium plan. The first is the city. The city determines the plan design. The city determines what coverages we want to provide for our employees. How much do we want the employees to pay out of their pocket? The city purchases the stop-loss coverage. We look at different stop-loss levels every year. I do a risk-aware analysis and the city makes a decision. Do we want a \$55,000 individual or do we want a \$60,000 or a \$75,000 or a \$100,000? How much risk are we willing to take? The city selects a third-party administrator – in this case Anthem – to process and pay the claims. The third-party administrator processes and pays the claims. They setup and manage a provider network and they manage disease management, case coordination, precertification and things of that nature. The stop-loss carrier, which in this case is the same as the third-party administrator, since we are using an insurance company, pays the claims in excess of the specific stop-loss or the aggregate stop-loss. What happens when you have a really bad year? The insurance company steps in and takes care of that. The fourth partner is the broker, Hukill, Hazlett, Harrington, in this case, and our function is primarily to assist the employer with risk-reward analysis, to look at different plans, to look at different contracts, determine what level of risk is appropriate for a given employer in their situation, how can we mitigate risk to the greatest possible extent, to vet TPA's, to look at insurance contracts. We also provide a full-time customer service representative that is assigned to the city and their employees so that city employees are not wasting their time calling the insurance company and hanging on hold for 30 minutes. They have one point of contact in our office, and I think everyone in these two rows have talked to Lora on many occasions. You can call her for any line of coverage or for any question that you have. She takes the information, gets the answer, and gets back to you. So, that is something else that we provide. We also assist in the circumstance where there is an aggregate claim. Aggregate meaning you have that worst case possible claims year, which, in the case of the city, happened in 2010. The aggregate claim always generates an audit. An auditor comes in and looks at every claim that was paid and determines did the third-party administrator pay this claim correctly and is there any money due back to the city. There was a refund to the city and in 2011, when I reviewed the audit report, there were a number of claims in that audit that were declined as being inappropriately paid that I felt were accurate. I was able to do research, accumulate additional

information, send it to the auditor, and got an extra \$53,000 returned to the city in April. So, that's one of the functions that we also service. Any questions about the four plan partners? Yes, sir.

President Kirchner: Did I hear you say correctly that 2010 was one of those worst case years? Can I understand what you mean by that?

Liz Fortney: That means that you hit the aggregate maximum liability in 2010 and the insurance company stepped in and paid the amounts in excess of that.

President Kirchner: So, we paid every penny out of what we possibly could in risk?

Liz Fortney: Yes.

President Kirchner: Did that affect, likely a silly question, the cost of 2011's insurance?

Liz Fortney: Yes and no. It affected the point at which 2011's maximum aggregate deductible was set. However, 2011, miraculously, all the city employees recovered from their maladies and you had a great year, so you ended up with a surplus of \$618,000 in your insurance fund for 2011, that you would not have had in there had you been paying a fully funded premium. So, yes it did impact it in the sense that if you had had another catastrophic year in 2011, your number would have gone up, but you didn't, so it went significantly down. Does that make sense?

President Kirchner: So, we put the two extremes back-to-back.

Liz Fortney: Right.

President Kirchner: We had a worst case year and a best case year, and we actually had an excess in our 2011 fund, which would have just ended...

Liz Fortney: March 31.

President Kirchner: March 31 of 2012, right?

Liz Fortney: Correct.

President Kirchner: So, we had an excess of \$618,000 in that fund at the end of the plan.

Liz Fortney: Correct. Any other questions on that? Okay, this is just a snapshot of the renewal process, because one of the things that I've heard, which really kind of surprised me, this year was that the perception among city employees is that we never shop the insurance. So, what I have here is a history going back to 2005, which is when I became involved with the city. 2005, we're already talked about. Different brokers were interviewed, different proposals were prepared, and HHH was basically hired at that time. In 2006, we shopped insurance carriers and ended up renewing the same plan that we had with United Healthcare. In 2007, we shopped insurance carriers and we retained the HRA strategy in 2007 but we changed insurance carriers from United Healthcare to Humana. In 2008, we shopped insurance carriers and we renewed the same HRA strategy and stayed with Humana at that time. In 2009, the city shopped both brokers and insurance carriers. At that time, the city elected to stay with Hukill, Hazlett, Harrington as a broker, but we did make the move from Humana to Benovation. We also made the move from HRA, baby stepped to self-funding, then to a true minimum premium plan. In 2009, the city shopped insurance carriers and renewed with Benovation. In 2011, the city shopped both brokers and insurance carriers and they did again decide to retain Hukill, Hazlett, Harrington as the broker, and we made the move to Anthem for the reasons previously discussed. This year, in 2012, there are some differences in the process surrounding the insurance renewal, which we are going to talk about in a minute. But the city again elected to shop both brokers and insurance carriers in 2012. Once again, thankfully, Hukill, Hazlett, Harrington was hired to be the broker and we decided to stay with Anthem in the coming year, and you'll understand that in just a moment. Any questions about this?

Liz Fortney: So, it has been shopped every year. We generally get, I don't know, probably four to five fully funded quotes and about eight stop-loss quotes this year. You can see from that fact that we've changed carriers a few times that the insurance is being looked at actively year, it's not just an automatic, send it to us on December 29 and we'll sign off on it. The 2012 renewal, as I said, was a little different than it's been in the past, because we're under a new administration and some new processes have been implemented. The first was that an insurance committee, made of the HR Department, the Mayor, and seven city employees was established to interview brokers and review insurance proposals. My personal feeling is that this is an excellent idea because I think it gives employees ownership in the plan. If employees in leadership positions support a plan and understand a plan, they take that back to the rest of the employees and there is a greater level of satisfaction with the benefits that are provided. So, I was very happy to have an insurance committee in place. I personally requested quotes from Aetna, Humana, Medical Mutual and United Healthcare on the fully insured side. I requested quotes from all of those carriers on the self-funded side and also vetted two additional TPA's, Employee Benefits Management Corporation out of Columbus, and Medical Benefits out of Dublin, Ohio, and obtained a number of different stop-loss quotes. The insurance committee reviewed all of the quotes from all of the different brokers and decided that the Anthem quote that was on the table was the most attractive for the city and decided to renew the plan as-is for 2012. Any questions about that?

Liz Fortney: This is a snapshot that is currently in force for city employees, and this was one of the things in your email. This came right out of the employee meeting that we had a couple of weeks ago. The plan year deductible is \$500 for someone with single coverage, capped at \$1000 for someone with family coverage. There are co-pays for certain services, which include office visits, emergency room, urgent care, and prescription drugs. Office visit co-pays are \$15 for primary care, \$30 for specialists. There is \$100 copayment for emergency room use and \$35 for urgent care center use. The drug card is a three-tier drug card with a \$10 for generic medications, \$25 for brand name medications that are on Anthem's preferred drug list, and \$40 for brand name medications that are not on Anthem's preferred drug list. Copayments accumulate toward the deductible with exception of those for prescriptions. Things other than copayment items are covered at 100% once those deductibles are met. Preventative care under this plan is covered at 100% and that is mandated by healthcare reform. Preventative services include most services that people would routinely have done, including routine adult physicals, routine well-child care, immunizations, pap smears, mammograms, osteoporosis screenings, PSA tests, flu shots, pneumonia vaccines, and for those of us who are over 50, Happy Birthday, your colonoscopy is covered.

[Laughter]

Liz Fortney: The preventative care is mandated. It is covered by all health plans at 100% under healthcare reform. Any questions about that?

Liz Fortney: Funding for the 2012 plan year. The total maximum plan cost to the city for 2012, including claims that have been incurred but not yet paid (if a plan stops on March 31, there are claims out there that have happened that we don't know about yet), so including those claims that are incurred but not paid, the net of employee pay-in contributions is \$2,320,271. COBRA administration services cost an additional \$2575 per year based on current enrollment, and the reserves that are required, for the incurred but not reported claims, and this was just released in actuarial...

TRANSCRIPTION INTERRUPTED – END OF TAPE

Liz Fortney: ... additional number on top of that. Does that make sense?

President Kirchner: Can I... Again, I'm not sure that I understand. I understand that the reserves are part of the 2.3 million dollars roughly. That means that we only need to keep reserves of \$308,700 on hand for the potential loss of 2.3 million? Or...

Liz Fortney: What that means is the estimation of claims that are out there that are incurred but not paid is \$308,700. So, when you are calculating the funding for your 2012 amounts that Mary Kay pulls from each department, you need to account for that \$308,000 within that two million dollar number.

President Kirchner: Okay.

Liz Fortney: But if you're funding to the maximum level, then that is taken care of.

President Kirchner: So, we are already funding to that level and that's an estimate of what could be out there as of the end of last year's plan?

Liz Fortney: Correct.

President Kirchner: Okay.

Liz Fortney: For dental insurance, the total expected dental plan cost to the city for 2012 including incurred but not paid, the net of employee contributions is \$122,892. Reserves for incurred but not paid, as reported by our actuary is \$13,200. Now, having said that, I want to clarify that on the previous page I used the term maximum and on this page I am using the term expected. Dental claims are not covered by the aggregate or the specific liability. The dental plan here at the city is truly self-funded, so whatever it is, that is what we pay. Okay? So, there isn't a maximum cap on dental insurance from an insurance perspective. Now, from a benefit design perspective, each person is entitled to only so much benefit, and dental insurance is the most predictable type of claims experience of any type of claim other than short-term disability, which we are also self-funding. Any time you can totally predict the cost of something, you should just fund for it. You shouldn't buy insurance. So, the reason that this says expected and the other said maximum is because there is no real maximum cap on a truly self-funded plan, which your dental insurance is. Does that make sense? Okay.

Liz Fortney: Your vision insurance, interestingly enough, I got fully funded quotes for the vision insurance and the fully funded quotes came in lower than your actual claims experience for your vision, so we fully funded the vision insurance for this year. Since it's fully funded, there's no incurred but not paid; therefore, there is no reserve required. Any questions on that?

Liz Fortney: Life insurance, which had a zero percent increase this year, is a fully funded coverage. The total cost for the group for the year is \$8,923 based on current enrollment. Since it is fully funded, there are no reserves required. Now, I want to pass out a handout, and I didn't realize there were going to be so many people in the audience, so I'm not sure I have enough for everyone but possibly the council members. I think this might help to crystallize in your mind what I'm talking about between fully funded and self-funded plans and how they work. What I did here is I looked at the plan year that ran from April 1, 2011 and just ended on March 31, 2012. I went back to last year's bidding process and pulled out the best of the fully funded quotes, which was the United Healthcare quote. The United Healthcare fully insured, there in the orange, includes the fully insured premiums plus the incurred but not paid, or the run-out, from the prior self-funded plan or minimum premium plan that one would have to pay if you changed carriers. The Anthem actual includes the administrative costs, the actual claims paid, and the run-out from the prior carrier. So in both cases, I've adjusted for that run-out, so it's not skewed one way or the other due to that. If you look month over month, this is exactly what happens when you have a really, really bad plan year and then you have a really, really good plan year. The best fully insured proposal that we got for April 1, 2011, would have cost the city \$2,711,292 for the plan year that just ended. The actual plan costs were \$1,837,772 – a difference of \$873,520.

President Kirchner: Let me make sure I'm connecting the dots. 2011 being the best case scenario, 2010 being worst case scenario. Claims review, while UHC was giving this bid, would have been based on our worst case scenario year.

Liz Fortney: As was the worst case under Anthem.

President Kirchner: Correct. But going into the best case year, we actually had planned \$618,000 more based on the experience. I understand...I'm just wanting to connect these dots.

Liz Fortney: Sure.

President Kirchner: So, this \$873,520 savings, had we had another year like 2010, could have been only...and I say only because I'm just comparing the numbers...but it could have been a...if I'm reading this right...\$255,000 difference. So, there was a savings in the plan either way.

Liz Fortney: Correct.

President Kirchner: Two hundred and fifty-five was the original expected, and because we had lower claims, we actually had a significantly larger savings.

Liz Fortney: That is exactly a perfect explanation.

President Kirchner: Thank you.

Liz Fortney: This is why I believe in self-funding because if the plan is set up right, you don't have any downside risk and you have huge upside potential in the case that you have a good claims year. So, that's really all that I have. I have all of the collateral in terms of running down by where these numbers came from, and I'm happy to share them. There's no secret to it, but I just felt like I didn't want to put too many numbers on the screen. Are there any other questions? Yes, sir.

Paul Fear: What does it do for you in self-funding, as I'm reading in the industry, that you require the person that you hire to be a nonsmoker? What would happen if you required every employee and maybe a spouse to get a physical every year and a colonoscopy every five years? Would requiring something like that force down your insurance because you detect some of these things in advance and save people's lives or is that something you can't manage.

Liz Fortney: Well, within in the law, there are certain things that you can in fact mandate through rewards or disincentives. You can use either the carrot or the stick. Under current law, an employer can charge up to 20% more for employees that do not meet certain wellness requirements. That might be as simple as, if you're a smoker, we're going to charge you 20% more. That's what we do in our office. You can have wellness programs and say, "If you participate in the wellness program, you're going to pay this out of this paycheck. If you don't participate in the wellness program, you're going to pay this out of your paycheck." In today's world, that maximum differential is 20%. January 1, 2014, that is going to 30%. So, there are also things in the law that prevent discrimination against people who are unable to participate. So, there are protections built in, but it is certainly true that the return on investment for wellness programs is huge. In fact, I met with the Wellness Director from Anthem for lunch the day before yesterday about the city's plan. Danny's already gotten an email on it and I've recommended that we have a mid-year meeting of the insurance committee to look at what things might be offered for the city and what kind of return on investment....

Paul Fear: [inaudible]...because PERS must have had some success because my wife's on that. There's three items, if she gets a pap, physical and something else every year, not only do they pay 100% of it, but they give her \$75 in this spending account that she can use for...to offset her costs of prescription drugs. This year they've gone to...they have three or four drugs...she's a diabetic...three or four drugs that are zero co-pay for the next 12 months. So...um...the last time she ordered them, she had zero co-pay, and of course that saves you [inaudible for transcription]

Liz Fortney: You know, we actually implemented a program like that in the city a year ago. One of the analyses I did of the city's claim experience was on the prescriptions and I discovered that Nexium was the most commonly prescribed prescription in the city. It's

a fact that 95% of people who take Nexium are taking it for heartburn, not for gastroesophageal reflux disease. So, what we did, we built into the Anthem plan last year that if you will take Prilosec OTC, which is one isomer different than Nexium, the only difference being that it doesn't heal the ulcers in the esophagus, but if you're taking it for heartburn, they're therapeutically equivalent, there's no co-pay for that.

Paul Fear: You're going to dispense them out of the mayor's office?

Liz Fortney: Yeah...that's what we're going to do. But, no, there's no co-pay, so we're already implementing those types of programs here at the city. A Nexium prescription costs the employee \$40 and it costs the city about \$240. A Prilosec OTC prescription costs the employee zero and costs the city about \$24. So, we're already are building those types of programs. Any other questions? That's all I have.

President Kirchner: 2012 – how did our costs compare to 2011.

Liz Fortney: You mean our maximum costs?

President Kirchner: Yes.

Liz Fortney: If you look at the total maximum plan costs, net of employee contribution for 2011, the maximum cost was \$2,469,358, which is a maximum per employee cost of \$1,429. The actual cost in 2011 was net of employee contribution, \$1,719,468, which is an actual per employee cost of \$995. The 2012 maximum plan cost net of employee contribution is \$2,320,271, which is a per employee maximum cost of \$1,352. Of course, we have no idea what the actual cost will be and won't for another year. That's medical only. It doesn't include dental, vision or anything like that.

[Discussion]

President Kirchner: When you say costs per employee...I'm just trying to get the numbers in my head and figure this out...um...does that include, like, and I'm sorry if you just covered this. Everybody's on a single plan? Is that what I heard? Are you saying every individual covered by the insurance. In other words, employee and family members, when you give that per-employee number?

Liz Fortney: No. That's per contract. So, there are 143 belly buttons insured that are employees. The \$1,429 maximum last year versus the \$1,352 per employee maximum this year is per contract. And if that's a contract with one person or a contract with six people, it's still the same. Remember, we just have one big pool of money, so all we can do is divide it by the number of employees, which at this time is 143. So, that's the medical. On the dental, the actual per employee per month cost in 2011 was \$48.60 per employee or per contract. The vision plan, the actual cost per employee was \$18.52, and the life was average \$5.20 per employee. Any other questions?

Councilman McKay: Thank you.

Liz Fortney: Well, thank you for very much for your time. That was kind of long, I know, and I apologize, but there are a lot of moving parts and I wanted to make sure I took enough time to answer questions. This is my contact information that is on the screen. The best way to reach me is either on my cell phone or on my email. I am certainly willing to answer any other issues that may come up, so please feel free to contact me at any time. Thank you so much.

[General comments of thanks]

Mayor Riley: You'll note that in the self-funded programs, it really is important to have a healthy program. Improving their health and maintaining their health. One of the things that Danny has done for us is to help with the employee health and safety programs. And that's so we have employees who are really focusing on their health, which is, I think, one of the reasons why we had a good year last year. I also would like to note, Liz mentioned the employee insurance committee. It went very well. We did this at the

county all the time. I've always found that educated, empowered, informed employees make good decisions and recommendations. They listened to all of this and put in a lot of time and they came up with some recommendations and a good understanding of what was being presented by those. I think they made a good recommendation in the mayor's office. I appreciate it.

President Kirchner: Liz, one question did occur to me. As you noted in the beginning of the presentation, the plan timing does not coincide with the budget season. Would it be possible to shift that plan six months? As you're indicating, January 1 is a bad time, but if you started on October 1, with us being able to see the budget in front of us and actually have the costs in front of us, as opposed to April 1 where it's six months away, would that be something that at some time in the future we could look at?

Liz Fortney: Absolutely.

President Kirchner: Because it seemed like in 2005 when this all changed, we had a plan, we stayed with it until we found something else, and then we moved to that plan. So, the renewal can take place at anytime we want to go out and take another look is what I am understanding.

Liz Fortney: Well, yes and no. The renewal with the current carrier is a little different than the renewal if you're shopping to a different carrier. With the current carrier, they're not going to come back and re-underwrite your plan in six months. So if you're objective is to move to an October 1 plan date, then in January 2013 I would need to let the underwriter know that you're wanting to renew in October. Then, they would do one of two things: they would either give you a discounted short renewal for six months or, preferably, they would give you a slightly up-charged renewal of 18 months. If you have a good year this year, that is, of course, what we would ask for because you want that locked in. Then you would go from January to October. But that would be the process if you're not changing carriers. If you're changing carriers, all these insurance contracts are unilateral and you can move any time you want to. But, right now, I feel like the contract that we've got with Anthem is extremely strong in a lot of areas. Unless they come back with some really unattractive pricing, I wouldn't want to give that up if we don't have to.

President Kirchner: My application would be to look at it in a move-forward sense. You have a good claims year, obviously you ask about the move to an 18-month coverage.

Liz Fortney: Mm-hmm.

President Kirchner: That would then put it into a budget sequence that would make sense to the budgeting process. It also would keep you away from that final quarter of the year where you can't get an appointment with folks and be able to negotiate that.

Liz Fortney: Right. Sure. And if that's something that you want to do, then the time to do that would be January 2013 and then we can ask them and see what they're willing to do in that regard. It's certainly possible.

President Kirchner: Very good.

Liz Fortney: Any other questions? I know you all have a lot of other things that are on your agenda, and I thank you very much for your time and attention.

[General comments of thanks]

President Kirchner: The other part of that email about understanding insurance involved understanding the analysis of the budget. Last October, Mary Kay, we would have set budget amounts for the entire year this year based on an assumed level of funding. As I recall, the budget's pretty much stayed the same. Does that indicate that we now have, have you done the analysis on the impact, that was the part of the email request for this information, and I didn't know if you had had time to prepare the budget impact to the benefits, obviously we saved \$616,000 last year, on the insurance costs.

Auditor David Hollingsworth: I'm not sure if I understand your question.

President Kirchner: Last October we used the same cost of insurance from last year to build this year's budget.

Auditor David Hollingsworth: Right.

President Kirchner: Based on what she has described, we saw a decrease in the cost of that insurance. We also saw a lower than expected cost of the plan year.

Auditor David Hollingsworth: I don't know that we changed that. It probably was not changed once we got the renewal amount as far as our maximum exposure. That probably was not changed. That would have taken an act of council to do that.

President Kirchner: Well, my question goes to, based on what she described, do we have budget impact positive? Budget impact to 2012 now.

Auditor David Hollingsworth: We probably do, because I imagine that maximum cap probably came down. I don't know what that dollar amount is, but there would be, because that maximum cap would have been based on 2010 basically, which was a bad year. No, we have not factored that in, and I don't know what that number is off the top of my head.

President Kirchner: If we could take a look at that, obviously that makes a very positive impact to this year's budget situation.

Paul Fear: You also have to decide if you're going to throw the 618 of the operating budget and move it out of insurance.

Auditor David Hollingsworth: I'm sorry...what?

Paul Fear: That 618 that you saved, she says you can basically do something with. You can put it in your operating budget back from the insurance fund because you're still funding the same amount next year whether it's higher or lower, which you haven't gotten the bill for. You basically have 618 to use.

President Kirchner: That's why I'm asking the question because we could potentially have just seen a very significant [inaudible] in budget impact.

Mayor Riley: That money was paid by employees and the city for insurance purposes?

President Kirchner: We have fixed levels of contribution from the employees. Is that correct? I do at work. I pay so much for my insurance whether I use it or not. Correct? That answers the questions I had. We'll take a look at it when we get a chance. Bob, at this point, since she has completed her presentation, I would say that if you want to continue with the budget work session at this point.

Councilman Mead: Thank you, Mr. President. I think we all are a lot more intelligent about the insurance package. A lot of people are probably like me, they're like a rock, and self-funding sounds like it's self-funded, but it's much more complex than that. We really appreciate the fact that we've had someone in here to talk about it. Some of you might wonder why we are having a work session instead of a committee meeting. One of the reasons is that in a committee meeting, it has been determined that members other than the three committee members, even though they are council members, may not speak and may not discuss. In a full council meeting, anybody can discuss. It's also an opportunity for other people that don't usually come to council meetings or committee meetings to put the input into the process. One of the things that I want to say just personally is that...and I'm sure that everyone of you if you polled them would say that even though sometimes you may think it isn't true, council really does care about the employees of Wilmington. It really does. We're glad that there's a good insurance package and we're not out here to chop everybody off. When you hear some of the

information, you'll understand why I'm giving [inaudible over coughing], maybe you are too. One of the things at the beginning, when we did the budget this past year, we had about a 1.3 million dollar budget in the deficit. If you will remember, if you can run your computer back to the meeting where we passed it, Randy, the mayor sat in the back and he said, I guess he had been elected mayor, he said, "You know, they're just numbers on paper. You guys pass whatever you want, because at the end of the year, it's not going to be that. It's going to change." So we know that Randy... I'll call him Mr. Mayor... Mr. Mayor has been working on that since that time. I know he has been working and he's done some things already. He's working on it... the budget... and council has also. So, one of the things that I can tell you is that we all have to work together to accomplish a workable budget, and we'd like to bring the budget into line for this year that we're in now – 2012 – in order that we'll have a chance to balance the budget in 2013. If we don't do anything to the size of our budget now, it's going to be a good drop-off when the 2013 budget comes out, so we're trying to get people and department heads, managers, council, the mayor, everybody thinking, "Okay, let's all work together. Let's get this thing done. Let's work on it the rest of the year, so when the beginning of the year comes and we have a new budget, it won't be such a crash." The starting carryover, according to the auditor, needs to be 25% of our first quarter of our budget so we'll have money to pay our bills in the first quarter. I know everybody wants to get paid. I know my salary is high enough that I want to get paid. So, keep that in mind. We planned later on to have a brainstorming session at the end of the meeting. Depending on the time and what the President of Council thinks, we may or may not have that at the end of this meeting. We want to work together. We want to try to get this budget under control. I'm not saying it's out of control; I'm saying we don't have any money anymore. The money is going away. So, we need to get it under control so we can manage it with the money. The city can manage. Mary Kay and the Auditor can figure out what's going on, so by the time the 2013 budget comes around, it won't seem quite as terrible. Thanks for listening. Mr. President. It's yours.

President Kirchner: At this point, we had scheduled some time for the Auditor to be able to go over the basic General Fund budget.

Auditor David Hollingsworth: I can do that. It's going to be kind of hard to do this early, especially I think Mary Kay talked to Marque. The first quarter is our biggest influx of income tax dollars, and I think there are still some revenues that aren't in here. Right now we're showing a fund balance of about a million-seven in the General Fund. I don't know the exact amounts, but I know there are some income tax dollars that aren't reflected in there that came in during the first quarter. They just haven't been posted yet. We'll have a better feel for that. I guess the questions, probably, as far as the revenues go, better addressed to Marque as far as... and it's going to be hard to tell right now whether we're going to hit the 4.1 or not.

Marque Jones: With the volatile situation of the employers in Wilmington, it really is hard to determine like in the old days. You pretty much saw an increase of 2 or 3 percent, but that's days of the past now. The problem that we have is when a tsunami hits, all of the Japanese plants feel the same thing and we get affected when stuff like that that happens. As far as trying to predict what's going to happen now, I mean, our big money is not going to come in until probably Monday or Tuesday because everybody's trying to play that game – I'm going to keep it as long as I can, invest it as long as I can to get an additional revenue for our company, and then we will send it to you. So, that is why the last day of the quarter, and they know it, because the next day we can penalize every company we didn't get that withholding payment from. We're not really going to... I mean, as of today, we've collected this month \$464,000. Compared to last year, it was \$926,000, so 'boom' come Tuesday hopefully either Friday or Monday we get the biggest part of the withholding. The biggest withholder for all of this is ADP. They have like 200-plus companies in Wilmington that they withhold for. So, that's a lot of income that will be coming in that package, and they always send it by 12:00 the day it is due. What I do is I track the top 20 withholding quarterly to see whether they're going up or down. So, we've taken some hits. Say January was the 4th quarter of 2011, now we're in the first quarter of 2012 payment coming in, and it looks like the ones I have seen have really, some of them have significantly gone up, so hopefully by the end of the year, hopefully it will make up that difference, but there's nothing to guarantee

that. Because, as you know, some companies are leaving, you know. That's just the way it is right now. We know how much we're going to lose. There's no doubt. We calculate over the years what they've paid. We've already taken a look at that, so we'll know what to factor in next year. Normally back in the days when Geoff was here, we normally would not give any prediction until after June because we felt by that time we've hit everybody with a failure to file, we'd gone after the businesses that hadn't paid the withholding tax, and then that takes time for them to get it and then respond, argue about it, then respond, and we go to court or do something like that. So, normally by the end of the June we have a pretty good picture of where it is going to be.

Auditor David Hollingsworth: It's probably safe to say that 4.1 is probably the best case scenario, and we really haven't done a whole lot on the expenditure side, so I don't think the 1.3 that we're talking about during the budgetary process, that really hasn't changed a whole lot at this point. We've had a little change in employment, but as far as employment at the city, but I don't think a big enough change that it is really going to impact the budget necessarily to a great extent.

President Kirchner: I think that was really the basics of understanding that 9.2 budget, 7.9 revenue, 1.3 is what we end the year with as a deficit to income, and then understanding carryover, as I understood it, was right around 2.5 million.

Auditor David Hollingsworth: Right.

President Kirchner: So, it was the basic coverage of that item. Marque, I know you talked about your timing and when you will have a better picture, and I understand the situation that you're describing for the first quarter. We saw the announcement on Fortis Plastics. Have we encountered any other information? I know the Service Director at one point said there was indication of another company. Do we...?

Marque: I haven't gotten anything to say that they're leaving...like we know Fortis is, but other than talk, I don't know anything. I mean, we have numbers. If they do, we know what the impact is going to be right away. That's....

President Kirchner: Do we have any kind of timing on Fortis?

Mayor Riley: No.

President Kirchner: You don't have any kind of idea of whether it will be early in the year or late in the year?

Service Director Reinsmith: Normally they always contact the mayor's office.

Mayor Riley: We did not get a warn notice from Fortis, unfortunately. We did get a letter that they're still planning on leaving Wilmington. The timeline would be sometime by summer I would guess.

Marque: I know they're drawing down. They still have employees. We have people who have come in and filed their return and said, "I'm done." We know they're laying off, but to what extent, I don't know.

Councilman Jaehnig: These situations tend to be really volatile because one change and all of the sudden it has affected two or three months. Because, you know, we have had a couple of employers who have expected to be longer and then all of a sudden it sped up, and then others that expected to be real short and it ended up a year and a half. So, it can be really volatile. It doesn't take much to change a decision.

Mayor Riley: And I've heard scuttlebutt that there are other companies that are looking at that plant, but I mean, that is all pure scuttlebutt and you can't hang your hat on that. My hopes and prayers are that somebody says, "Hey, let's move to Wilmington." That's what we work on every day.

President Kirchner: Larry, in that council meeting when you mentioned another company....

Mayor Riley: That other company...

Service Director Reinsmith: I know the Mayor has followed up with a phone call.

Mayor Riley: I went out and talked to them. The other company, I mean, we're talking about Technicolor. They have cut back on their staff, mainly through attrition, but it has nothing to do with any plan to move from the area. It's a technological change. They're moving from those big film canisters more to the digital, which rather than moving big...it's really just a matter of manpower. Those big film canisters, when they come back, they have to hook them up, reel them, they've got to look at every film, which is very labor intensive, as you can imagine. With the hard drive, basically it's like a big hard drive, for the new movies, the digital movies, they just come back in, delete it, and add a new one. There's nothing to it as far as manipulating the film. So it's a lot easier for them to keep the film going through. It is a technological process and a technological change going from the 35 mm to digital. It requires a little less work. But they have no intention of moving from the Wilmington area. But they have cut back on a few jobs. In fact, he told me, when I was talking to Tony Butcher, he said they still have a very active labor pool. There's people coming and going all of the time.

Councilman Jaehnig: Well, they were kind of the situation where they expected the theatres across the country to make the switch, but in these economic times, they never expected them to make the switch so fast because the cost of switching from film to digital is so expensive. They really thought it would be a slower process.

Mayor Riley: If I recall the number that Tony gave me, it's like \$80,000 per camera. So, on our movie theatre, with five cinemas out there, you're talking about a lot of money to convert from film to digital. He said there are a lot of outlets like ours that will probably hold off a long time before they switch.

President Kirchner: Based on the outline that we had laid out, that basically covers the concepts of the 2012 budget, what we entered with and where we're at. In terms of spending compared to revenue estimates, we've covered the question of when Marque expects to have a better idea of what 2013 revenues could look like, which could be after June. The next thing that we had on the agenda outline was the Town Hall review.

Mayor Riley: I just saw the agenda today, but I had prepared a review of the Town Hall that I was going to present at the next council meeting, but since we're doing this one, I will go ahead and pass these out to you. This is a review of the information that we received. There was a lot of feedback and a lot of give and take with the workgroups at all of the tables. There was a lot of good information. I took the information and I divided it into cost reduction suggestions and revenue production suggestions, so we have two different ways of looking at this. And I didn't edit this. These were the comments that came through. I may have changed the wording a little bit, but whatever was written down is what we kept. I tried to put a little color code on there so we could see. Cuts in services and staffing would be in the cost reductions/combining services/restructuring service delivery systems. That was the primarily 21 items that came through on the cost reduction suggestions. The revenue production suggestions – we had 23 of those. Primarily, the largest one was increasing taxes or fees. Selling city property or services and developing city enterprise were both at six each. Just to go through some of these. Some of this is difficult. Like item 3, which had a lot of people saying, "Well, we need to utilize volunteers as much as possible." That's difficult to do with the industry that we have. Now, the park service will be utilizing volunteers more, that's one of their goals, but again, they are not in the general fund. Now that we have reduced their expenses; we did the return of what would have been Scott Parrish's salary, they are now operating as an enterprise fund. All of the money that comes in from the levies and from the CAT tax, those are basically the funds that they are working with, and the Park Department understands those are the funds that they are going to have to utilize for the rest of the year, and, bless their hearts, they're fine with that. But, they are going to utilize more volunteers. That is something that we can do out at the

parks. If we can just go through these – if that is okay. Let's start with cuts in services and staffing. Again, I didn't edit through this. Delete city services that are unneeded – there was really no suggestion about what was not needed in city services. I would ask anyone who has any ideas of city services that we're using and don't need. A couple of things come to mind. I'm trying to think of services that we might cut back on or that we might reduce. Some of them, and I don't see them as being budget solvers, but there are some ideas that have been voiced such as picking up leaves in the fall. We do that throughout the city once or twice in the fall. It would save some time, some money, some manpower, but it's also a service the citizens expect. Not everyone mulches their leaves into their yard or bags them up. There are some cities that charge for leaf pickup, but then you would add that on to the revenue side to increasing taxes and fees. I don't know, in talking with you gentlemen, I have yet to hear it voiced that anyone is wild about increasing taxes or fees that charge our citizens. So, if you can think of city services that need to be deleted, I'm all for that. Item 6, which is also cutting city services or staffing was to review executive wages. I'm assuming this is to reduce or cut costs. We've been doing that. We will do that throughout the year. Using local attorneys to save money, we have started trying to do that. I wish Brian was here. Brian is making all of the calls on which attorneys we use and that's now with the Law Director. Looking into early retirement programs was one of the suggestions and I have spent some time looking at that. In fact, I have a meeting set up next week with Mark Brooker from the county. Mark helped us set up our early retirement incentive program for the county, so I do have a meeting set up with Mark early next week to talk about just this very thing. We will be looking at what value that might have to the city. In the county it saved a considerable amount of money, and we were able to cut our staffing by just a fraction of 10%. It's almost like reducing staffing through attrition except your stepping attrition up. You're making it easier for people to retire, so it's a win-win for the employees and for us. The downside is there is an initial cost to the buyouts. As we proceed down that path, I will give you the information that we have. Looking into furlough programs, that is problematic. I wish Danny were still here because furlough programs are difficult to do when working with civil service employees.

TRANSCRIPTION INTERRUPTED – END OF TAPE

Mayor Riley: With the county, the county did not use and still does not use civil service employees, so we were able to get some reduction in hours but those were all volunteer that we received from the county. It's something to look into, but it's going to be somewhat difficult to negotiate. Number 13 – cut workforce wherever possible. That will be part of the early retirement incentive program because obviously we will not rehire unless it's a vital position such as a dispatcher, police officer, firefighter, that type of thing. One of the ideas, in fact, we just had a meeting within the past week with Ron Sexton, with item 15 – using Wilmington High School students as crossing guards. Ron Sexton was really not wild about that idea. There are some things that have obviously changed over the years. When I was a kid, it was a badge of honor to be a crossing guard and to help out. Right now, with my understanding with talking with Ron (and Duane was there at the meeting), it really is a liability. It is something that they are very nervous about doing – utilizing high school students or volunteers for that because of the liability. Duane, did you want to add anything to that?

Acting Chief Duane Weyand: I disagree with it too. Plus, some of the routes that we have are not the most friendliest routes to school. If you look at Lorish and North South Street, it's treacherous enough just for people we pay to do it.

Mayor Riley: That is probably one of the most dangerous school intersections that we have – do you know where I'm talking about – on North South where Xenia Avenue takes off to the northwest and Lorish comes in from the east and then South Street goes straight ahead. That's a horrible intersection. I talked to Larry Reinsmith about resignalization and what we might be able to do to make that more pedestrian friendly. The cost of doing that had been studied a few years ago and it was a very large cost. The city would actually have to buy property from all four corners to facilitate turns. Signalization was going to be over \$50,000 as I recall, something in that ballpark. So, what it would save us in crossing guards would very quickly be eaten up in other expenses. We are going to continue to work with Ron Sexton and the high schools to see

what we can do with that. Closing one of the fire stations – we’ve practically done that already. Station 2 is not completely mothballed, but it is in the process. We do very little out of Station 2 other than storage of equipment.

Councilman Wells: Where is the weight equipment that the police and fire have?

Mayor Riley: It’s in the back bay of Station 2.

Councilman Wells: Are they using it?

Mayor Riley: I will refer to Russ on that.

Duane Weyand: I can guarantee it’s used. I use it myself a couple of times a week. When I look at the sign-up sheet when I go out there, there is probably on average 30 employees. It’s used average about 40 times a week.

Mayor Riley: It goes back to our insurance discussion we had a while ago. It’s excellent for well fitness, particularly for our employees that need to be fit, like Police and Fire.

Duane Weyand: I’ll add to that. It’s not just male friendly equipment. Two years ago Curves gave us the equivalent of about \$10,000 of equipment, so there’s a lot of ladies in dispatch and other places that utilize the Curves equipment that is out there. So, it’s a benefit.

Mayor Riley: I was amazed, when I was Safety Director we set that up as an exercise for actually all city employees. When I was out there a month or so ago, there was probably twice as much equipment. I was startled to see it. I found out it was donated equipment. Excellent, professional equipment.

Duane Weyand: A lot of it has come from donations. I bet Wal-Mart has given probably three grand in the last three years just to help buy certain stuff that we have out there.

Mayor Riley: I would encourage council to go out there and pump some iron. One of the other recommendations is to discontinue the recycling program and to eliminate use of the streets sweeper. In the combining of services, merging administrative funds and functions. We do that all of the time and we will do that as we go through our early retirement incentive and whenever we get an opportunity to find efficiencies, that is one of the things that we will be looking for throughout the year. Combining services with the county, the parenthetical 9-1-1 is my input in there. That is one of the things that we’ve talked about. In fact, as you know, we’ve applied for a grant to study the possibility of combining some services with the county. Training the Police Department to be backup for EMS – I’ve got a real problem with that and the fact that when EMS is out and busy, so is the Police Department. Usually they are already helping. With motor vehicle crashes and things along those lines, you do not want to tie up your Police Department from doing their job in taking care of patients. There are very, very few communities who have combined their safety services so that everyone is cross-trained. That actually drives your cost up significantly in doing that.

Duane Weyand: I will add that some of the officers have had some training with driving the squad, so that if there are only two people on the squad run and the officer is there, the officer will drive the squad back so you will have the paramedics in the back of the squad. So, we are working together as a team.

Mayor Riley: By state law, you have to have two EMT’s on every run. Every time the squad goes out, you have to have two EMT’s. Quite logically, you are going to have some situations, if you have a major trauma, a CPR in progress, someone is really sick, you need both of your EMT’s working on that patient. That is where it is good to have PD available just to run them into the hospital and then they can be back on duty in nothing flat. Using co-op buying programs. That is one of the things that we are already looking into. It’s unfortunate that we do not have a purchasing agent or a purchasing department or a purchasing program. Again, in trying to balance a 1.3 to 1.5 million gap, changing toilet paper or getting a better deal on reams of paper is really going to be a

drop in a bucket. All of that needs to be looked at. I'm not downgrading it, it's just one more thing for us to look at. In restructuring our services, it was recommended that we privatize city services wherever possible, and I agree with that. I have talked to folks about the privatization possibly even of the landfill, selling the landfill, looking at opportunities of getting out of businesses that are being run by the private sector quite successfully. The Rumpke's and Waste Management's of the world are doing a pretty good job of making a profit doing what it's costing the city to do. In fact, in talking to Donnie, most of our cost comes out of the landfill where we are actually making a few bucks off of trash pickup and the building process of the landfill can be a problem. So, we are looking at privatization. Use technology to reduce costs – it is frustrating not having an IT person. We are looking at utilization of IT and other ways of getting information technology. Using sentenced offenders for city work – we do that already. In fact, if you come to the city building almost any day, you'll see a few people, or at least one person usually, in an orange T-shirt that's working like mad. We appreciate their work. Renegotiating water rates with ODNR – that's in the process now. I already met with Cliff Rosenberger and had a telephone conversation with Jim Zehringer, who is the Executive Director of ODNR, and we have that on track for further discussions. The other restructuring service delivery is to bring back volunteer firefighters. I am not sure if that would be a cost savings or an expense. Andy and Russ have already started some conversations with what we are going to do with our fire and EMS staffing. On the revenue production side, there were just a few more items that were mentioned on revenue production, but as you'll note, on the items that were tagged with a green button, most of those had to do with recommendations to increase fees or to increase taxes. One of the ideas that was presented by a couple of people was putting a police levy on the ballot. Right now, the Fire Department is really doing quite well with their levies. There are several levies that support the Fire Department or Fire/EMS. The Fire Department also has an EMS billing program where we do a soft bill. This started...how long ago was it, Andy?

Chief Andy Mason: 2003.

Mayor Riley: So almost ten years that we have been doing EMS billing. The way it works, the Supreme Court decided that you could do soft billing for EMS runs because the citizens are paying taxes for EMS. That would be considered their co-pay. So, you don't have to charge the citizen for the co-pay, but you can charge the insurance company for the transport. Every one of us who pays health insurance, a small percentage of that is for emergency transport, so why shouldn't we get that back when we transport someone from their home to the hospital or wherever they're going. So, we started that nine years ago. It's bringing a little over \$600,000 now with EMS billing. I don't know if that is trending up or down. I haven't seen the trend on that, but it has been going on for quite some time and will continue. Charging for the use of the city park – Danny you might want to address that. I hate to put you on the spot, but we've talked about charging for use of the city park, even charging for rentals of the pavilions and dining areas out there. But, there is a problem with MVRMA on that, if you could address that.

Danny Mongold: On the shelter, and I don't have the figures with me, but it goes from \$2500 liability if you don't rent the shelters, to if you do rent the shelters up to \$25,000 minimum liabilities.

Mayor Riley: It goes from \$2500 to \$25,000 is the difference. So if somebody spilled something standing in the puddle and then they get shocked in one of our shelters... Obviously, anyone can sue the city for anything they want, but if we charged them for the shelter, our liability changes dramatically in the wrong direction. I will leave that up to the city park to work out some of those issues and what might or might not be charged for the park and we'll see how that works out.

Councilman McKay: It doesn't affect the General Fund anyway.

Mayor Riley: No. It does not. Charging for use of the portable stage. We already do that. A few people get free rentals since it was purchased with county funds, city funds, and I believe also the Agricultural Society. Each of us get a few free uses a year, but

anyone else that wants to use the stage, if it's not under one of those, they are charged, how much is it, Andrea? \$500?

Acting Clerk Andrea Tacoronte: Usually it's a not-for-profit, and that's \$500.

Mayor Riley: So there is a charge for the portable stage. And there is also the note that I mentioned earlier about collecting for leaf collection, charging for composting at the landfill. Two people mentioned increasing the city income tax. I don't know that it is the political will or the will amongst the voters to increase the tax. A 1% earnings tax – if you look around at neighboring cities, and I haven't looked at all of them, but I know that Hillsboro is 1.5%, Washington Court House, I believe is 1.25%. How much?

Unknown Speaker: 1.45%

Mayor Riley: 1.45%. Xenia is over 2%.

Paul Fear: They're 2.25% in Xenia.

Mayor Riley: They're 2.25% in Xenia? So, we have the lowest earnings tax in the area of the counties around us, but that obviously is going to be a call for city council. If we increased it from 1% to 1.5% that half percent would bring in....Marque?

Marque Jones: Roughly \$2,000,000.

Mayor Riley: \$2,000,000. Increasing penalties for code enforcement. That's not going to be a big money item. My idea for code enforcement is that we keep the city clean, neat and safe. That kind of ties in with increasing ticketing by police. Really, that's not what we want to do. I hate the thought of using code enforcement or the Police Department ticketing people as a revenue source. That's not what that's for. I would never encourage that. The other item there that I skipped over was changing the earnings tax to an income tax, and I'm not sure how much money difference that would be. Marque, do you have an idea?

Marque Jones: Now you're taking in...now there's good and there's bad. Because you're taking everything on the front of that 1040 to get to the bottom line – you know line 32 or 33. If you take the losses, the gains, the interests, I mean there's a lot involved. There's only maybe five cities out of the 600 that have municipal tax be an earnings tax. The last I heard, the state wanted to do away with that too.

Mayor Riley: Plus, people who are on fixed income, people who are retirees, we certainly do not want to put them in any more jeopardy than what they are. So, that's not something that I would be willing to look at, but whatever the Treasurer and the Tax Commissioner would want to bring to council, I leave that to you. But, it was mentioned and I know when it was mentioned a few months ago, we already had citizens writing letters to the editor about that. So, Gary, just don't put that in there.

[Laughter and banter]

Mayor Riley: Charging for fire and EMS runs...really? We pay taxes for that. I can't see charging for fire runs. And actually EMS runs, that is already being done with our soft billing, so we're getting over \$600,000 from EMS runs. We're not charging the citizens, we're charging their insurance company. Those are the ideas that had to do with increasing taxes and fees. Selling of city property and services – the items that are highlighted in orange. One of the items was contract out our EMS services. There are services that would be glad to take over EMS runs for a community, but that does not relieve us of responsibility to do fire runs. We're going to have people down at the Fire Station waiting and on call 24/7/365 for fire runs, so contracting out our EMS services just intuitively does not look like it would be anything that we would need to look at. But I'll leave it up to Russ and Andy to take a look at and come back with any recommendations that they might have. Selling the property that the city is not using – I'm assuming from that they are talking about possibly Station 2. I can't think of any other property that's not really in use. There's a little house that somehow belongs to the

city that's on Wall Street right as you go back into the daycare, Rainbow Village. If anybody wants to buy that, I mean, it is for sale. I would be glad to sell some of these small properties, but there are people that have had their houses on market for months and months and they're not getting bites. I don't see this as being a buyer's market for the city any more than it is for the citizens.

President Kirchner: If I recall correctly that evening, I think somebody talked about any of the additional fire equipment we are not using at the time.

Mayor Riley: I think I have that on there.

President Kirchner: When they talked about selling city property, I think that was some of the discussion.

Mayor Riley: That was right after selling the landfill, and that was a recommendation. Selling of the landfill, I don't see that as selling just unused equipment, because the landfill certainly is an active place and is benefiting the entire community. I would see that more as privatizing a department that we might want to look at privatizing or at least having those discussions. The next item was selling unused fire equipment. I would take recommendations from Russ and Andy on that. We have some fire equipment that we ramped up in 2004 when the Air Park was getting real busy. The Air Park has some needs for fire equipment, primarily a lot of foam. If we got rid of fire equipment, I would hate to think what would happen with the Air Park. That is in our district and we do provide coverage for the airport. We do have equipment out at Station 2 that could be taken to the Air Park quite quickly if needed. I would ask Russ and Andy.

Russ Burton: Your heavier apparatuses, if you go to sell them, you're not going to get nearly the value they're worth. So, it's something that Andy and I and the Assistant Chief have talked about. It's better to keep that stuff around because if something good would happen at the Air Park and more business came in, we still would be obligated to assist them.

Mayor Riley: And the value of the equipment, unlike some motorized equipment, it's not based on how many miles it has on it, it is how many hours it has on it. The value to us in having it there, it will be used sooner or later.

Russ Burton: And you don't want to have to buy it twice, basically.

Councilman Jaehnig: Some of the fire equipment that we have on could affect also the rating of the Air Park and could affect their ability for NPIAS status and moving on. In regards to selling fire equipment, we need to be really, really careful with that that we don't get a few dollars over here and just give away the future of the Air Park.

Russ Burton: And when you talk about what they're doing out there with the Port Authority, I mean, Andy can talk better, but the response time by the city plays in with what they're trying to do and things like that.

Mayor Riley: As far as I know, they haven't approached us yet about keeping one of the engines at the airport, but I would not be surprised because of the NPIAS and the 139 Certification, that at some point they might not want our help and possibly even provide a place out there to store some of the equipment, loaded with foam, specifically. I wouldn't be surprised at all to see that.

Chief Mason: There are a lot of things that go into deciding what you would consider unused fire equipment. You mentioned the ratings and such. You also have ISO ratings, insurance. Everyone's insurance rates if you don't have certain equipment. There's a lot of things that we have to look at. We can't just say, "Well, that truck hasn't been used in six months. We'll get rid of it." Because we have three quarter of a million dollar 100-foot platform truck. No, we don't have a fire and use it every day, but you know, in a couple of years if DHL or whatever starts back up, what are you going say? "Now we'll buy another one." You know, that one is already paid for. We maintain it. It just doesn't make sense to try to unload it.

Russ Burton: And we were able to help Washington Court House out with a pumper. Both of their pumpers were broke, so we leased them a pumper for four months. We are able to help the community of Washington Court House out. It also generates revenue back to us for the lease to the city.

Mayor Riley: The other two items also have to do with privatization. Someone mentioned privatizing the Sanitation Department. I'm sure they mean the Wastewater Treatment Plant. The county, by the way, I saw, you know, while I was County Commissioner, we worked hard to get the Martinsville-Midland-Westboro Wastewater Treatment Facility in. I saw in the paper the other day that the commissioners would be interested in selling that if anybody wanted to operate that system. On behalf of the city, I would say, "No, thank you."

[Laughter]

Mayor Riley: But there is the possibility of privatizing just about anything that the city does. You can privatize transit. You can privatize Sanitation, Wastewater Treatment, the Water Department. We could privatize just about anything that we do, but you really lose control of the service and the cost when you do that, so those need to be considered very carefully. Then the last item was just developing city enterprise. All of us obviously are now, whether we like it or not, we are in the enterprise business. We need to do everything we can from an economic development, job creation standpoint. None of us stand alone in that. That is everyone's responsibility, so when it comes to enterprises...and I encourage you...if you see somebody moving into town or you see a small business start. I just found out last night that a gentleman started a new auto repair business on Sugartree Street, so I stopped by today to speak to him. It was about lunchtime and he wasn't there, but I left my business card and will get back with him, just to let him know, "Welcome to the city. If there's anything that we as city government can do to help you out, let us know. That's what we're here for." But the items that were there were for general increase in economic development. That was mentioned by five people. Obviously, that's what we have been doing all along since the DHL announcement. This year, Mike Curry and I are now bringing some people together just to make sure that we don't miss anything so we don't have anything drop through the cracks. So, our economic development workgroup that includes everybody that has their finger in that pie has been going well. We're trying to make sure that we get marketing out here, that we get the word out. That is something that we all need to work on, and that goes back to helping the private sector grow. This year, at least once a week, and sometimes more than once a week, I have stopped by businesses. Sometimes I will just drive by and stop in to see how they are doing, or I'll call and make an appointment. Custom Molded there on Grant Street. I had a wonderful conversation with them. I stopped down and talked to Tony Butcher at Technicolor. I've been to several of the business talking with folks. We all need to let them know that we're really glad that they're here. Anything we can do to help, let us know. That is part of helping the private sector grow. If anyone saw Drew Hastings the other day at the Chamber of Commerce event, one of Drew's comments was, you know, it's almost like government is trying to make it difficult for small businesses to be successful. There is so much red tape and so much in the way that we need to make it as easy as possible for someone to start a business and make be successful. I could not agree more with that. Selling water to other suppliers – I would love to sell water. It's one of the things that we dropped the ball on 20 years ago when they established the agreement with the Ohio Department of Natural Resources. It was assumed that we would be a major vendor of water throughout southwest Ohio. It hasn't happened. We are currently using about 1.5 million gallons a day. We're paying for 7 million gallons a day. The very most we can treat is just shy of 4 million gallons of water a day. One of the items down below there I want to jump down because it's a tie-in. Use available water as an economic development incentive. If someone wanted to come here and the deciding factor was how much does the water cost and how much water do we have available, I would guarantee you that I will use water as an incentive to get someone to move their business here. In fact, we had a gentleman call just last week. I don't know how serious he was, but he was talking about a lot of water. We don't know how serious he was, but we said, "We've got more water than you could use." We keep following those leads. Increasing tourism in the city – my hats off

to Debbie Stamper down at the Convention and Visitors Bureau. Rob is doing a lot of work with tourism. This weekend we're going to have how many people here? – thousands of people.

Councilman Jaehnig: It depends on the weather.

Mayor Riley: My understanding is every hotel in the city and up on the interstate – every hotel room is booked.

Councilman Jaehnig: And in Jeffersonville.

Mayor Riley: And in Jeffersonville and I believe as far south, probably, as Kings Island. They are booking rooms for the event that we're having this weekend out at the air park. So, we're doing that, and my hat is off to Debbie and Rob and all of the people on that board for what they're doing with that. The last item that is in that purplish maroon color is drill for gas. I don't know exactly where that came from, but drill for gas.

President Kirchner: You asked the citizens and...[inaudible]

Councilman Jaehnig: The lady was hoping that we were in the fracking area.

Mayor Riley: Well, the shale that is on the east side of Ohio just isn't here. Someone...

Councilman Wallace: In our board meeting today, they said the whole state of Ohio is covered with that. Actually there's been drilling done in Greene County recently. I asked, what are they looking for geo-wise, you know, what is it they are looking for to drill, and no one could answer that question. They are picking selected sites to drill and to get this stuff.

Mayor Riley: One of the recommendations, and it didn't make the list but it was a verbal recommendation that came after the Town Hall Meeting, so I didn't put it on here, but there's a lot of water used in the process and possibly we could put in a water line or sell a lot of water to eastern Ohio. Unfortunately, a lot of those counties that are doing this border the Ohio River, so that kind of negates the use of Caesars Creek water for anything. It would cost us millions of dollars to get it there. All of these things came out of the Town Hall meeting. We did include the questionnaire with the utility bills that went out for two months, and we received very few responses, but we did try to get as many comments in as we possibly could. This is a summary of all that we heard from the citizens during our Town Hall meeting. We are always open for suggestions. Like I said, a lot of these things we're currently working on and we have already addressed and will continue to address.

President Kirchner: Mr. Mayor, one of the things I know you did that night that I thought was really an interesting activity was requesting everyone there – every group rank city services. Did we have a chance to tally the ranking of city services that came in that night?

Mayor Riley: Do you have the rating on that?

Acting Clerk Andrea Tacoronte: I do not. Unfortunately, people did some odd things in the numbering. Rather than looking at the entire group and going one through twelve, they would do one side one through six and the other side one through six, so it's skewed. It was difficult to get an accurate statistical analysis.

Mayor Riley: Of the ones that I looked at, there were maybe only one or two that did an actual one through twelve.

Acting Clerk Andrea Tacoronte: And some people puts one's on four or five of them.

Councilman Jaehnig: Like they were ranking each individual service between one and six.

Acting Clerk Andrea Tacoronte: Yes. So unfortunately, it was kind of an exercise in futility when we tried to analyze that.

Mayor Riley: Actually, Scott, one of the things that I thought about, Mark Rembert is a real whiz at doing a lot of surveys and I had thought about asking Mark, with some of his work with the Chamber of Commerce, if he could try to help me put something together, because obviously I'm not real good at putting those kinds of surveys together because we got unusable results. I would like to see if Mark could help us do something like that. I already talked to him about it at one of our ED workshops, but I haven't had an follow up with him.

President Kirchner: Based on the time, we have run well over the original schedule. Of course, we had not anticipated insurance being here, as I indicated. We did not find out that that report was going to be available until late this afternoon. Mr. Finance Chair, we obviously have a budget process that will continue throughout the year. One of the things that was on here was the idea of setting up the next budget work session.

Councilman Mead: Yes, Mr. President. The next budget work session is going to be May 10, at 7 p.m. The agenda we don't have yet. One of the things we had on there, we don't need to do now.

Mayor Riley: Bob, one of the things that I seriously need to hear from council are revenue ideas. We have been talking about cost reductions and revenues for the last three or four months. One thing that is a constant recurrence is, you know, reducing salaries, reducing people, cutbacks. One of the things that I looked at just this past week, if you took every General Fund employee that is in the city and in that group take out Fire, Police, and EMS and take out the courts. If you got rid of all of those people, the savings would be about \$1.5 million. That is literally getting rid of everybody that works for the city other than Courts, Fire, EMS, Police, and the folks who work in the enterprise areas like the Water Department and the Sewer Department and that type of thing. If you look at just the non-enterprise fund – General Fund employees other than Police, Fire, EMS and the Courts. If you get rid of all them, the savings is about \$1.5 million. So, we need to look at generating revenue as well as all of these cuts that we are looking at.

Councilman Wells: I wanted to bring up one idea. I don't know if this is feasible, but when we do our paving for our streets, is it possible to enter in with the county and Jeff Linkous and join together to make a bigger group and get better pricing on paving.

Mayor Riley: We'll have that conversation with Jeff Linkous. A lot of that is the timing of projects. If you have a project that is going to be taking place in the county, close to the city, where we need to have some paving done, that might be doable. But to get Ohio Asphaltic or Cox Paving to do a project for the county up on Brimstone Road and then come down the next day and do the city, they're going to look at it as being two completely different projects. I'm not sure if that will get us much efficiency. But if we do have that opportunity, then absolutely.

Councilman Wells: I just thought that joining with the county, you know, we all need paving. I didn't know if that would save anything or not.

Councilman Jaehnig: If I could just have the chairs, council, and president to just give me a moment. I would like to hand something out that is fine if we want to talk about it at the next work session. I want it to get it in council hands so they can start to look at it and start to think about it. Because, as we work through this, and in the first quarter it became obvious that there are areas that need to be reviewed and there are areas that savings are available. There is no doubt. Whether it be combining departments or realignment of administrative services, reduction through purchasing or even the ability to contract out some of the work. I'm concerned about the fact that we need to be working on two routes at the same time. Going through and making sure that we are cutting all of the cuts that we can make in the budget and making sure that we're not wasting the taxpayers dollar is vitally important. My fear is that is going take us 6-8 months and at the end of that period what we're going to find or what we definitely could find is the only way to accomplish that tax would be then to affect safety services.

Now, I'm one council person and I'm sure most of the rest of them feel the same way, that affecting safety services is absolutely the last thing we want to do or something that literally should not be on the table, because we've already cut those services about to the max that we can cut them. So, I would like to propose that while we're working on cutting these budgets that we take a look at, okay, should we look at a new police levy? If so, what should that be and how should that happen and what are the benefits and what are the detractions in that. Should we be looking at an income tax increase? Again, what are the benefits? What are the detractions? What's the effect on our citizens? What's the effect on our ability for economic development? Should we sell the landfill to pay off debt or whatever it is we can do with the funds? Thankfully, the growing pains that the county has gone through with the hospital sale, the one advantage that we can take advantage of is not go through the learning process that they had to in regards to what you can do with the funds after the fact. So, while hate the thought of tax increases, especially at a time when our citizens can least afford it, I do think we need to take a look at all of our options and be ready to have a discussion about it. Because, in 6-8 months when we get done with the review of budget cuts, if the budget cuts are not going to do it, then we better be prepared wide awake for what our next step is. The time is not at the end of 6-8 months to start looking at it then. Okay, now we've figured out that we can't cut everything that we can cut out of this, so now we have to look at one of these other things. No, we need to be prepared to know at that exact time that, okay, this is what we need to do. So, I'm going to make the following suggestion to Council, the President of Council and the Mayor tonight. While the Finance Committee continues to review the budget for cost cutting measures, I would like the President of Council and the Mayor to set up three new committees to review the three revenue-generating proposals as listed above at the same time. I would like a Police Levy Committee set up. This would be composed of five people: The head of the Finance Committee, Mr. Mead, David Hollingsworth, either the Chief or the Safety Director, one citizen appointed by the Mayor and one citizen appointed by the President of Council. An Income Tax Committee headed up by Mr. Stuckert from the Finance Committee, Paul Fear, the City Treasurer, Marque Jones, the City Tax Commissioner, one citizen appointed by the Mayor and one citizen appointed by the President of Council. And then another committee that looks at selling the landfill, headed up by Finance Member Mark McKay, with Mr. Reinsmith as the Service Director, Don Wells, the Chair of the Solid Waste Committee, one citizen appointed by the Mayor and one citizen appointed by the President of Council. Obviously, I would hope the President of Council and the Mayor could attend as many of these meetings as possible, but I would give them a work order of, we would like you to come back with your findings in three months and present what your findings are. Give us some options so that if we have to make the next step, we're prepared to do so. Not that we should stop working on budget cuts, but we need to be prepared that if budget cuts are not going to get the job done, we need to be ready to take the next step. We can't wait 6-8 months to find out if that is going to do it. So, I'm asking for everybody's consideration in pursuing this proposal. I thank you very much all for your time.

President Kirchner: Councilman Jaehnig, I appreciate the input. But I'm going to go on record right now and let everyone know, that I do and have believed that this city has a spending problem and they have had it for a number of years. As a member of council from '05 to '07, analyzing the annual budget increases under David Raizk, for that period of time, you were seeing approximately a 7% compounded annual growth rate and those budgets continued to grow beyond my time on council. In the past three years we have seen large deficit budgets approved without cutting taking place when it needed to, right-sizing the city to the size it should be. I am not a believer that this a revenue problem. We have an economic situation that is affecting the whole state, the whole county, the whole nation, and I think that we as a city need to live within our means. I will be happy to talk to the Mayor about your proposal, but I want to make sure that everyone knows I do believe that this city has a spending problem and needs to right-size itself to live within its means while we look at the idea of trying to generate more growth and get back to economic prosperity through growth. That would be my basic feeling. So, it's time to take a good look at the budget and do the cost-cutting that we need to. I'm not a voting member of council. Council needs to vote its conscience on it, but I will be clear about where I stand. We have a spending problem.

Councilman Jaehnig: And I sure hope that you're right...that at the end of the budget cutting, we are able to find that money. But what if you're wrong?

President Kirchner: With 7.9 million dollars coming into this city, estimated, in revenue, we have 7.9 million dollars that just a very few short years back covered our budget.

Councilman Jaehnig: Okay, but answer my question. What if you're wrong? Does it hurt to do this pre-work. I'm not saying...

President Kirchner: As I indicated...

Councilman Jaehnig: I'm not saying that we stop doing the rest of the work. I'm saying, let's be prepared. Let's work in advance. Let's be proactive in how we proceed forward with things and not be, as you have pointed out in the past about the previous council, myopic in our viewpoint. Where before it was spend as much as you can or as much as you've got and not worry about that. If we concentrate solely on the budget and cuts, we're being just as myopic, but in the opposite direction. I truly would like to see us pursuing as many avenues to make this city whole as possible because I don't believe we have the time to get to the end of the 6-8 months and, God forbid, we find we can't find 1.3 million dollars, and we have no plan at that particular point. I don't see how that hurts us.

President Kirchner: Well, I agree with the idea of pro-activity. Three years ago, when you visited your first deficit budget, I came before council as a citizen and I made it clear that we needed to address the fact that we were spending more than we were taking in. As someone who has supported the past three deficit budgets without major cuts, I think pro-activity in this opportunity is a little bit late to the opportunities that we had while we had a carry-over that could help us more gradually...

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

President Kirchner: ...not have the political will yet to live within our means. I believe that is the question this council must wrestle with. That's my personal feeling.
Councilman Stuckert.

Councilman Stuckert: The mayor said something a minute ago that put a light on my head. He said we are enterprise. Our city is an enterprise. I jotted down a couple of things that, at least in my mind came on. If we're an enterprise, we're a business. When a business realizes that it's not taking in, it's revenues are not matching it's expenditures. It has basically three things that it has to do. One thing that you look at as a business is you look at what can be accomplished by rolling up our sleeves and reorganizing this thing. Break out of the molds and think about reorganizing the whole ship. The second thing you do, is if I'm a business, do we have stores that we can afford to unload. They're weighing us down. That's privatization. That's what you said. The third thing is, do we raise our prices? That's taxes. We're raising our prices. If we look at how we're raising our prices, we have to look at what impact that has on bringing business in and we have to look at what that does to our citizens. Plus, we have the same problem any business how, is that the customers get to vote on it as whether they are going to buy our increase prices or not. So, it seems to me like if we can get that mind picture and roll our sleeves up and get busy on it, I think if I'm a business leader, I'm going to really focus on that reorganization. I'm going to focus on things that we're doing that someone in the private sector could do at less cost and could do just as good at and that type of stuff. I would do that stuff. If I have to raise my price and the customer has to vote on it, I just don't share the same optimism there. I think that we're in an economy where we can't expect to be able to raise our prices. So, looking at all three, that's fine, but my mindset is, we need to...maybe we're overlooking that. Breakdown the whole thing down on paper and reorganize it on paper. Get us some new models for how we are organized and things like that. Get real serious about how we can do this and what would be the savings.

Mayor Riley: You make some great points. One of the things also in using that business model that you were talking about. City costs have gone up over the last 5-6-7 years

also, just like any business. Their costs go up. The other thing to look at, in your last statement Loren, is that reorganizing and maybe restructuring. You know, we have been a statutory city forever. Maybe it's time to look at becoming a charter city. What benefit would that be for us if we became a charter city? One of the hardest things to deal with, and I had this when I was I Safety Director and I have it now as Mayor is working with civil service. There are a whole set of laws on civil service employees that make it very, very difficult. The county was not a civil service employer. We did not have to test all of our sheriff deputies, for example, before they came in. There is some more flexibility as a non-civil service employer. Possibly this is the time to talk with our Law Director and talk with some other people and look at some of the options and some of the advantages or disadvantages in becoming a charter city.

Councilman Stuckert: Does that require a vote of the citizens too?

Mayor Riley: Yes. Rob, thank you. I appreciate your work on this. I haven't read through it yet, but I will certainly read through it and I will be glad to work with you and the President of Council in looking at these items.

Councilman McKay: I appreciate Rob working on that. I second that we need to look forward, not backward, and really everything on the table. There's nothing that is not on the table. I would be happy to work on this plan or any other that is proposed, because we're all in this together, guys.

Councilman Wells: I will say one thing, Mr. President. Bob Mead and I stepped up last year and tried to make a difference. We were attacked. The Finance Committee did not cooperate with us in any way at all to try to solve any problems. Nothing happened, and now, you know, we have this proposal. I mean, I think we've all been trying to work on these same things and I'm glad that finally, people are starting to realize that we need to do something. I just want to say that.

Councilman McKay: Let's look forward.

President Kirchner: Anything else from council at this point?

A motion was made by McKay and seconded by Jaehnig to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, May 3, 2012, at 7:30 p.m. with President Pro Tem Mark McKay presiding.

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

Acting Chief Duane Weyand was also present.

A motion was made by Jaehnig and seconded by McKay to excuse the absent President of Council.

Motion passed.

Absent member excused.

Council gave the Pledge of Allegiance to the flag.

President

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

Motion passed.

Minutes approved as received.

President Pro Tem McKay: That completes my portion. Mr. Mayor?

Mayor – Mayor Randy Riley: Thank you, sir. We have actually several things that have happened in the past week that I want to go over. One of the things that I want to highlight is several of us actually just were at the Murphy Theatre. They were having their preview for their shows this year. I encourage you all to support the Murphy Theatre. It's a historic theatre and it's just a marvelous place. They have some great shows lined up this year, so I encourage you all to support the Murphy. Also, we just received this today from the Health Department. Car seats are great. We need to make sure that are kids are in car seats, but the car seats need to be put in properly. The Health Department now has three people that are certified to do car seat inspections. This is not just for the parents, but all of us grandparents also who drive kids around. Make sure that your car seats are installed properly. You can stop out at the Health Department and it's a free inspection. We also have that on our website, but I wanted to encourage everyone to please participate in that. With other children or older children, this is a program that I worked with when I was a commissioner the last few years, but TANF stands for Temporary And Needy Families. We have a summer employment program for teenagers. So, if you know of any teens that are looking for some summer employment, you can get a hold of Job and Family Services and we do have some state funds actually that we can use to make sure that some of the teens who are low and moderate income can get some employment. So, if you're a business owner or if you know of somebody that could use some teen help, call Job and Family Services. One of the other things that has happened in the past week or so...actually...it was last weekend, was the East Coast Timing Association race. It was absolutely phenomenal. Sean and I drove out there. I saw a motorcycle go by at 199-something miles per hour. My thought is, once you're over a hundred, the rest of it is gravy. And some young lady went by at 234 miles an hour. Amazing what we had going on here. I received an email today that actually came in this afternoon that I would like to read. It came to the mayor's office.

Dear Sir,

I would like to take to opportunity to tell you about my wonderful experience in your town last weekend. As you may have guessed from the title, I am part of the East Coast Timing association group. I run in several different types of race series, so I get an opportunity to visit quite a few towns on the east coast as well as some out west. I have never been to a race location that was more accommodating and welcoming as your town. We had quite a few local citizens come out to watch our timing event at the airport and many thanked us for coming to

Wilmington. Many of the merchants had signs in their businesses and on their outside sign welcoming us. It was noted that the hotel rates were not increased to take advantage of the visitors. Our small race team of 3 members brought along an additional eight people with us, due to the close proximity to our home in Pennsylvania, and they all said that they would be coming back with us again. In closing I would like to thank you and your town for hosting our event and I am looking forward to returning several more times this year.

*Regards,
Dave Gray
Carlisle, PA
Team # 3611*

That is wonderful. These people had a great time. Wilmington, as we do, we open our doors and our hearts. I publicly want to thank Rob Jaehnig for all the work he did to make this possible. There's an email telling you what a great job you did last weekend. Thank you, sir.

[Applause]

Councilman Jaehnig: If I could just say something...while I appreciate your words, Debbie Stamper from the Convention and Visitors Bureau, it couldn't have been done without her help. And obviously, the Port was trying very hard to make sure this happened. They literally were working up to meet FAA regulations and guidelines as of Wednesday. They were still working to meet those. So, they worked very, very hard and they really went the extra mile to make sure that this happened also. So, they deserve a great deal of the credit also. So, I'll accept on behalf of all of them.

Mayor Riley: Absolutely. Thank you. Also, we have been going back and forth with ODOT a little bit over signage on the 73 bypass. I sent them a letter on March 9 concerning the signs. As you come into town from the west getting near Mitchell Road, I wanted a sign that said 'Wilmington Next 3 Exits.' They said that there is no way that they could do that and cited the Ohio Manual and Uniform Traffic Control Devices that it wasn't going to fly and they were not going to put up any more signage at all. So, I went about browbeating them as low-key as I could. We are going to get a sign at Mitchell Road that says Wilmington. They are also going to change the mileage sign as you get off of on 68 from three miles, when you can actually see the city, to one mile. So, we are getting some concessions from them, but we will have a sign before you get to Mitchell Road saying Wilmington Exit. So, we are making some inroads. We're getting some things done. I appreciate Steve Mary, who is the Deputy Director of District 8, for listening to us and helping us out with this. So, that's a good thing that I wanted to share with you.

President Pro Tem McKay: Mr. Mayor, that's been a lot on all of our plates since the bypass opened, and I applaud you for doing that. It's very important to our town.

Mayor Riley: Thank you. So, in the middle of the night if somebody goes out with a little bit of white paint and puts Wilmington Next Three Exits...

[Laughter]

Mayor Riley: The other thing, and I'm going to ask our Law Director Brian Shidaker, to go into this in a little bit more detail, but we've had citizen complaints and concerns over the junkyard out on East Columbus Street. We've been working on that throughout the year. As Brian had mentioned, that is one of his top priorities. Brian, I will turn it over to you to talk about some of the progress that we've made just recently.

Law Director Shidaker: This has been a long process. Anytime you're dealing with the court system, it takes a long time to get to the result that you are wanting. This actually predates my office. It began back in July of last year. Our city went to the junkyard. I'm sure you're aware of it over on East Columbus Street, indicating to stop operating it as a

junkyard. They are prohibited in the City of Wilmington. Mr. Bingham, who has been operating the junkyard, appealed that to the Board of Zoning Appeals. The Board of Zoning Appeals upheld the city's decision to prohibit him from using it as a junkyard. Then he appealed it again to the Common Pleas Court here in Clinton County. That was sitting over in the Common Pleas Court for some time. Mr. Reinsmith and I had an opportunity on April 20 to present oral arguments to the Common Pleas judge of Clinton County, and on May 1, 2012, I am happy to announce that we have received an order from the Common Pleas Court of Clinton County indicating that Mr. Bingham must cease and desist in using that property as a junkyard in the City of Wilmington. So, even though this has been a slow process, we've had a lot of complaints about why aren't you doing anything? Why won't you go in and take action? To be perfectly honest with you, there was a stay of any enforcement during this entire period up until May 1, 2012. There is no longer a stay of enforcement on that particular property and things will be happening very quickly, now that we have a court order signed by the judge of this county. If there are any questions, I would be happy to try to answer any that I can. But, this is pretty good news and I am very pleased that we finally received a court order with that result.

[Applause]

Mayor Riley: Thank you, Brian.

Law Director Shidaker: You're welcome.

Councilman Jaehnig: I'm sorry, Brian. What does the stay actually mean? Does he have a certain amount of time to correct things?

Law Director Shidaker: The stay was actually prior to May 1. You know, everybody was asking us to take action on it and we couldn't because while he was appealing the decision of the Board of Zoning Appeals to the Common Pleas Court, there was an agreement with the prior administration and Mr. Bingham's attorney that we would not enforce the ordinance while that was being appealed. Once the decision was made on May 1 from the Common Pleas Court, we are now able to move on that quickly.

Councilman Jaehnig: Does he have a certain amount of time to come into compliance?

Law Director Shidaker: No he does not. He has to come into compliance immediately. We're going to take action very quickly.

Councilman Jaehnig: Thank you.

Law Director Shidaker: You're welcome.

Mayor Riley: Thank you, Brian. I know that was a high priority for you. It always frustrates me when people are saying, "Are you doing anything? Can we do anything?" And I keep saying, "We're in the process," and the process worked. It has now been determined that that is not a legal junkyard and it has to stop and we have ways of making that happen.

Law Director Shidaker: And it's a public record, the entry, and anyone who wants a copy of it, I would be happy to make a copy. But he even went a step further and said that was never a legal junkyard. He was never operating that within our city legally. So, I would be happy to make a copy if anyone is interested.

Paul Hunter: I have a question. Can he no longer operate or is he going to clean it out?

Law Director Shidaker: He has to stop operating as a salvage/junkyard immediately.

Paul Hunter: But he can leave whatever is there, there?

Law Director Shidaker: No. It's got to be cleaned up.

Service Director Reinsmith: Brian, he has, what, 28 days to appeal?

Law Director Shidaker: He does have 30 days to appeal to the Court of Appeals.

Service Director Reinsmith: But Rudduck wouldn't give him another stay right now...

Law Director Shidaker: Well, I'm not the judge. In my experience, a judge usually will not stay their own decision. Once they make a decision, they like to stand by their decision. I couldn't foresee the court staying this any further since he has made a decision. But, yes, he does have 30 days to appeal to the Court of Appeals, but it is the Common Pleas judge who decides whether or not he will stay the enforcement. Like I said, judges typically like to stand by their decisions, and I don't foresee that happening.

Mayor Riley: Thank you, Brian.

Law Director Shidaker: You're welcome.

Mayor Riley: If I may, I would like to step down front for a moment. I've got a long history with the police force here, having been Safety Director for five years, my son is a police officer, my son-in-law-to-be is a police officer. I have so much respect for what safety services in general has done. Having been an EMT and a firefighter, my heart is in my throat sometimes as I hear these guys going out on some of the calls that they have. But, Duane Weyand, if you would come up here with me. Every year, we have our Police Week. And it is an absolute honor for me as mayor to proclaim for the first time as mayor this proclamation.

***WHEREAS**, Since the day this city was founded, law enforcement officers have played an important role in safeguarding the rights and freedoms which are guaranteed us by our Constitution and the ordinances of this city; and*

***WHEREAS**, The City of Wilmington has lost two officers in the line of duty in the past 200 years, Officer John Van Doren and Officer Emery McCreight; and, **WHEREAS**, It is fitting and proper that we express our gratitude for the dedicated service and courageous deeds of law enforcement officers and for the contributions they have made to the security and well-being of all our citizens; and*

***WHEREAS**, It is important that our citizens know and understand the problems, duties, and responsibilities of our police officers and the necessity of working with them and cooperating with them in maintaining law and order; and*

***WHEREAS**, For nearly 50 years, May 15 of each year has been recognized as Peace Officers Memorial Day and the calendar week during which May 15 occurs as Police Week*

NOW, THEREFORE, I, RANDY RILEY**, Mayor of the City of Wilmington do hereby designate that May 15th of each year be designated as **PEACE OFFICERS MEMORIAL DAY** and the week of May 15th as **POLICE WEEK

And further recognize the service given by the men and women who, night and day, protect us through enforcement of our laws, and in honor of those brave men and women who have been injured or have given their lives in the performance of their duties.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THIS SEAL OF THE CITY OF WILMINGTON, OHIO, TO BE AFFIXED THIS 3rd DAY OF MAY IN THE YEAR OF OUR LORD TWO THOUSAND AND TWELVE.

Mayor Riley: I want to thank you publicly for all you and all the other folks do.

Acting Chief Duane Weyand: Well, we thank you. We appreciate your support and appreciate the support of council. On behalf of the officers that were here who had to split out of here a little bit of go, it's a nice thought for them. Thanks for your support.

Mayor Riley: The timing couldn't be better. Actually, when you're talking about safety services and you're talking about what our folks do and the tone drops and guys have to leave and they're off and running. It's 24 hours a day/7 days a week. Thank you, buddy.

[Applause]

Mayor Riley: Duane, since you're destined to be our chief probably in just a couple of weeks here (we're going to have a swearing in ceremony probably within the next few weeks for our new chief), if we don't have a dispatch week, we're going to make one up. What the dispatchers do is absolutely phenomenal. God Bless you and all the folks who work down in dispatch for all of your service too. And with that, Mr. President Pro Tem, I'm going to take a seat.

President Pro Tem McKay: You said you had about an hour's worth of stuff. You didn't miss it by much. I think the agenda is slightly out of order. I believe our Auditor is our next Agenda item.

Auditor – Auditor David Hollingsworth: I just have a couple of things. First of all, I wanted to give you kind of an update, a quick snapshot of where we are at General Fund wise, year to date, and where we were at this time last year. This time last year, we had an unencumbered balance in the General Fund of roughly 3.7 – 3.8 million dollars. This year, as of April 30, we were at 2.1 million. I had Mary Kay pull out, without really digging down into it to see if there was anything out of ordinary. At the end of the year, we finished with 2.5. So between May 1 and December 31 last year, we spent approximately 1.2 million dollars more than what we brought in during that last eight months of the year. If that would remain the same, then we would be down close to a million dollars in our General Fund balance as a carryover for next year. I will be putting together some information now that we're through April 30. I always like to wait to see where income tax dollars are going to be because the first four months gives us a pretty good gauge of what we are going to collect for the year. One other item, and Mr. Kirchner is not here tonight, but he asked at our work session. For those of you who weren't here, we had about an hour of information on our health insurance from Liz Fortney, who is kind of our go-to person in negotiating for our insurance contracts. The question was raised...because we're self-insured here at the city...how we fund the insurance pool is based on our prior history and what kind of claims we paid. It pretty much determines in kind of a nutshell, it's pretty simplistic, but there is a little bit more to it than that, but that is what drives our premium payments for our single and our family rates for the next year. Right now, through the end of March, we had a positive fund balance in our insurance fund, which is where we put our premiums to pay claims out of, of about \$396,000. Based on what we are paying in for family and single rates right now for the remainder of the year, we will pay in another \$653,000 into that insurance fund. Claims based on what we've paid year to date, and this is the moving target because this can change at any time, but based on our current history of claims being paid out of that fund, we would expect to pay about \$431,000 for the remainder of the year, which in theory would leave us with about \$600,000 left in that insurance fund. The only thing, and that's the number that Liz threw out the other night, but the only thing that will adjust that is based on what we're paying into the insurance fund right now, and this is just the way the insurance falls when we negotiate a new contract, but it's based on the old rates, what we're paying in now, so based on the current rates, we would have to supplement that by about \$317,000. So, if that was the case, we would be left with about \$300,000 to the good in that insurance fund. Now the question was raised, what do you do with that? Does it go back in the general fund? I don't know if legally we can take it out of that insurance fund. That's something that would have to be looked into. At the same time, that can change at any time. Since we are self-insured and we've been fortunate over the last year to have a relatively stable year. No claims. 2010 was kind of disaster. We had five or six major claims that kind of kicked our premium rates up. So, just to kind of clarify that from the other night at our work session. It looks like best case scenario, we might end up with about \$300,000 left in that fund.

Mayor Riley: Which is about half.

Auditor David Hollingsworth: It's about half. That's all I have.

President Pro Tem McKay: Thank you very much, David. I'll not try to steal Bob's thunder, but it's good for us to mention to everybody that our next Finance Meeting is

May 10, so that's coming right up. We'll be discussing some of the same things. Maybe David might have that even nailed down a little better by that time. Thank you for your report.

Assets Acquisition and Use: Chairperson Bob Mead had no report.

Finance Committee – Chairperson Bob Mead: Mr. President Pro Tem, we have three items on the agenda this evening. The first item is three readings on an ordinance making supplemental appropriations. You all should have supporting data in your folders.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Supplemental Appropriations.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for a vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

Councilman Wallace: I have a question. Part C in this. I was in the committee meeting, and did we vote to pass this on? There was a lot of discussion about C. I guess maybe I'm confused. Is this something to do with that issue that they're trying to table?

Mayor Riley: No, I think that was the cruiser. That was \$25,000.

[Discussion of committee results]

Councilman Mead: I think the questions that were asked and the discussions were carried out to the end. I believe everyone was satisfied.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes; Jaehnig, yes.

Motion passed.

President Pro Tem of Council declared Ord. No. 5024 passed as read.

Councilman Mead: The next item is three readings on an ordinance making miscellaneous transfers. Again, you have supporting data in your folders.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Making Miscellaneous Transfers.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for a roll call vote.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President Pro Tem of Council declared Ord. No. 5025 passed as read.

Councilman Mead: The third item is three readings on a resolution authorizing payment of expenses incurred in a prior fiscal year.

A motion was made by Mead and seconded by Stuckert to give the first reading only on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

Motion passed

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to pass the resolution as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2284 passed as read.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – President Pro Tem McKay: The next item is an item under Streets Committee, of which I am chair. It basically is information (also we have sent letters to residents of Gallup Street) indicating that we are proposing to change the parking structure on that street so that parking is only going to be allowed on the west side of the street. It will obviously be easier to get up and down the street, but the bigger reason is the safety equipment being able to more easily get up and down the street. At this time, are there any residents of that street or anyone that would like to discuss that? Come forward and give you your name and address, and we'll allow approximately five minutes if you would like.

Glen Brewer: 205 Berlin Road, Wilmington, Ohio. I volunteer at the Homeless Shelter. It's the right thing to make that one-sided parking. It is a problem. But I would beseech the council to consider two 15-minute spots in front of the shelter for people dropping off donations. I realize there is a parking lot behind, but not a lot of folks are aware of that. Without that 15-minute parking, they probably won't stop and make donations that are very much needed there in the way of clothing, food and personal items for the residents. I don't know what the cost on that would be. I talked to Mr. Wells the other day. I will pay for the signs if you'll put them in.

Councilman McKay: Well, we had actually discussed that in committee and went back and forth with it. You know...is it necessary? I understand your point, so thank you.

Glen Brewer: Thank you for letting me speak.

Councilman McKay: Is there someone else?

Nancy Breuleux: I live on Sugartree Street, but right at that corner of Gallup and Sugartree. I got the notice and wasn't aware of the reasoning for the parking ordinance. My concerns are living there and owning property where I do is that there will be overflow parking in front of my house and across the street from my house. There has already been a lot of problems with that just since the Homeless Shelter has been there and as long as I have been living there. So, I want to just say that the neighborhood is concerned about that. We get a lot of people sitting there for whatever reason, I don't understand, from the homeless shelter, where they get dropped off and then they come from the homeless shelter and get picked up and then they hang out there. They do a lot of smoking around the corner because, of course, they are not allowed to smoke in front of the residence. So, that is my concern. I guess that's just about it. I was not understanding the full reasoning. Now that I've come to this, I understand that is important to have the emergency vehicle access.

Councilman McKay: In fact, they even have difficulty plowing snow because of the cars.

Nancy Breuleux: Well, I have personal problems with that also. They plow onto my property and take out a lot of my plantings from there.

Mayor Riley: If I could point one thing out. When I was Safety Director years ago, we actually talked about this seven or eight years ago, but we identified that if you banned parking, people will put their cars somewhere. So, it has actually been very fortunate for us that they now have a parking lot back there. What is odd is I have been there a few times, and there's not that many cars that are parking in that parking lot. So, if we don't have the parking, they'll go around and park there. Because there's about eight or ten...

Nancy Breuleux: Well, hopefully, as long as I have recourse.

Mayor Riley: Well, if you would do us the favor and kind of keep an eye on that for us. If there are any problems, let us know if this should pass. I think we have more than enough parking in the back now. Particularly now that we have that building on Main Street. But I do appreciate your concerns.

Nancy Breuleux: I understand your concern for the dropping off, but I think I see the signs. I've noticed the signs about the new parking. My concern about a sign being involved with that would be the fact that walk is pretty narrow as it is. I don't know how the signs would go up, but if it hinders any more of that sidewalk, it would be pretty bad for pedestrians.

President Pro Tem McKay: Thank you both for your comments. Yes, Ma'am?

Sarah Hapner: 81 Columbus Street. My concern is that there are many more houses on the east side of Gallup than there are on the west side. It's understandably a very narrow street and I can understand wanting to have more flow of traffic, but it impacts the property owners on the east side more than it does on the west. I would also take exception to encouraging people to use the parking lot, because the easement to get to the parking lot is not for the owners of the Gallup Street parcel. It was granted only for ingress and egress to the owners of the West Main Street parcel.

Mayor Riley: We will have residents from the homeless shelter, anyone who is working for the homeless shelter, we will encourage them to use that parking space.

Sarah Hapner: How will they get to it?

Mayor Riley: They will have to get to it from Main Street.

Sarah Hapner: It's a private drive. To get to that parking lot is a private drive. It's part of my parcel.

President Pro Tem McKay: You're saying that folks cannot use that driveway...?

Sarah Hapner: If they're trying to access the West Main property, yes. That's why the easement was granted.

Mayor Riley: We appreciate the heads-up.

President Pro Tem McKay: Thank you. We will be scheduling a committee meeting soon to talk about this further. If anybody else knows of folks that have comments, please refer them to the mayor's office.

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President Pro Tem, tonight I would like to have the second and third reading on a resolution authorizing for bids for a standard steel bed truck scale for the Sanitation Department. Are there any questions?

A motion was made by Wells and seconded by Jaehnig to suspend the rules and give the second and third reading on the resolution Authorizing for Bids for a Standard Steel Deck Truck Scale for the Sanitation Department.

President Pro Tem of Council asked for discussion.

Seeing none, President Pro Tem Council called for a roll call vote.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Jaehnig to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2285 passed as read.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Rob Jaehnig: We have one item on the agenda. In fact, I am quite pleased to say that we have our first piece of sign legislation that we will be doing our first reading on tonight. As I have mentioned in the past, we are slowly working our way through the entire sign ordinance that is in desperate need of being updated. The first item we are tackling is what is termed as yard arm signs or projecting signs. The main effect for this will be in the downtown area, but it will affect some other areas in town. Currently, a yard arm sign, and for those of you who don't understand what a yard arm sign is, a yard arm sign is usually on a post with one arm sticking out and it hangs below it. For example, going up South Street, the dentist's office and Effie's place have yard arm signs. A projecting sign, then, would be something that sticks straight out 90 degrees from a building. Those currently in the city have been actually forbidden. While we have some around, some of them were in place before the change in sign regulations originally, but a lot of them are in place, basically, illegally. There really isn't a good reason for us not to have these types of signs available to our local business. But more importantly, Downtown Main Street America and then Heritage Ohio have actually written us up on an audit a couple of years in a row now for not having these signs available to our business because it does have a major effect on their ability to be seen. Unless you're lucky enough to get stopped at a stop light, those signs flat up against the building quite often are not seen. We want to give any chance we can for them to be successful in their business, and this will take that first step in allowing them to do so. I won't go through every specific detail of the ordinance. On the yard arm signs, the top of the sign itself will be limited to five feet in height. Then projecting signs will be a maximum of six feet from the front of the building that they can go out over the sidewalk. While it doesn't get back to the old days, if you see some of the old pictures. The Service Director brought in a wonderful photo of downtown in which there was the war to see who could get furthest and farthest out over the street with their signs that caused us to have to clean this up in the first place, and then we went too far in the other direction. So, hopefully, this is a happy medium that will allow the business to really get out there and advertise, yet still maintain the look that we are looking for in terms of our community and the safety. As I said, this is the first piece of legislation. We will following it up with others each council meeting if things run smoothly. Are there any questions from Council on this legislation?

Councilman Mead: Councilman Jaehnig, you mentioned previously you couldn't have a sign sticking out. According to the Planning and Zoning Ordinance, you could have it sticking out two feet.

Councilman Jaehnig: I'm sorry. You are correct.

Councilman Mead: The other thing is, is it in there or not that it cannot extend over the right-of-way?

Councilman Jaehnig: Well, actually, it can extend over the right-of-way. The sidewalk is considered right-of-way. So, a projecting sign can extend over the sidewalk.

Councilman Mead: No, a yard arm sign.

Councilman Jaehnig: A yard arm sign cannot go over a right-of-way. Only a projecting sign.

Councilman Mead: So, you just changed it from two feet to six feet.

Councilman Jaehnig: Correct. Are there any more questions about this piece of legislation?

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on the ordinance Amending Chapter 1167.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs.

Motion passed

Director of Law read ordinance by title only.

Jaehnig requested that the second and third reading be on the Agenda for the next meeting.

Safety Committee- Chairperson Don Wells: Mr. President Pro Tem, tonight I have three readings on a resolution regarding a retiring officer's service weapon and badge, providing for a release of claims, and honoring said officer with the presentation of the same, and declaring an emergency. This is for Officer Pam Whalen, who will retire on June 1, 2012, after 25 years of service to the City of Wilmington as a police officer. This the right thing to do, and I think we're all in agreement on that. Are there any questions?

A motion was made by Wells and seconded by Mead to give the first reading only on a resolution Regarding a Retiring Officer's Service Weapon and Badge, Providing for a Release of Claims, and Honoring Said Officer with the Presentation of the Same, and Declaring an Emergency.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Jaehnig to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Jaehnig to pass the resolution as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2286 passed as read.

Acting Chief Weyand thanked council for passing the resolution and announced that the Retirement Party of Officer Pam Whalen would be on June 2.

Mayor Riley: I would point out, also, that in the 200-year history of the City of Wilmington, we have had five female officers, I believe. Pam will be the first female officer who has served the city to retirement. She has done a wonderful job at it, so we will definitely miss Pam.

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Downtown Revitalization Committee - Convener Mark McKay – ...Third Friday Events. There is a loft tour event coming up right away, which is going to showcase the second floors of several downtown locations, some of which are occupied, some of which need to be occupied. That is going to be a really neat thing. There may be still reservations available for that. There's just a lot going on. That's all I have under revitalization.

Parks and Recreation Committee - Convener Rob Jaehnig: We have no legislation tonight, but I do have a report from the new Parks Director. We met this afternoon. Some beautification things that are going on that you should be able to see over the next few weeks. The long fence along Rombach that is currently rusting terribly is going to be removed. That fence was originally installed because there was no home-run fence. The field below has a home-run fence now. There really is no longer a need for that

fence on Rombach. So, instead of paying money to have it painted again, we are going to go ahead and remove it and kind of try to open up the park a little bit more. Also, there is some fencing along Fife that is of a similar nature that they will be removing. Then, the fencing around the memorial walls will be removed. In regards to the memorial, the next Park's Board Meeting is this coming Monday evening. They will be bringing in some vets and have a discussion about possibly relocating the memorials into a more accessible and more prominent place in the park. So, if you have an interest, I would highly suggest that you attend that meeting. I believe it's at 6:00. Also, they will be relocating the flag pole. They are open to suggestions and comments in regards to that. They are asking if there is an individual or a business that would be willing to donate a new American Flag, a large one, to fly on the flagpole. They would greatly appreciate that. They are currently conducting a field review and action plan of all of the fields out at Denver Williams Park to see what needs to be done with each of the baseball diamonds and develop a plan of action on how to attack and improve each one of those diamonds. The first tournament of the year is this weekend. It's a boys fast-pitch baseball tournament. We have 25 teams coming in for this tournament, so again, more people coming from outside of our community bringing funds into our community, so it's a great thing. Also, they are very pleased to announced that the vending at the parks this summer is going to be handled by Peppermint Patties, the local ice cream shop, which I think is a great addition to the parks out there. They'd also like to publicly thank Dori Sabino and Dave Cox who have been working very hard on mulching the beds and laying out mulch. They also said they have plenty of mulch that needs to be laid, so if anybody is bored and would like to come out, they would gladly take your help in spreading mulch. Dave Cox from Mulch America did them very right by basically giving them the cost of mulch at wholesale, so they are very pleased and proud to accept that volunteer help. That's it for parks. Thank you.

Mayor Riley: We had a brief meeting with the Auditor and the Mayor, and since we are both wearing Josh Sams bracelets, we will buy a flag in honor of Josh personally. We'll go halves on that.

Service Director- Service Director Larry Reinsmith: I just want to add something with the parks. With Randy being Mayor and Brenda took a tour of the Randall Company, the one thing that we noticed now that we own the property, it might be more accessible to put a walkway from one parking lot into the Warren Luther Peace Trail. Over the last week or so, with labor from the Wastewater Plant, they built a handicapped ramp with railings and everything. It will be on the southwest corner of the parking lot at Randall-Textron. We will have ample parking. We'll probably eliminate the other parking lot across street, so we won't have to cross Nelson Road, which is kind of dangerous. So, I think it's going to work out best for everybody.

Councilman Jaehnig: They did a beautiful job.

Service Director Reinsmith: It's not quite done, but they've done a nice job.

Mayor Riley: I received several comments in my first month or so about how dangerous it was to walk across Nelson and sometimes to drive down Nelson. People have those ear buds in and are getting ready to walk and they weren't always looking for traffic. With us owning that area, it seemed like the logical thing to do. I talked to Harry McVey and said, "You guys have got big equipment. You've got the ability. Can you just handle that?" I swear, boom! It was done. My hat's off to Harry McVey and all of the folks that work in Wastewater and Water Department. I think also some of the landfill people may have helped. They just made it happen. It's wonderful.

Service Director Reinsmith: The only other thing I have is that ODOT has started some paving and milling of Old SR 73, Wayne Road, and they are out on the west end of town right now. They will be coming down towards the intersection of 22 and 73. That was really a bad area out there. They really needed it bad. This is all preparation, once they get it all completed and repaired, they will dedicate it back to the city and county. On the east side of town, they're going to go with that intersection of 22 all the way to New Vienna. So, there will be a lot of paving there. So, we will just have to cope with the delays and the detours. They're doing a good job on it.

Safety Director – Russ Burton had no report.

Reports:

A motion was made by Wells and seconded by Mead to approve the Income Tax Report – April 2012, as received.

Motion passed.

Reports accepted as received.

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

Paul Hunter: A serious problem that I want to address tonight has existed for several years in the Solid Waste/Landfill Department. Since the failure of six months worth of public and nonpublic negotiations has failed to resolve the situation, I, along with the President of Council and the Solid Waste Committee Chairman felt that it was time to place the problem in the public record. I've shared my concerns about this issue with both the former and current mayors as well as council. Most, if not all, have shared and supported my approach. The following brief history of the situation may prove helpful in understanding the problem. Three years ago this month, the Solid Waste Department requested and received, you'll note the ordinance on the handout that I've given you, a fee increase. The amendment includes a substantial increase in residential collection charges. I think it was a 21% increase. During the discussion of the amendment, it was publicly revealed for the first time, at least to my knowledge, was selling space to outside city haulers, also called tippers. This information rendered moot Mr. Wells' plea to "save our landfill" and converted it to "sell our landfill." Information led me to believe that the fees being charged to commercial...okay...Mr. Wells...okay...move on here. Finally, in October of 2011, I was informed by landfill personnel that in-city commercial tippers were being charged \$10.28 per yard and outside companies were charged \$13.42 per yard. The correct charge should have been \$11.78 and \$17.50 for outside the city. It appeared the Service Director had inadvertently missed the increase in Ohio EPA and County Solid Waste fees and had not adjusted the fees as authorized by the ordinance. Not wanting to cause a public stir over what I considered human error, I requested an October meeting with the Mayor, Mr. Wells, the Service Director, and the landfill superintendent. As a result of the meeting, the Service Director agreed to send a letter to all commercial haulers informing them that the corrected fees would be in effect as of January 2012. I later obtained a copy of the letter only to discover that they fees were \$3 per ton lower than the ordinance mandated charged. In January, the new Mayor invited me to meet with him concerning the fee structure, and he agreed that action would have to be taken to correct the situation that he called a real mess. In February, a Solid Waste Committee meeting was called to discuss the landfill situation. At that meeting, it was announced that prior to the January letter, outside tippers had been charged the same as inside city tippers. This rate was \$7.22 per ton lower than the ordained fees. It is not known how long that this undercharge had been in effect. Discussions at this meeting included the claim that due to the new fee schedule, many outside city and outside county haulers were taking their business to other landfills. A request was made to allow the Service Director to reduce the fees in order to regain these customers and keep the cash flow up. As I recall the discussion, the legality of the fee setting by an entity other than council was to be cleared by the Law Director prior to implementation. My understand is that the Law Director gave both an oral and written opinion that only council can set base rates and fees. The claim that higher January rates drove away commercial haulers may be true, but that is good news. Cash flow was up over \$3,000 from the previous month due to increased fee collections, even though those fees were still \$3 per ton lower than mandated. Just as important as a \$3000 increase in cash flow, was we saved valuable air space. We dumped less for more dollars. As a reluctant last resort, I discussed with the Law Director the possibility of obtaining a writ from the court requiring city official to obey the city ordinance relating to this matter. In conclusion, the city's residents are paying the increased fee while commercial users of the landfill have been getting bargain rates in what appears to be a mistaken attempt to gain revenue. Please see the back of your handout for a suggested ordinance amendment. Thanks for the opportunity.

President Pro Tem McKay: Thank you, Paul.

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

Kay Frances Brewer: 229 S. Mulberry Street. I actually came tonight because I thought we were going to have an update regarding something that had occurred at the last meeting. This is the first city council meeting that I have ever attended, so I can't be accused of being a media hound here. I really felt compelled to come to this particular meeting. I'm speaking for a lot of people, and I actually discouraged people from coming tonight. I said, "Let's give folks a chance." I look around here, and I know most of you guys on a very personal level. One of the reasons I have not come to a city council meeting is because I feel like the city is in pretty good hands. I keep up with the updates in the paper and everything seems to be going okay. You guys have huge things in front of you, and I do realize that. But, I will quote Gandhi who said, "A mark of a country (and I will say a town's) character, is how they treat their most vulnerable populations." Obviously, it goes without saying, people would agree, we should not abuse our elderly, we should not abuse children, and I would take that further. We should not abuse animals. And to take it even further, animals that have particular protections, such as companion animals, specifically cats and dogs. Domestic animals. And as much as people want to vilify cats, they are a domestic, free-roaming companion animal. That is their status. People will try to use the term feral, stray, wild, as if that somehow discounts their status as a free-roaming domestic companion animal. I can't say this enough, and I do believe the law is on my side on this. So, the idea...that also... what occurred this last meeting, when someone blatantly admitted to trapping and killing animals...and I will go on record as saying, I do disagree and vehemently oppose the word "euthanize" because that word implies that the killing is done because the animal or the person is either sick or seriously injured. I don't see how this person is qualified to determine that by viewing an animal in a trap. Nor do I think that this person is qualified to determine if this is someone's pet, someone's indoor pet, or someone's outdoor cat. I happen to have a couple of outdoor cats that I feed on a regular basis. I have trapped and spayed four cats. To me, the situation of overpopulation...there are two issues here. One is the issue of animal cruelty. It doesn't justify the...supposed...wanting to take care of...I'm getting pretty emotional here, if you might notice. I know, I'm usually the funny lady, but this has really, really cut me deep to the core, and it has a lot of people. But I stand here as myself, just telling you how I feel. I've done a little bit of research. I'm not an expert. I'm not an attorney. My gut tells me, even if this were legal, it isn't right. My father always said, "Just because something is legal, doesn't make it right." So, my understanding was that there was going to be an update on this subject this evening. I am aware that the wheels of justice turn slowly. You guys have got a lot, it's got to be worked into the agenda, blah, blah, blah. Believe me, this meeting has been riveting. I can't tell you how interesting all of the subjects you've discussed have been [laughing]...and all important, I'm sure. So, I've made my comment. My question is, is this going to be addressed? How is it going to be addressed? Should this be worked into the agenda for the next meeting?

Mayor Riley: Okay, I'm going to defer to Chief Weyand in just a second. We have had some activity. Before we do that, I want to apologize to everyone for what seemed like callous laughter up here at the last meeting. It was not. Just as when you first got up here and you gave us "this," and everybody laughed. We were surprised. A natural response to being startled or surprised...is laughter. As soon as we realized, "Oh my God, he's serious," the laughter really did go away. Several of us have talked about this in the past two weeks. We did not mean any offense at all with that laughter.

Kay Frances Brewer: I'm a professional humorist. I understand laughter. Nowhere on my Facebook or anything have I taken any of you to task for that. Because there are very many reasons for laughter. There's shock, there's tension...and some folks were pretty outraged about that. I came to the defense of the council and said, "That's not really the issue for me."

Mayor Riley: Well, we explained that to people, and everybody seemed to understand what had happened. I apologize. It was not funny. It was not meant as a ha-ha kind of laugh. Duane...

Chief Weyand: It seemed like it started having a snowballing effect. By the time I walked out the door, I think it was by Monday, I had people saying, "Well he's doing this; he's doing that." So, I went over and met with the guy personally. We had a long discussion about certain things. Some of the things I'm still waiting on. When I left on Monday, the traps were put up. So, there should be no more issues. And there were concerns with him supposedly poisoning animals. I saw no evidence of that. I talked to him, though, and he said that has never been issue. There's never been anything like that. That's kind of where it's at. It was addressed on Friday.

Glen Brewer: Did you say the traps are gone?

Chief Weyand: Yes.

Kay Frances Brewer: Will they not come back out?

Chief Weyand: There's a chipmunk trap over there.

Kay Frances Brewer: There's a what?

Chief Weyand: A chipmunk trap.

Kay Frances Brewer: A chipmunk...[laughs]

Chief Weyand: So, I think there's a snowball effect, and it's being taken care of.

Mayor Riley: See, when you heard chipmunk trap, you laughed a little bit.

Kay Frances Brewer: That just sounded silly to me.

[Laughter and banter]

Mayor Riley: I knew we were going to be getting calls after that meeting two weeks ago and knew Duane was going to be looking into it, which makes it an investigation. And we cannot make comments about ongoing investigations of any kind. So, that's why there really hasn't been any comment from our office until tonight.

Brian Shidaker: Randy, can I say just say two things. It is absolutely illegal to kill animals in the City of Wilmington. The second thing is we prosecute animal cruelty cases as well. We have them in our court system. It's up to police investigation. Any animal cruelty cases that are brought to my office, we'll prosecute them.

Kay Frances Brewer: Well, would this be a county issue since the killing took place outside the city?

Brian Shidaker: Well, that would be up to the county prosecutor's office to determine that. But, I do know in the city there are codified ordinances against killing animals within the city limits. So, like I said, if they bring a report to my office indicating that it is going on the city, we will prosecute it.

Glen Brewer: 205 Berlin Road. I pay city income tax, so that's why I'm here. It irritates me, but the city needs the money. Can I use the city dumpsters? I'm just asking. I'm paying for Rumpke, I'm not going to pay your taxes. You know, I have irritations in the country. You know, I can't paint a little sapling tree because a deer wants to chew on it. My sister has photographic evidence of a deer eating cat food. What an irritation. And when I go to play golf, these geese, they do their droppings right where my ball is. Raccoons are mean. I can't grow tomatoes because groundhogs eat them. Possums are just nasty. Squirrels and rabbits actually come on my property and do their business.

President Pro Tem McKay: I can tell who you're related to.

Glen Brewer: Taught her everything she knows. The point is this, they're God's creatures, and I wouldn't for a second kill any of them.

President Pro Tem McKay 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 Pro Tem McKay asked for a motion to adjourn.

Council agreed by consensus to adjourn.

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, May 10, 2012, with President Scott Kirchner presiding.

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

President Kirchner: This being a special council meeting, we will dispense with the Pledge of Allegiance. We have meeting minutes to cover. The first two items on tonight's agenda are in regard to the proposal presented by Councilman Jaehnig at the last budget work session. If you will bear with me a second, I am looking through my folder to find said proposal. After reviewing the proposal by Councilman Jaehnig and considering the underlying issues, I did want to let council know that I did believe there was an issue that Councilman Jaehnig had identified in his concerns that did need dealt with by council. Namely, that issue is the concern about timing associated with understanding options for new revenue generation. In his proposal, he did initiate some conversation as well about areas for review. I did want to cover those four areas, the review of opportunities to combine departments and job duties, possibly realignment of the some of the administrative functions, reduction of purchasing in some areas, and the opportunity to contract some of the work at a reduced rate are items that I am confident, based on conversations with the mayor, that he has been looking at and working on for the past four months and items that I believe are fairly universally supported by members of council. I will say that I will work to further that support, and based on what comes in tonight in the brainstorming session about ideas, we will work directly with the Chair of Finance to try and see what council can do to implement any of those ideas. While I do have some concerns about specific parts of the structure of the proposal, I think that it needs to be addressed. The suggestion of city administrative employees or private citizens having the responsibility or involvement in decisions about increasing taxation to me would be inappropriate with city administrative employees to have someone that derives their income from the taxpayer dollars. It would be inappropriate to have them on committees that are making recommendations about taxation. The information necessary from those employees can be gained without their membership on the committee, and I don't think it would appropriate to do that. The issue of having private citizens involved in the committees is also something that I would not support. The responsibility to create, debate and decide on legislation associated with taxation or budget rests in the seven individuals that are here on council as voting members. All of you asked for the privilege to serve as a representative as your constituents. To me, having private citizens involved in that process and placing that burden on them when they have not been selected by the citizens to do so or indicated they desire to do so would be inappropriate. I think the tough decisions have to be made by this voting council. Therefore, I will not support the idea of private citizens being on those committees. I will, however, continue to support, as I have from this seat, public input at every meeting, regular meeting of council. We do include a time when the public can address the council on any issues and this council has held two public hearings already – one on aggregation, one on games of skill, specifically desiring input from the public. If taxation members come before this council, I would strongly suggest and consider that we should hold public hearings on any type of matter like that to get that public input. I, in no way, want to indicate that we not need the public input to that process. That said, the underlying concern that Councilman Jaehnig raised is a valid one. If this council cannot balance the budget by identifying effective budget controls and savings methods, the question of other revenue options is one that is complex and time-sensitive. In order to get a measure on the ballot, this council would have to have all of the information necessary to make a decision in time to meet the deadline for November's ballot. Because of that, I do agree that Councilman Jaehnig's concern about the timing and the need to understand that information is valid. So, to that end, I have decided to create a new council committee, which we will call the Income and Levy Tax Committee. And I have spoken to every member of council about their willingness to serve and have identified three individuals who are willing to serve on that committee. They are Councilman Jaehnig, Councilman McKay, and Councilman Wallace. In the interest of keeping workload balanced, I have adjusted committee schedules and asked for and received the support of the three members of council who currently have one less

committee to serve in additional capacities on committees. The income tax levy committee, in my opinion, will be the appropriate body for addressing the question of taxation. To that end, I have created a charter for that committee to be clear on what it is identified to do. All of you have received a copy in there. Let me read the document.

With the creation of a new council committee, it is critical that the committee be provided a clear mission and policy area that it is asked to govern and legislate within. For that reason, as president of council, I am providing this guidance document for the newly created Income & Levy Tax Committee.

Since 2008, the City of Wilmington has experienced significant economic impact from the general economic troubles of the region, state, nation and globe, and more significantly, due to the far-reaching effects of the departure of DHL. Those economic impacts combined with three years of million-dollar-plus deficit budgets and a lack of significant city budget reductions during those years have depleted both the city's cash reserves and time available to make effective operational cost changes. This situation creates a need for significant immediate budget cuts or the identification of new tax revenue sources.

As identified by Councilman Jaehnig's revenue proposal, the issue of creating new tax revenue streams is a complex, detailed and time-sensitive matter. It results in a need to create a committee that focuses specifically in the policy area of municipal tax structure and legislation. The mission of the committee should be to perform current and ongoing review of the city's existing tax revenue structure and from that review investigate opportunities for tax reduction, or as the mayor has indicated he currently desires, new tax revenue options. The committee would present recommendations for consideration to the full council and the public.

The following is a work structure that is recommended for a thorough and effective start to the work of this new committee. In the near-term, they should document and review all existing local city income and levy tax revenue streams, and this is to create a documented baseline of existing funding sources and performances, city tax demographics and property base survey. They will, (a) create a database of historic performance from 2005 to present for each of those individual tax streams, (b) create a report identifying the spending area restrictions of each source, i.e. pensions or fire, (c) create a report identifying demographics associated with tax streams. If you look at those examples, you have people that pay earnings tax and live in the city or live outside of the city, people who live in the city and don't pay earnings tax, owner-occupied versus rental properties, and commercial property base. Investigation and documentation of city income tax change options will be the second priority. Earnings versus income: identifying the structural changes to the filing process, identify financial impacts of change such as lost revenue based on the structural change and increased revenue estimates based on the current population demographics, elimination of tax credits for taxes paid to other municipalities, and increase of income tax level, create a table containing multiple change level options and the revenue it would generate.

2. Investigation and documentation of new City Income Tax Change Options. The goal here is to create a table demonstrating current General Fund supplement levels that are provided by the budget for each area and various millage level revenue projections based on current property base for each of the below levies. We would also need to understand timing and filing process overview that is needed to be understood for execution of any kind of levy. Police levy, fire levy, ambulance levy, and streets levy are the four that came to my mind that the committee should investigate, and then (e) any other additional levy options that they determine are available. The long-term focus of this committee will be the creation of legislation for new tax proposals, including ballot language, for submission to the full council for consideration. For council approved issues, ballot submission and approval process overview. Development and guidance of campaigns in support of ballot issue, eventually moving to annual and quarterly updates as appropriate of the reports that were created in the beginning, the performance reporting on all income and levy tax issues, city tax demographic data, and city property base data. And then finally, hopefully, identification and recommendation to full council of options for income tax decreases or tax levy discontinuations. With the work of this committee being of great public interest, it is recommended that the committee create a regular

schedule for meetings. Regular should include consistent day of the week, interval of time between meetings and meeting times. It is also recommended that the meetings be held during evening time (6:30 p.m. or later) so that a majority of community and council members can attend. With that, I have rearranged council committees.

Councilman McKay: Scott, did you name a chair for this committee?

President Kirchner: Yes. Rob Jaehnig has agreed to be the chair. And actually, that was what I was getting to, Mark.

Councilman McKay: Okay.

President Kirchner: I have balanced out the workload, with the agreement, and I want to thank Councilman Wells, Wallace, and Siebenaller. All three of them agreed to step up to one more committee so that we could balance out and have five committee for each member of council. I also want to note that Councilman Stuckert agreed to take on one more chairmanship. He only had one, so we have asked him to take two, balancing out two across five councilmen, one with Councilman Wallace, and currently with Councilman Siebenaller new, we have not assigned him a chair yet. At this point, I would ask for council to offer a motion associated with approving the new committee assignments.

Councilman Jaehnig: I would like to have some discussion about this before we even move to that point, Mr. President.

President Kirchner: You have the floor, Councilman Jaehnig.

Councilman Jaehnig: Well, while I appreciate the fact that we are moving forward and looking into and getting the information needed to evaluate these particular committees, there are a few concerns that I have. One is, in my report, in my suggestions, it was suggested that we look at all revenue opportunities. I noticed that one of the revenue opportunities has not even been mentioned or brought up in this discussion. The combination of the income tax and the levy tax, those are two very complex individuals, and that is the reason why I split those into two different committees – because of the complexity of it. Also, in your interpretation of the committees that I put together, you implied that those committees would be making decisions. As I pointed out when I made my presentation, those committees were fact-finding and to help gather information and to see what our options were, but at no time were those committees going to be the ones making the decision, that it still would fall back to council. So, I have an issue with the fact that you were implying otherwise. The other issue is that I do have a concern that when we discussed on the phone, you had expressed that we had councilmen that specifically came to you and said that they would not sit on this committee. That concerns me that any councilman sitting up here would refuse to sit on a committee that would be looking at taxes. While I disagree with the fact that we should need taxes and that there are other options out there for us and taxes should be the absolutely last result, it disturbs me that we have councilman that have flat-out said, “I will not serve on that committee...period.” We have all elected to be councilmen, as the President had said, that means we get the good, the bad, and the ugly. I also feel, to be honest, I feel that the President and his motion here is basically dictating to council on how they should move forward with this, not asking for cooperation or discussion in not even asking for a review or comment to your proposal, which is what I did. I also am highly disturbed with the fact that the President is extremely aware of the hard work that I’ve been putting in bringing up-to-date our judiciary issues and ordinances, in which I have spent a great deal of my own personal time to move forward on, and I believe that that particular committee has been the most active and most aggressive since the beginning of the year. I am quite offended that, without even talking to me, you would just remove me from that committee and put somebody of less than a year’s experience on council in charge of that committee. That’s not a committee that I am interested in or willing to step down from.

President Kirchner: I appreciate your thoughts, Councilman Jaehnig, but I will say to your point about the committee makeup you suggest, decisions about taxation will be

made on the facts that are developed by those committees. By the very nature of the work they will do, they will influence the decision. That is why I believe that that responsibility lies solely with the council members here. I will also...

Councilman Jaehnig: You are working from the assumption that we then have all of the answers...

President Kirchner: Mr. Jaehnig, if you would. I do have the floor.

Councilman Jaehnig: Okay.

President Kirchner: I will also say that I contacted every member of council regarding this proposal, regarding the proposal you presented and my feeling that it was too many committees and got input from every member of council regarding that, including you.

Councilman Jaehnig: You did not present this to me.

President Kirchner: The charter suggestion of what the committee should focus on, as chair, you have the ability to determine a different focus. The purpose for which I created the committee is basically outlined in that document. It is not a guideline that you have to live by. It is a suggested charter for the committee.

Councilman Jaehnig: Not when you put it forward as a motion for council to accept this charter.

President Kirchner: I did not put that forward as a motion.

Councilman Jaehnig: You just asked for it.

President Kirchner: No. I asked for council action on the committee assignments. The balancing of the workload all across all of council, evening out, as you can see, is simply a matter of making sure that no members of council are overburdened with too many committees or too much work. Understanding the amount of work that will be necessary for this committee, it is a significant undertaking. I believe that Councilman Stuckert is quite capable and ready to step up to the Judiciary Committee chairmanship. I believe that it will be an effective transition. I believe that you can provide Councilman Stuckert with any additional information necessary on the items that you were working on, and the committee can continue to work. But this issue was a concern proposed by you and noted by you, and I have acted to provide an opportunity to address the concern, which is a very valid concern. I am not sure why the positive response of addressing the issue is of concern to you.

Councilman Jaehnig: I have no problem addressing the issue, and I can handle my current duties. For you to assume that I would not be able to handle this and to remove me from the one committee that you know I have worked excessively hard on and have a great passion for, disturbs me. That you would have that little respect for the efforts that I have put forward.

President Kirchner: The rearrangement of the committees was not meant to disrespect. It was meant as an understanding...

Councilman Jaehnig: It didn't come across that way.

President Kirchner: that was not the intent. I think that if you review the information in front of you, it is simply a complete balance. I also would note that I believe that your other committee members have that same passion...

Councilman Jaehnig: Well, I....

President Kirchner: ...and, in fact, in my experience, every member of council has a great passion for the committees they serve on. And, when we originally assigned

committees, we did get the input of committee members about the areas of interest they had.

Councilman Jaehnig: Correct.

President Kirchner: This was a new interest that you have brought forward, and you have been given the opportunity to work on it. I think that the plan is highly effective for execution of the city's business. I would welcome input from other council members if you have any.

Councilman Stuckert: Well, I would weigh in. My huge concern is, we have an emergency, whether we have stated it or not, we have a financial emergency in this city, this county, this state, and this nation. We've got to address both sides of this question. When we spoke about the possibility of working on revenue, I indicated last June, when I made myself available to fill an empty seat, that I had been following this situation for some time and that I believe that the spending side of the equation had been neglected for far too long. That is my passion and that is what I want to do. As I indicated to you, I personally don't think I would be able to give the kind of effort and passion that is going to be required of the revenue side. We recognize that we're going to be facing potentially both, and we've got the best minds and the most dedicated passion on both sides of this issue. That's why I, my own personal input, said, "Scott, I don't feel comfortable handling the tax stuff." I'm very interested in bringing to bear the kind of political will that we've got to have in order to address spending. If we don't address the spending side now, then we have no legitimate case to be made for increased revenue – none. We have to face facts. We have more evidence today. The revenue is going down everywhere. The reason it's going down is because our revenue is tied to our citizen's income and to their properties. What's happened to their income. They're going down. What's happened to the value of the properties. It's gone down. That is not a recipe in any economic rationale to be asking for increases in taxes on income or revenue. Unless we have absolutely... and I mentioned this one other time... taken this apart... literally take it apart and figure out how to put it together again. We have 7.9 million dollars to operate on, and we have been looking, looking, and looking, and the best we can do is come to 9.5. That's not good enough. That's not good enough. That's not going to be good enough for the citizens. That's not good enough for me. I wouldn't think it would be good enough for anybody up here. That's not good enough. And we've got a little bit of time because if revenue is going to impact the 2013 budget or the 2012 (and it's not going to impact 2012 at all) it's going to impact 2013, then both of these locomotives better get into shape and start moving out of the station right now. I think we need to put the best and most dedicated people that can be in the positions. I don't envy anybody that's going to look at taxes, but you know what, I don't envy anybody that's going to look at spending either. There's a lot of good people that have been looking at spending for a long time. So far, we haven't even come close. We have to do a better job. We have to move. I'm all for... I think we need a radical change. Let's let radical change right here in the council, and then let's take it to the community and let's take it to our internal operations and break this thing up and figure out what we're going to do. That's my logic behind it and why I would support rearranging things. Obviously, we're all going to have to make adjustments and we're all going to be doing things we don't want to be doing. We all are going to have to quit doing some things that maybe we would like to be doing. As far as I am concerned, without this revenue look and this spending look, there isn't anything else that any of these other committees that is going to make much that much difference. That's just my input.

Councilman Jaehnig: I don't have a problem working on this. I don't have a problem with the tax committee. But, you said, we all have to give up things that we like doing. Exactly what is it that you're giving up?

Councilman Stuckert: Well, I'll think about that for a while. I'm giving up... I'm going to have to find a way to dig into the internal operations in a way I never dreamed I would have to. I'm going have to urge other people to, too.

Councilman Jaehnig: And I understand that. You know, my point is, I'm the Judiciary Committee as the chair. At no time when I was asked if I would serve on this committee,

did I say I was concerned about my workload or what I would be able to do or anything of that nature. I have no problem being on this committee and looking into this, because I truly believe this is something we need to look into. I don't believe that a tax increase is our answer. God forbid that it is. My personal opinion is that if we do our research properly, we're going to find that the sale of the landfill is the real answer in regards to it. But, if we don't look at all the options appropriately...and the sale of the landfill isn't even mentioned in regards to this presentation...

President Kirchner: Let me address...you had raised that issue before. Let me address. There were two other issues that were raised. The question of the number of committees, because of the complexity of the issues, the reason that I put them all together is because, depending on the revenue mechanism, there are different timings associated. If you create committees to look at individual isolated issues, such as a police levy, the only funding mechanism that can work for is the Police Department. So the Police Levy would naturally look at full funding of the Police Department. In my opinion, this may be a complex cross of options that get put together. The other thing that you've got to look at is a property tax levy would not begin to generate property tax until 2014, which means that if the revenue issue needs to be begun being solved by 2013, you will have to consider an income tax issue. Would you want to do it all through income tax? I don't know. That's why I put all of it under one committee. The ability to look across the funding mechanisms to bring forward how they compare, what their timing would be for revenue generation, their timing would be for ballot, which the time really should be the same for all of them, the ballot language is what would change. But, you have to look at this as a whole, because if you isolate each one of those off on a separate committee, they are looking at very tunnel vision approaches to funding. So, by looking at this in one committee you are able to look at all tax issues across the boards. The question of the landfill, and the reason that that was not addressed, and I did discuss this with the mayor, there are two committees that already exist that can deal with the question, if it is brought forward to council, of selling the landfill. First of all, you have a Solid Waste Recycling Committee, which oversees the operations of the landfill. Second of all, you have Asset, Acquisition and Use, which deals with the assets of the city. As I shared with the mayor, if there is a business case to be made for why the landfill needs to be sold, that would come from the Superintendent of the Landfill, the Service Director, and the Mayor and be presented first to the Solid Waste Recycling Committee, and if they felt that needed to move on to Asset, Acquisition and Use, then Asset, Acquisition and Use could review the question of considering RFP's associated with it. I would say, from my standpoint, a fire sale on citizens assets at the lowest point of property values and economic value of things, to try and solve budget issues that we as council can address through structural changes of the way the city operates, is not an effective and responsible way to approach the budget responsibilities we have.

Councilman Jaehnig: Well, again, you're putting words in my mouth. I never said that any of these should take action before all budget cuts were looked at.

President Kirchner: I didn't put words in your mouth. What I just stated, Councilman Jaehnig, was my opinion on the issue on selling the landfill. I'm not indicating that was your opinion. I am indicating this is my opinion. That a fire sale of citizen's assets at the lowest point of value in decades is not an effective way to deal with budget issues that this council can address through structural changes to the operation of the city.

Councilman Jaehnig: But that statement in regards to landfills is not a backhanded statement.

President Kirchner: I believe it is. I state it as my opinion. It is my opinion. Councilman McKay?

Councilman McKay: First of all, I do appreciate the establishment of the income and levy tax committee. I think that it is appropriate and it's given a lot of power and I appreciate that. It's an important part of our discussion. I'm discouraged by several things. I'm discouraged that you have reworked the council committees, not only removing Councilman Jaehnig from the Judiciary Committee entirely but, you know, you have folks that do not have nearly the experience. All council people have a lot of

concerns and they want to do the job, but I'm afraid that you have removed someone who has been doing a great job on the Judiciary Committee, and...

President Kirchner: And let me...

Councilman McKay: Can I finish? Can I finish?

President Kirchner: I just would like to address this issue. There is absolutely no indication from me in the rearrangement of this workload any disrespect for the great effort given by Councilman Jaehnig on that committee, nor an indication that I believe the job was not being done. The reason that the change was made was because after truly drafting the document to understand what the new committee would have to do, the workload was significant. And it was out of concern that those workloads would be better spread across other councilman who could and should step up. There is absolutely nothing but appreciation for the work that Councilman Jaehnig has done and respect for the work that Councilman Jaehnig. And I apologize if the change of committees has indicated in some way a disrespect, but I want to be clear, none was intended and none is meant.

Councilman McKay: I don't think I used the word disrespect, but if I did, I apologize. I'm just disappointed that he has been removed from that committee where I feel he has taken a leadership role and accomplished an awful lot in a short time. Secondly, I am concerned that I have been removed from the Finance Committee. I have the most tenure on council. I have 17 years banking experience, and I have worked tirelessly to try to make the city better through the finances. I guess I don't understand that. I appreciate Bryan, Loren and Bob, but we did not discuss me being removed from the Finance Committee.

President Kirchner: Honestly, until I drafted the document and realized the workload, it had not occurred to me that it would be required. But as I saw the workload associated with that committee, I determined that it would probably be effective to provide extra time for that committee to be able to do the intense amount of work associated with it.

Councilman McKay: Wouldn't you think that you should have given me a phone call and asked me how I might respond to it?

President Kirchner: My under...

Councilman McKay: Instead of doing it in public council?

President Kirchner: My understanding is that members of council are willing to do whatever they can in the process of committee work to assist the city in executing its business. And...

Councilman McKay: You can do anything you want as President...

President Kirchner: ...I think this is a highly effective structure for addressing those needs.

Councilman Jaehnig: I have to disagree with you.

Councilman McKay: I disagree.

Councilman Stuckert: I want to say something, I think maybe hearing all of this, I'm starting to become offended by the reference to my lack of experience.

Councilman McKay: I tried not to do that Loren, and I do apologize if that inference was there. Obviously, folks that have had more experience on council should be able to lead a committee better.

Gary Huffenberger: It should also be noted that all three members of the Finance Committee are the ones who are most fiscally conservative, and that there are at least three members of the full council who have a clearly different philosophy who will not be represented at all on the Finance Committee. It looks like it is a stacked Finance Committee to be frank.

Councilman McKay: I couldn't have said it better, Gary.

[General comments of approval from audience and scattered applause]

President Kirchner: I believe that this council has the ability to approve or not approve the committee recommendations that I have put before it, but I will also point out to everyone in this room that with all of the experience that existed on the Finance Committee prior to this year, we are still dealing with the third year of a million dollar-plus deficit budget and we have a dwindling carryover that leads us with limited options.

Councilman McKay: Scott, it seems as though you have an agenda. I'm sorry to say that, but...

President Kirchner: This entire process was initiated by Councilman Jaehnig's proposal.

Councilman McKay: No.

President Kirchner: And...

Councilman McKay: No.

President Kirchner: ... I'm not sure why you interpret the change of workload as an agenda, and I'm sorry that's true, Councilman McKay.

Councilman Jaehnig: That's not true. There's no need to change...

President Kirchner bangs gavel.

Councilman Jaehnig: ...these work assignments. If you want to add another committee, we can handle the additional work.

Councilman McKay: I have no problem serving on the Finance Committee in addition to the additional committee.

President Kirchner and Rob Jaehnig speaking simultaneously. Inaudible for Transcription.

Councilman McKay: I'm sorry?

President Kirchner: You can still attend those meetings.

Councilman McKay: But I can't speak.

President Kirchner: That would be a question to be directed to the Law Director, but my understanding...

Councilman Jaehnig: We are well aware of that.

Law Director Brian Shidaker: Unless it's a special council meeting, no.

Councilman McKay: Scott, it's sad that you have used your pulpit in this way, and...

President Kirchner: I...

Law Director Brian Shidaker: Can I say something, Scott?

Councilman McKay: I'm sorry about that, and I haven't said it publicly.

Law Director Brian Shidaker: This has to be voted on.

Councilman McKay: I know.

President Kirchner: It is for council's decision.

Law Director Brian Shidaker: It is. It has to be voted on, Mark. This doesn't take effect unless it's passed.

Councilman McKay: I understand.

Councilman Stuckert: I'd say something else in favor of switching up. I haven't seen these committees...how many folks, it can't be lost on us that we have three years of million dollar deficits. I think there's great value in switching in who is looking at what... because this is got to be done quickly. As far as stacked four-three, whatever, we have seven members. It's always four-three if there's disagreement. Right?

Gary Huffenberger: In a working committee, it's three-zero.

Councilman Jaehnig: I would agree with you, Loren. The thing that concerns me...you keep talking about that the time pressure is there. The concern is, that as of today, the only cut in budgets that has been made came out of the Parks Committee, so we keep talking about how we need to make budget cuts. No other committee has made a budget cut, other than the Parks Committee. We have a revenue concern as well. No other committee has made any effort in regards to revenue other than the Judiciary Committee in regards to trying to get permitting through on games of skill. So, if we are in a rush, we are in a time schedule that we need to get these things done, then we need to get these things done. And I have no problem in digging in and working hard, I think that's exactly what I've been doing, and I have worked on both sides. I have made cuts and I have brought revenue to the table. And I'm sorry if you didn't mean it this way, but I'm highly offended that I have done both of those things and that without even discussing with me whether I can handle the workload or not, you have removed me from Judiciary completely.

President Kirchner: Councilman Jaehnig, I cannot help how you interpret something. I would make one factual note that you are incorrect. Finance Committee did reverse appropriate \$25,000 out of the mayor's consultant line item, saving \$25,000 for this year. There has been other effort there. I know that Don Wells has been working to make sure that we are receiving appropriate revenue at the landfill and charging appropriately for that asset. While that doesn't come into General Fund, it is work on revenue to cover an operating cost of a city enterprise committee. So, I cannot stop your interpretation, but I will also say that if that is the threshold that I did not call and talk to you, I could easily be offended by the way the proposal was presented to me in a public meeting. But, I was not, and I simply read and understood the concerns associated with it. I think that, after time, if this committee assignment is approved, you will see that the balance of workload is affected, and perhaps, as Councilman Stuckert points out, could provide a new approach that could find the ability to balance this budget. Insanity is described as doing the same thing, the same way over and over again and expecting different results. Perhaps these different results could come from different people on committees.

Councilman Wallace?

Councilman Wallace: When the President called me about this committee, I certainly jumped on board and said, "I'd love to serve on the committee," but the way it was presented to me, I felt, that the rest of the committee assignments would not be altered at all or changed. So, I was a little surprised to see a couple of changes here in the various committees. Let me just say, as I attempted to speak in a committee meeting that we had on safety, you know, we've spent more money than we have saved so far this year. You know, it's hard for me to stand up here and say some of these things. But, we're not doing a very good job. We can say we're budget-minded, but we're not. We spent \$35,000 at the last meeting, if I remember, \$80,000, excuse me, we bought a scale, we

spent \$35,000 on safety and we're spending all kinds of money. We're not saving anything.

Councilman Wells: We have not done that.

Councilman Wallace: Well, we're voting on it, and I don't see anybody complaining about it. All of a sudden, we want to always point the finger backwards. We're not living in the history, we're shooting for the future. That's the one thing about the Income Tax and Levy Committee, is at least here to look in the future and say, "Hey, we've got a problem, and maybe we can't solve it that way." I just think we're battling with the words and everybody is going round and round. I'm okay with calling this thing to a vote. I don't think we need to change any committee structure except adding one. That's where I stand. I hear from McKay and Jaehnig that they say the same thing. They were the two main structure changes in this committee assignment.

Councilman McKay: It just seems punitive, I'm sorry to say. I think it's the President's role to lead council in a positive way. When the President keeps talking about what we've done for the last three years, that's not leadership, that's looking in reverse. We need to look forward. We need to bring people together. This has done nothing but take people apart.

Councilman Siebenaller: I know you say we need to look forward, and I completely agree, but one of the reasons I ran is that we have a continual budget deficit, and we all know that we can't keep doing it. I agree that we have a lot more that we need to do. But, past history informs future decisions. So, we need to understand where we were at, especially me being new, to be able to make good decisions moving forward. I am concerned about having an income and levy tax committee because I feel like, when I coach athletes, I tell them, "You need to be focused on what you need to do." If a hurdler is sitting there thinking, "Well, when I get to that hurdle, I'm going to fall," guess what's going to happen. They're going to fall. So, if the goal is to live within our means, that's got to be the focus. I know we need a parachute, but when I ran, I told people I had a really hard time with the idea of raising taxes on people in Wilmington, and I still stand by that. I have a very difficult time with the idea of raising taxes on people in Wilmington.

Councilman McKay: You do understand that we're not planning on doing that.

President Kirchner: To that point, Bryan...

Councilman Siebenaller: I know that's not what we want. I know that's not what anybody here wants, but if we are looking at those options, are we not on the same hand saying, we already don't expect to reduce that deficit.

Councilman McKay: No. I think we're just preparing for a possibility.

Gary Huffenberger: I'm hearing the three members of the Income and Levy Tax Committee saying they would not be adverse to the extra workload. Therefore, why should we proceed with the changes in the committee makeup if the three members of the Income and Levy Tax Committee themselves, the ones who will shoulder the additional work, are not adverse to the additional work, does that not settle the issue? If that was the motive...if that was the true motive of this change and not philosophical...?

Councilman Stuckert: Are we relegated to being...the new guys are just back-benchers or something? I'm kind of offended that there's a big problem with spreading it out.

Councilman Jaehnig: If you want to be on the committee, Loren, you can be on the committee. I'll step down and let you add it.

President Kirchner: Gary, to address your question, I had proposed...

Gary Huffenberger: So, Loren, so it isn't just workload then. I mean, you're...

Councilman Stuckert: Yes it is. Yes it is. I want to have an equal load with everybody else. I want to be in this...

Gary Huffenberger: But the people... Okay. Well, then add people to committees but don't take them away. That would be the solution to what you're saying, Loren.

Councilman Stuckert: Not necessarily.

Gary Huffenberger: Not necessarily? Yes it would.

President Kirchner: Gary, to answer your question. I have proposed a structure that I believe is an effective way to balance the workload and, hopefully, balance the budget.

Gary Huffenberger: And there was a [inaudible for transcription] tactic in the fifties, too.

President Kirchner: And I will leave it to the News Journal reporter to interpret motive.

Gary Huffenberger: Not motive, but it seems things are what they seem.

President Kirchner: If there is no more discussion, I would entertain a motion from council.

Councilman Wells: So moved.

Councilman Stuckert: I'll second.

Clerk Brenda Woods: What's moved? He needs to tell me.

President Kirchner: Councilman Wells, you are moving to do what?

Councilman Wells: Approve the committee assignments. Is that correct?

President Kirchner: Yes.

A motion was made by Councilman Wells and seconded by Councilman Stuckert to approve the committee assignments as presented.

President Kirchner called for a roll call vote.

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

Gary Huffenberger: It's like the Supreme Court after Gore-Bush; they voted along party lines.

Committee assignments approved, by a simple majority, as presented.

Gary Huffenberger: I'm just glad nobody else was here to see this.

President Kirchner asked for order and sounded the gavel.

Gary Huffenberger: Not much input. It's over now, on my part.

President Kirchner: We'll now move into the only item on the agenda this evening, which is the Finance Committee and the budget work session. Councilman Mead would you like to...

Councilman Mead: We did have some things at the last work session that did not get completed, and one of my duties is to balance the budget – to work on the committee to balance the budget – so this is what I'm focused on. We have reports from the mayor. We have reports requested from the various departments from the department heads and so far would any of those people like to add anything at this work session as far as...

Mayor Riley: I would be willing to say that it is going to be damn near impossible, if not completely impossible, to balance the budget by just cutting spending. I know Scott has said in the past that we do not have a revenue problem, we have a spending problem. I could not disagree more. We do have a revenue problem. Every municipality in the State of Ohio, every state in the union, has a revenue problem. The economy has tanked. I mentioned at our last meeting, I could take every employee – of course, 85% of our expense is Human Resource related. It is hiring people to get the job done. I can take all of the employees in the City of Wilmington, and if I eliminate those who are in an enterprise fund, who are paying for themselves through the billing process, which would be Water, Sewer, and the landfill. If I take out Safety Services, because we all made a commitment that we are not going to reduce Safety Services, so if I do not touch Police, Fire, Dispatch, and of course, there is nothing I can do with the courts up here. If I take every other employee that is being paid for out of the General Fund, and that includes all of the Law Director's Staff, all of the Treasurer's staff, all of the Auditor's staff, all of the Streets Department people, everybody who works for Denny, and everybody who works up here in this building in administration, if I cut every one of them, it would be about \$1.5 million. That just does it, but it decimates the city. We do have a revenue problem. We have to pay for the employees that are here. To try to cut this, to try to balance the budget just by reducing spending is going to be impossible to do. I have been working at this for about four months. We have made some reductions. We have made some changes. Larry and I were talking today about making some more changes, but what we can do without making massive, massive cuts to the services that the citizens deserve, is going to be impossible without making massive cuts to the services. We can do some nickel-dime things by reorganizing. The Parks Department is now working as an enterprise fund. They are just operating off of the levies and the CAT tax that they receive, but we cannot balance this budget just by making cuts. Just by saying we have a spending problem and not a revenue problem is not going to get it. It is wrong. Loren, I would love to have you come and look at what we're doing. I do not see any place that we can cut 1.3 to 1.5 million dollars. We can cut here and there. We can make adjustments here and there, and we're doing that as we go. We're still in a hiring freeze. We're still in a spending freeze. We've probably spent less this year than in any previous year. To go back to previous administrations, in the past couple of years before he left, Dave Raizk cut about \$2,000,000 out of this budget. There were budget cuts. So, there has been a lot of cutting, but we need to look at the entire picture. I liked Rob Jaehnig's proposal. I liked the idea of looking at income tax or earnings tax. I liked the idea of looking at levies. I liked the idea of looking at landfill. And I can guarantee you, without a shadow of a doubt, that I'm going to continue to do that. I will appoint some people that will look at the landfill, and I will include council, but the mayor will appoint a committee to look at the potential sale of the landfill. I will do that myself if the President is not willing to do that; I will do that. And I will include citizens, because as Scott said when he first got going, private citizen input would be inappropriate. I could not disagree more. Private citizen input... I wrote it down when you said it... private citizen input would be inappropriate. I could not disagree more. Private citizen input is valued by me. I appreciate what the citizens of Wilmington have to say, and I will solicit their opinions and I will solicit their help in getting this budget under control, but we've got to look at revenue as well as spending. I'm disappointed. I'm disappointed in this whole evening. I am disappointed in the realignment of the council committees. I agree with Gary Hufferberger's comment that it was stacked. He used the word stacked, and I could not agree with him more. It's impossible to see it any other way.

Councilman Stuckert: Can I make comment on the composition here. My understanding is that on public input – there isn't anybody up here that doesn't value public input. But when is the public input appropriate and when it isn't. I think the point is, the public input on the committee... We've got to go to the people at some point. If you're going to put a revenue increase out there or a proposal, then we will get public input on that. But we've got to do a lot more work ourselves. You know, to me, it's futile. What do we do? What happens to us if everything that we're proposing with revenue is going to take a vote of the public. Where will we be when we're sitting here in November and we don't have public support for any revenue increases? Are we going to say then, that if we eliminate everybody we can't close the gap. We have to close the gap then. We've got to do it.

Councilman Mead: Gentlemen, please.

Councilman Stuckert: Excuse me.

Councilman Mead: That's alright. Everybody's had a chance to talk a little bit. I'm not going to give it up yet. I don't think it's a necessity that we throw in the towel and "No, we can't do it." I think we should keep trying. I think that's why we're here today is to ask people if they have any ideas or any help. Anything they can throw into the pot that might help us bring our spending into line. That's what I'm looking for. I'm not looking to sell the city just to get money to run for another year or two. I'm not looking at that. I'm looking at what can we do, first of all, on the budget to control our spending and bring it down. That's what we're looking for. My goal is to balance the budget. I intend to do so as far as I can do it. So, we're looking for ideas and at the last minute we didn't get into our brainstorming session. So, hopefully, people won't be...you probably have all seen that movie *Twelve Angry Men* – it was a jury trial and they all got mad at each other before it was over and then it ended up one way or another working out. I'm not saying we're going to do that, I'm just saying, think if there is anything that you can throw out there that right now we can consider as possible ways to cut our spending – our expenditures. For not only next year but the rest of this year. I would like to open it up to ideas. If anybody has any, please throw up your hand.

Mayor Riley: Why don't you get us started with an idea?

President Kirchner: Councilman Mead, I know that earlier this year I caught a news story and I want to say the city was Moraine, where the employees – the public employees came forward to the city administration with a voluntary furlough program that saved the city \$800,000 for the year. Now, while I understand that previously a reduction in work hours

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

President Kirchner: ...deficit issue and to assist this council in the ability to balance that budget and avoid job loss, would be a very welcome idea if they wanted to bring one forward.

Councilman Mead: I want to stress here. We're not here to judge these ideas. We're not here to say yes or no. We're just here to create ideas. I think Scott offered one point, he can write on the board over here. So, that's the first one. I believe, Mr. Mayor, you spoke up.

Mayor Riley: No. I asked you to get us started.

Councilman Mead: I like brainstorming sessions. I think we need to look at all of our employees; not just the hourly employees, administration as well to see if there are areas that we can combine or reduce. It's an idea. To combine departments or person's duties and maybe eliminate levels of the administration that aren't necessary any more. We are looking at this...if you look at history back in 2004 and 2005, our income was probably close to what it is today, but our government has grown a lot, so we need to look at how we get back into line again as we were then. Who else wants to jump in?

Bryan Siebenaller: I have been doing some research and something that Bob had mentioned, I actually saw that there were a couple of municipalities in other states that had been doing this, which was combining streets services with the county. So, I don't know what that would take to do, but that was something that some municipalities had done. Mr. Mayor, you had mentioned Dispatch as a possibility of combining that. Anything we could do to collaborate with other local governments. I know you've already starting looking at some of that.

Mayor Riley: Dispatch – if we combine dispatch with the Sheriff's office, there would still be a very hefty expense because we're still going to have to pay the sheriff for our dispatch services, and we would need to keep all of our dispatch equipment operational. So, the savings would probably be minimal.

Councilman Mead: Let's not judge again. We appreciate it, but let's not judge again.

President Kirchner: The grant that we filed an application for was to study that very thing and understand whether or not that's the case. Are you indicating that you've already got data that indicates the...

Mayor Riley: In conversation with the sheriff that we would be working with, there would be some expense.

President Kirchner: That assumes that the dispatch would go to the sheriff, but it would be possible the dispatch could come here. So, I would say that that study actually should determine.

Mayor Riley: The state law requires that the sheriff is the only elected official that is empowered with emergency communication. The sheriff has told me a couple of times that he is not going to abrogate the responsibility under any circumstances.

President Kirchner: Should we withdraw the application, is my only question, Mr. Mayor.

Councilman Mead: Let's not really debate it too much right now. Let's just stick to the point and keep this as a brainstorming session. Any ideas at all. When I was at my first brainstorming schedule, I told them I think we should paint all of the restrooms pink. They're just ideas. They don't even have to be good ones. You're just trying to collect ideas and see if what you can make out of them. Does anybody have anything.

Mayor Riley: Sell the landfill.

Mayor Riley: Transition all public services to the private sector.

Mayor Riley: Paint the restrooms...what color was it?

Several council members in unison: Pink.

Mayor Riley: Might as well.

Councilman Stuckert: Sell the water company.

Councilman Wells: I thought...we had talked about cooperative buying. In talking to Donnie at the landfill, he talked about one of the big expenses was large tires for big equipment and fuel. If we could maybe purchase everything from the same supplier, perhaps we could get a better deal. Or even if we had to go in with the county.

Service Director Reinsmith: There's just a little problem on that. We did that for a while. Of course, all of the other suppliers in town, they all pay taxes and they are all business people, and they think it ought to be spread out a little bit instead of giving someone all of the business. So, it's tough to do that. You know, we have a lot of businesses in town, and they all think...

Councilman Wells: But the large tires, as Donnie suggested...

Councilman Mead: Let's just put down the ideas.

Councilman Wells: There's not that many.

Councilman Mead: Let's just put the ideas down. Just enough discussion to clarify.

Councilman Mead asked the council members individually if they had ideas.

Councilman Stuckert: I don't know...we had privatize everything...that's something that should be looked at. Not everything.

Mayor Riley: We could privatize our EMS, Fire, Police, Water, Streets. We could privatize absolutely everything.

Councilman Stuckert: Well, I know we could, I'm just saying we should look at places where it would really make sense. If we have an enterprise that's...

Councilman Jaehnig: But even if we privatize enterprise projects, it has no effect on the General Fund.

Councilman Stuckert: That's what I'm saying.

Councilman Jaehnig: So, in regards to having a budget balancing discussion, that would be a waste of our time.

President Kirchner: One of the reasons that I don't strongly consider the selling of the landfill as a proactive approach to solving the budget.

Councilman McKay: Well, if it was sold, the proceeds could be, through Common Pleas, spread out to the General Fund.

Mayor Riley: If we sold the landfill, for let's say \$40,000,000, first of all, we could pay off some county debt, for example. Jerry is spending about a million dollars per year at the Water Plant just on debt retirement. So, if we retired that debt and got the Water Department out from underneath that, we might be able to lower the water rates to our citizens. The Oakwood study has shown that we are consistently in the top 10% on water rates. By reducing our debt load, we could relieve the situation. There are other things. We were talking about cruisers and scales. All of those are capital items. That money could be spent for capital items. So, \$40,000,000 would also get us, I would hope and pray, \$40,000,000 would get us through this current financial crisis – not that just us, but that the state and the nation are in. We know it has always swung back, but how do we survive until the swing happens? Well, we might have to sell time.

Councilman Mead: Does anybody else have any other cost savings ideas? That is what we're looking for. The income of the money manufacturing ideas could be at a separate time. We're just trying to hunt for things that we may not have thought of or haven't looked at.

President Kirchner: Gary, do you notice any kind of pattern to the revenue generation ideas? Do you think those ideas are stacked?

Gary Huffenberger: It reflects the philosophical divide I was speaking of, and I apologize for my temper.

President Kirchner: That's okay. I was just curious if you were analyzing the same way on that side.

Gary Huffenberger: Yes. There's a philosophical divide: 4 to 3.

Councilman Mead: Does anybody have any other ideas for cutting costs, cutting strategies. If not, until a better time comes, we will [inaudible over traffic noise].

President Kirchner: Thank you, Councilman Mead. I'll grab that. We'll get the ideas out to council and take a look at the opportunities we have to perhaps save some money and look at revenue generation ideas. Okay. If there is no other discussion from council and from the mayor, I would accept a motion to adjourn.

A motion was made by Mead to adjourn.

President of Council declared the motion adjourned.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, May 17, 2012, with President Scott Kirchner presiding.

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

Assistant Chief Duane Weyand was also present.

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

Council gave the Pledge of Allegiance to the flag.

President: President Kirchner: It's good to see a healthy crowd out tonight. We welcome you all to City Council.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last special meeting, April 26, as received.

Motion passed.

Minutes approved as received.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, May 3, as received.

Motion passed.

Minutes approved as received.

President Kirchner: That will complete my portion of the agenda. Mr. Mayor?

Mayor – Mayor Riley: I have the honor of presenting a proclamation tonight. This is for the American Cancer Society, and specifically for the Relay for Life. Relay for Life, I don't know how many of you have been out at a Relay event in the past. How many years have we been doing this now for?

Jennifer Walls: 16.

Mayor Riley: This is our 16th year. I have had the pleasure several times to be the host MC for the Relay for Life event. I have had the privilege of addressing the folks as a cancer survivor myself. I have had the ultimate pleasure of walking the survivor's lap with my mother. So, it is a very important thing that these folks are doing – raising money. It is the signature event for the American Cancer Society – raising money for them. And as I told people several years ago when I MC'd and hosted it, somewhere there is in development a Petri dish or a test tube in which the cure for cancer will be found. That Petri dish or test tube probably costs about a buck and a half or two bucks. We need to make sure that that is paid for. We need to make sure that that is done. My hat goes off to the American Cancer Society for all of the work that they've done. In recognition of that, I have a proclamation.

WHEREAS, cancer is a group of diseases characterized by uncontrolled growth and spread of abnormal cells which, if not controlled, can result in death; and

WHEREAS, the National Cancer Institute estimated that 569,490 deaths were expected to occur in 2010 in the United States. The American Cancer Society estimated that 64,450 new cases of invasive cancer would be diagnosed in 2010 in the State of Ohio. It is estimated that one in three people will be diagnosed with cancer in their lifetime; and

WHEREAS, the American Cancer Society is a voluntary community-based health organization in the State of Ohio dedicated to eliminating cancer as a major health problem; and

WHEREAS, the Paint the Town Purple Campaign is an endeavor to heighten the awareness of our citizens to the importance of joining the American Cancer Society as they strive to promote awareness about cancer at the Annual Relay for Life of Clinton County; and

WHEREAS, the American Cancer Society recognizes that cancer does not discriminate and that it knows no boundaries; and

WHEREAS, the Relay for Life represents an opportunity to celebrate the lives of those who have battled cancer, remember loved ones lost to the disease, and fight back. The American Cancer Society believes that Relay for Life is a moving celebration of cancer survivorship, with all of our citizens joining together to help find a cure!

NOW, THEREFORE, I, Randy Riley, Mayor of the City of Wilmington, Ohio, do hereby proclaim the 21st of May, as

PAINT THE TOWN PURPLE DAY

and urge all citizens to join the opportunity to show our friends, family and loved ones who are battling this illness that we share a common concern to eliminate cancer in our lifetime.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THIS SEAL TO BE AFFIXED

Mayor Riley: And I can't tell you two how much I appreciate it. You've both been a part of this for a long time. Besides giving you the proclamation, I want tell you God bless you for what you are doing.

[Applause]

Mayor Riley: Do you have a few words?

Valerie Smart: We would just like you to wear purple on the 21st and just come out on June 2 and 3 and support this. This is a life-long battle that we have all had to face. We want to someday be able to find a cure and put an end to this nasty disease.

[Applause]

Mayor Riley: I have one other item. A few weeks ago we were talking about establishing committees to look at the further financial health of Wilmington – looking at long-term and short-term goals, talking about whether we are going to sell assets, levies and taxes. It came to me that we needed to have someone who did not necessarily have a big dog in the fight – someone who could, in an objective way, not as an elected official, but representing the citizens, look at some of our needs. In discussing this, I met with Dr. Steven Stovall, who is a PhD professor out of Wilmington College. And Professor Stovall has agreed with Dr. Andrea Mitchell, another PhD professor at Wilmington College, to be facilitators of a Blue Ribbon Panel to assess and advise the mayor and city council on city budget issues. The panel that I have spoken to, and they have all very enthusiastically agreed to participate on this panel, are ladies and gentlemen that have been elected to City Council, elected positions many times in the past. In fact, they total 182 years of service to the City of Wilmington. These are people that can hit the ground running. They know what fund accounting is all about. They know about the ebb and flow of money in the city, and they have all enthusiastically agreed to be part of this, as well as Brian Shidaker, our Director of Law, for assistance and advice on any of the legal issues that may come to them. The panelists are (and this is in alphabetical order): Nick Babb, who served 22 years with the city as Auditor, Councilman and also Safety Director for the City; Fred Ertel, former Council President who served eight years with the City; Nick Eveland, Mayor, who served 16 years with the city; David Hockaday, a very long-time councilman, who served 27 years with the City. The only elected official that I have asked to serve is David Hollingsworth, our current Auditor, who has been

with the city for 24 years, and that is because of his expertise in the finances and the flow of cash. I have also gotten with Robert Holmes, former Safety and Service Director, who was with the City for 22 years; Sandy Mongold, who was a long-time council woman, 21 years with the city, and also chaired finance for a long time of that; David Raizk, who served the longest, he served 30 years with the City of Wilmington as Safety Director, President of Council, and Mayor; and also Kevin Snarr, former councilman and President of Council. Kevin has served 12 years. The deliverables that I have asked them to consider is that following a review of the current City financial status, make recommendations to the Mayor and the City Council on the most appropriate plan of action to assure the city's near-term and long-term financial health. The target date for presentation of their report will be July 15, 2012. So, it is not a long-term commitment. Dr. Stovall is with us today. Steve, I very much appreciate your willingness to participate in this process. I look forward to hearing from you and Dr. Mitchell on the outcome of the discussions with the panel. They will convene... basically, as soon as Dr. Stovall convenes the meeting. He will be the facilitator and will be bringing this panel together and will be conducting the meetings. That will be up to Dr. Stovall as to when they will first convene. We do expect a report sometime mid-summer, July 15 or thereabouts, depending on their meeting schedule. I thank you for that. If anybody has any questions, I would be glad to answer them.

Councilman McKay: I don't have a question, but I have comment. I applaud the Mayor for assembling that committee. I'm very familiar with Dr. Stovall and his work. I know you're going to get a good product. Thank you for taking that forward step for the city.

Mayor Riley: Thank you. I have nothing else.

President Kirchner: All right. We'll get into committee reports at this point.

Asset, Acquisition and Use –Chairperson Bob Mead had no report.

Auditor –Auditor David Hollingsworth: I don't have anything. I do have reports up through the end of April that I mentioned at the last council meeting. If anyone on council would like a copy, I think I have 18 made. But we can make others if there are more people that would want them. It is the state of the General Fund; it goes all the way back to 2006 up through April 30 of the current year. That's all I have.

Finance Committee – Chairperson Bob Mead: Mr. President, we have one item this evening: three readings on an ordinance making supplemental appropriations. This is using money from the Sewer Fund, which is an enterprise fund, to pay partially for a management plan for the flood control, in case anything happens to our flood control system in Wilmington. That is Fisher control system, the dams, and the arteries that have been put in to move the water away from the residences to somewhere else. I will be asking for three readings.

A motion was made by Mead and seconded by Jaehnig to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Jaehnig to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5026 passed as read.

Councilman Mead: That is all I have, Mr. President.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson Mark McKay: Mr. President, we have a couple of updates on items. When we last met with the Streets Committee, we had agreed to move one item forward, and that is the abandonment of an alley that was part of Fulton Street at one time, around the Walnut Street area. That is going to be going in front of Planning Committee on Tuesday.

Service Director Reinsmith: At 7 o'clock.

Councilman McKay: So, they will be considering that. The second item we were discussing was limiting parking on Gallup Street. There were some issues that were brought forward when we had public discussion at our last council meeting. I had asked the Law Director to look into one item that a resident brought up, and it looks like that is going to work out for us. So, we will be needing another Streets Committee meeting to bring that forward to the next council meeting. That is all I have.

Solid Waste/Recycling Committee: Chairperson Don Wells had no report.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Loren Stuckert: Mr. President, we have a couple of items on Judiciary. The first item I would like to do a little explaining about. We did the first reading at the last council on an amendment to one of the chapters in our signage ordinance. We were prepared tonight to move for the second and third readings on that ordinance. However, we did get some correspondence from some of our zoning officials indicating that they had some language concerns and some other concerns. Of course, we have a number of people working to bring these ordinances up to date, not the least of which is Chris Schock and Steve Brown. So, we were able to connect all of these people into the same loop, and they did agree that some of this language needed to be changed. I am going to go ahead and move for a second reading, but I would like for this first one to die for the lack of second, so we can take it back to committee and officially change the language and bring it back to council.

A motion was made by Stuckert to give the second and third reading only on the ordinance Amending Chapter 1167.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs.

Councilman Jaehnig: Point of order, he was asking for the second and third reading waiver instead of the ordinance itself?

President Kirchner: I believe he moved for the second reading.

Councilman Jaehnig: No, he said he moved for the second and third reading.

Councilman Stuckert: I didn't say second and third. I changed that. I moved for the second reading.

President Kirchner asked for a second.

Seeing none, the motion died for lack of second.

President Kirchner: Is that adequate to remove it from the agenda.

Law Director Brian Shidaker: I would say postponed indefinitely. You can present a first reading on a new one at the next council meeting.

Councilman Stuckert: Our second item has to do with a CDBG grant that we had a presentation from Whitaker Wright on this.

A motion was made by Stuckert and seconded by Siebenaller to give the first reading only on the resolution Authorizing the Submittal of an Application for the FY 2012 Small Cities Community Development Block Grant (CDBG) Formula Program, and Declaring an Emergency.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Director of Law read the resolution by title only.

Stuckert requested that the second and third readings be on the Agenda for the next meeting.

Councilman Stuckert: Mr. President, I have nothing else.

Safety Committee- Chairperson Don Wells had no report.

Downtown Revitalization Committee - Convener Mark McKay: I don't have any legislation, but I just want to point out that the progress on the facades on our buildings that are in the lower half of this block on the east side are just coming out wonderfully. I think we should all be proud of some of the things that we have accomplished with our CDBG money with that façade restoration. Secondly, this weekend, actually Saturday, there is a really neat event downtown called Artsy Spaces in Lofty Places. What that really means is Saturday afternoon, folks that have focused tickets, which some are still available...

Councilman Jaehnig: Actually, they are now all sold out.

Councilman McKay: Completely, for the tour only?

Unknown female speaker: There are still tour-only tickets that are available at the South Street Gallery for \$10.

Councilman McKay: What this is you are going to get to tour eleven upper stories of several of the buildings downtown, many of which I haven't even been in. It is going to be a really neat way to get to see some of these lofts, some of which have been restored, some of which have not and are available for sale. So, once again, you can still purchase tickets for the tour only at the John Schum's art gallery just down the alley. Several people are going to enjoy the tour and a dinner at the General Denver that evening. The time is 3-6 p.m. Just another great event in our wonderful downtown. That is all I have, Mr. President.

Parks and Recreation Committee - Convener Rob Jaehnig: While we have no legislation tonight, I do want to give an update from the parks. This weekend, we will have 30-plus teams from the Ohio Fast Pitch Spring Blast Tournament at J.W. Denver Williams Park. We expect approximately a thousand participants or spectators for this particular event. They want to make sure that everybody was aware of the event. As you run into the athletes downtown, please welcome them to our community and thank them for coming. Each time we have a sizeable event like this, we do plan on trying to communicate so that the businesses and the restaurants and the community is aware of what is going on. Also, we would like to give out a special thanks to Quali-Tee, the Hampton Inn, Holiday Inn Express, and Kroger for being extremely helpful in getting some of these events nicely taken care of and really reaching out to the participants. Also, if you haven't been out to the park or onto the trails recently, since our last council meeting, and for council here I have some photos, the Parks did complete the new ramp onto the trails off of Nelson so that you do not have to cross Nelson. Our Service Director talked about that at the last meeting. Beautiful entrance and lots of parking available. Also, if you notice, they have taken down a large part of the fencing along Rombach Avenue, which really kind of opened up the park and really made it look beautiful. The fencing that is left along Rombach is mainly there for safety purposes with the lacrosse teams and the soccer that goes on, again to keep balls out of the roadway. And then, my favorite is the removal of the fence around the memorial area. This is an area that is a great tribute. If you've never had a chance to get close and take a good look at it, it really is a beautiful

area. But, the fence has been removed. It is now accessible, it has been cleaned up and really is a nice addition to the park. So, I applaud the Park on their quick actions and moving ahead. The Park did ask me, they are very, very grateful for the number of volunteers they have been getting. This coming Sunday at 1:00, they will be spreading mulch at what I call the Imagination Station, or the wooden playground, and could use many volunteers to spread that mulch. Also, for the memorial area, they are looking for a business or a person that might be willing to donate a nice picnic table for that area. That is it for the parks, so thank you.

Councilman Stuckert: Mr. President, if I may second the sentiments expressed by Councilman Jaehnig. My memories of the Denver Park go all the way back to the late 1940's as a very small child. It has always been one of those places that when you round the bend and see the park, just something happens inside of you. You're so glad to see it. There has never been a time when I wasn't proud of that park or glad to see it. But, I have to tell you, that within the past few days and weeks, when you pass that curve and go around there, it's got a special brightness to it. I certainly want to add my voice to congratulate Lori Williams and the Park Board for the work that they are doing out there. They are actually making a huge contribution to our financial problems in the city by not taking money out of the General Fund. They are working off of their levy money. I just think they're doing a great job. I, too, would like to urge the citizens to be ready to respond and go out there and have some fun and work around and make that just the spectacular place that it has always been. Just make it shine up and look really great. It looks wonderful now, and I'm hopeful that we can maintain that, and I'm confident we can. I just want to throw that in.

President Kirchner: Thank you, Councilman Stuckert. I would also note that I'm very happy to see the connection to the walking trail and the old Textron facility – the safety that we have provided our citizens by not having to cross Nelson Avenue is critical, so I think it's excellent work.

Service Director- Service Director Larry Reinsmith: I just want to talk a little bit about demolition of homes. We have one big one that we've got on our list right now that sits over here on Locust Street. We had condemned that a couple of years ago and we've got that funded through CDBG plan year '11. We were going to have to fight that guy. I met that guy last week, and we talked, and so he has volunteered to let us tear that one down now. So, that is going to make it a lot easier. As we talked, he had two more that he wants us to tear down also. But, that is kind of a segue into another meeting I went to at the commissioner's office. This is kind of like the Neighborhood Stabilization Program, but this program is a little different. I think it is kind of being sponsored by Mike Dewine. I think it is penalty money from these banks that have to do with foreclosures, so there are millions of dollars involved in this. They split up the money to all the different 88 counties, and it was based on the number of foreclosures in those counties. Clinton County's share is \$288,000. But you take somewhere like Cuyohoga County; their share was \$11,000,000. I think Hamilton County was around \$12,000,000. It's tough all over the state. Dayton, Montgomery County, they were nine or ten million dollars also. As we talked to the commissioners, \$288,000 is not a lot of money. We figure it's probably going to cost \$8000 to do a house because we have to do asbestos testing and some environmental stuff that goes with it. We are going to create a list and I think we're probably going to try to go with volunteer housing first rather than try to go with court battles. I know we've got probably eight or nine houses still that we need to tear down right now in Wilmington. So, we are going to be working diligently on that. On a second note, I attended Ohio Public Works last night and it's a new budget year. I don't see how we can do anything in streets. We don't have the money to match any projects, but there are a few things that we need to do at the water plant and a new filter system. I think that we really need to talk about that and possibly move forward and maybe apply for one of the grants there. We need to have those applications in in August, so we probably need to talk about that, Mike.

Paul Hunter: Larry, if I may, the guy that has this house, he doesn't have any money?

Service Director Reinsmith: In fact, I hate to talk a lot about him, but...

Paul Hunter: What I'm getting at is are we going to get our money back?

Service Director Reinsmith: No.

Paul Hunter: Is he going to own the land that is under that demolition.

Service Director Reinsmith: Sort of. He financed three houses and he has a debt of \$150,000. We are going to tear all those houses down, and he still has a debt of \$150,000 that he has to pay. He is not relieved of that from the bank. The bank doesn't want the property, though, and they said tear them down because they don't want the liability either.

Paul Hunter: We should take the land, should we not?

Service Director Reinsmith: Well, I know yesterday when we met with the commissioners, they were talking about it. Maybe if you had to go through and enforce it all, but if you had a volunteer, you probably would not go back and try to get that money back. I mean, how bad do you want to kick the guy, Paul?

Paul Hunter: But, when you do things, when people have money or if he is paying his taxes or is bound to pay taxes, that can be added to his tax bill, can it now. So, we eventually get something out of it. Force it into bankruptcy.

Service Director Reinsmith: That's fun.

Paul Hunter: I'm not after this guy, it's just the principle of it.

Service Director Reinsmith: I mean, he was an investor. He tried to do it right. He worked at DHL. DHL moved and he lost his job. He had no money to continue on with the projects. He told me, "I don't have any money."

Paul Hunter: Well, let me put it a different way, then. Say he had money and was well-to-do, what would that process be? You would order him to tear it down.

Service Director Reinsmith: Yeah, and he would probably do it himself.

Mayor Riley: Larry, you might also mention. We've gotten several calls in the last couple of weeks specifically about yards that have not been mowed at all. Of course, anybody that owns a lawnmower knows this has been a horrible season for mowing lawns. We are in the process now of trying to get caught up. It's a long process to get through. But, you really don't want the City of Wilmington to mow your lawn.

Service Director Reinsmith: We're not real good at it and we are expensive.

Mayor Riley: We do a bad job at a very high price.

[Laughter]

Service Director Reinsmith: There's a process you do and there's public notice and then you have to stake it and put a sign out and then five days later. I know we sent a list down to the Service Garage the other day that had 12 properties on it and they started mowing on them. There's one on Rombach Avenue and it's there every year. I mean, for years and years. I don't know who owns that house and why it's there, but it ought to be one of those we tear down.

President Kirchner: On the mowing note, I had received a citizen concern on a property at the end of Cross Creek. It's W&K Development, but the issue is that apparently it was not mowed last year and it has not been mowed this year, and there are number of reptiles that are now showing up along Nunn Avenue. If I'm not mistaken, didn't W&K file...?

Service Director Reinsmith: Well, part of it. Wiseman still owns it.

President Kirchner: I stopped down and took a look. It's a foot and a half tall.

Service Director Reinsmith: You know, we had the same problem in Timber Glen and Country Oaks. They didn't mow last year and we had some problems with them. We got a call from the bank this year. We sent them a letter and said, "We're going to start mowing." They've hired someone to mow. They probably don't know about that property, but they will probably put it on the list to mow it, because they volunteered. They have started mowing.

[Discussion about mowing]

Assistant Chief Duane Weyand: There are a number of places. I mean, it's an all-day job just trying to track down these people. We had a gentleman that came to council two council sessions ago complaining about the junk cars on Southridge Avenue. I mean, I physically had to drive to the person's house over towards Dayton and beat on the door and physically serve him because he wouldn't sign receipts. I had meeting in that direction and made a point to go out of my way. Tracking these people down and getting the notices served to them is just really about one person's job almost to try to get this stuff done. But, we're working through it and we're trying to get them caught up and stay on top of them.

Service Director Reinsmith: I think he had junk cars too at that place.

Assistant Chief Duane Weyand: Yeah, it's the same thing over there, so I said, "Hey, we might as well clean this one up too." For what it's worth.

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

Reports:

A motion was made by Wells and seconded by Mead to approve the Hotel Lodging Tax Report and the Auditor-Treasurer Report – April 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

President Kirchner: We do have on the books a time limit. I'm not a fan of enforcing the time limit, but I also don't want to see someone in this audience that is here to speak have to wait until midnight to try to get their turn. For that reason, I would ask for a show of hands of how many people think they may want to speak so we know whether or not to try and monitor the time. If we do not have that many, I have no problem not implementing any kind of time requirement. It looks like we have four people. I would offer two things to start the session. One thing, I want to thank publicly the Law Director for his work on closing down the illegal junkyard out on Columbus. I think that was excellent work. I also want to say welcome to our new Police Chief Duane Weyand. We are very excited to have great leadership at the helm of the Police Department. It's great to have you here, Duane.

[Applause]

Councilman McKay: President, Mayor, Members of Council, Citizens, and everybody at home who might be watching this.

Paul Hunter: Could you speak up, you're a little soft spoken.

[Laughter]

Councilman McKay: After our last council meeting, actually our budget session, I was frustrated. I have an idea that most of you folks are here as a result of some of the things that happened at that session. I wrote a speech. I tore it up. I rewrote it and I tore that one

up too. Then I wrote this one, and I'm not going to deliver it all, because there are some things that are contentious. What I really want to say to my fellow members of council and to our citizens, we need not be contentious. I think our citizens are here because they have a concern that we may not be getting our work done the way we should. We need to figure out a way for all of us to work together. I think our mayor made a good opening tonight with the committee. What I was concerned about last week had to do with committee assignments. That's a small thing in the big scheme of things. But, I was told by someone that that was just politics. I am going to do just an excerpt from my speech. You may all recall that I delivered a speech prior to being elected last year. A big part of that speech was I hate politics. You may remember that. Well, I continue to hate politics, but I love Wilmington. I'll continue to serve its citizens to the best of my ability on this council. I think the type of contentiousness that we have been exposed to sends a really bad message to our citizens that vote for us. Even more importantly to those that might seek to relocate their businesses here. That we only care about making a point or winning a debate, which is just politics, rather than trying to work together to make this a better city for all – a city that is working together to achieve its goals. Our citizens deserve better. If you agree with me, it is my hope that the citizens of Wilmington would contact the councilmen that they voted for and make sure that they understand your concern that this council needs to forget politics and move forward in a positive direction to solve our current fiscal problems and help to save the Wilmington we all know and love. Thank you.

[Applause]

Councilman Jaehnig: I'm usually a pretty loud person, so if you can't hear me, please don't be shy about throwing something at me. It's been a long week, and I have a lot of people to thank for help me to bring my blood pressure in line. I thank Mr. McKay for his comments and believe he is right on target with it. My concern, being a councilman, my opinion is that as an elected official, our absolute number one responsibility, more than anything else, is to bring jobs to this community and do whatever we have to do to do this. Yes, we have a budgetary issue and we can debate all night long on what the proper method is to fix that. Can we find \$1.3 million in our budget? Possibly. May we have to go out and look at a tax? God forbid, but possibly. Do we have to look at the possibility of selling grandma's necklace, as Mr. Riley, our mayor, had explained to me at one time in his description of the landfill. When you're sitting at home and you're comparing your home budget... what's the difference between a city budget and a home budget. It's much more complex, without a doubt, but there really isn't. You have to do what you have to do for the family, and this community more than anything is a family. I moved here from Michigan originally. I'm not born here in Wilmington, but I feel like I might as well have been. So last week, I found myself extremely disheartened that moves that may or may not have been appropriate were done without discussion with those that were affected. That is what I was upset with. The councilmen up here, all seven, I have no doubt that they will _____ (sl bleed) just as much as I will to solve the differences and the problems that this community faces. I believe that wholeheartedly. We may have different opinions on how to do that, which is perfectly acceptable and thankfully is needed, because none of us has the answer on how to go forward. We have to be able to work together. But I believe that during what was supposed to be a work session, in which no legislation was supposed to be moved forward, action was taken to change the committees without discussion with those who were affected, without what I feel the proper respect owed to the length of service that was given to this council, to this community. I'm not looking to start a war. That's not good for our city; it's not good for attracting new jobs. The mayor and I are meeting with a potential new company next week. We don't need this splashed across the headlines: "Wilmington City Council Squabbles," "Wilmington City Council at War." It's not good for our community. Our number one job, more than anything, is to get jobs in this city. It's that simple. Thank you.

[Applause]

Molly Dullea: 81 W. Main Street, Wilmington. I own the General Denver. I was really upset when I read that article. I really was. I can't believe it, and I don't want to believe it. Many of you gentlemen ran on campaigns of open transparency and what appears to

have happened is somewhere along the line, somebody got some ideas and didn't have the common decency, courtesy and respect to speak to the people involved. This appears to be the closed politics behind-the-door thing that we all don't like, and shame on you for doing it. I respect and admire Mr. McKay and Mr. Jaehnig to absolutely no end. As a matter of fact, Mr. McKay, one of the reasons I'm in town, have a business for over eight years is because of Mark McKay who at all times, whether he is in Wilmington or in Dayton, Ohio, in a hospital is your number one advocate. I hope you remember that. When nobody else wants to do anything around town because you have to spend all your own time and it's tough to volunteer and everyone says it can't be done, the eternal optimist and I can do it and I will go to all lengths to get this done is Mr. Jaehnig. These gentlemen deserve our respect and all citizens of Wilmington deserve your respect. That is what I don't like. I don't mind what you deem the right thing to do, and I'm not here to question what you think is right, but to behave as children, to not act with dignity is reprehensible and unbecoming of a leader, and is not a leader. If you have something to say, I suggest you speak to the people involved first. And if your mother didn't teach that to you, I'm here to teach it to you. If you have a problem with someone, let's speak to them directly, and then it's fine to do what you need to do. Mr. McKay, again, you have shown me what I should be doing. I often think, "What would Mark do?" Mark would say something wonderful and kind and the right thing, which is we have to stop behaving like children and all get along. Although, I'm sure that he has some very strong feelings about the way he was treated. The citizens of Wilmington are exceedingly proud of you Mr. McKay, and Mr. Jaehnig, we are exceedingly proud of you, and I came to tell you so. We are behind you every step of the way. Thank you.

[Applause]

President Kirchner: Paul, would you like to come forward? These are tough acts to follow.

Paul Hunter: Well, this isn't an act.

[Laughter]

Paul Hunter: At the last meeting, I discussed the solid waste fee structure, how the reality didn't match the ordinance. So, I have a rhetorical question. I've learned from the law shows that I watch on TV that you don't ask a question unless you know the answer in advance. The question is, does anybody in the room know if we are charging city residents who tip at the landfill \$11.78 a yard, county residents \$17.15 a yard, compacted material city residents \$16.83, and county residents and businesses \$27.69? Those are the ordained fees that we should be charging at the landfill. The information that I have had, even recent information, indicates that those aren't being met. I'm just reminding council of that, that we are not doing that. If you want to change the fees to make something better, that's okay, but to just arbitrarily and illegally change the fees because of your personal or some opinion is not the way that we're supposed to run a city or government at all. The law is there. You either follow it or change it, but don't ignore it. Those that do ignore it, could be considered in violation of the ordinance. I would consider them in violation of the ordinance. So, all I can do is talk about it. You guys have to do the action. Thanks.

Councilman Wallace: I have a question. Are these fees monthly or...?

Paul Hunter: Per yard. These are people who go to the landfill and dump a truck or whatever.

Councilman Wallace: So, they are charged at the time of dumping.

Paul Hunter: Right.

President Kirchner: Paul, I would, in respect to your question, I would offer to you that council's responsibility is to set the codified ordinances by which the city is to operate. Day to day operational control is completely the mayor's purview. It is the executive branch that operates the city.

Paul Hunter: That is a given.

President Kirchner: To the council's understanding, those are the legal rates and those are the rates that are being charged. The mayor have spoken on this issue.

Paul Hunter: The rates that I just stated?

President Kirchner: It is my understanding that those rates are being charged. Council has inquired through the administration...

Paul Hunter: I have invoices from this month that state that we are charging \$16.50 for example.

President Kirchner: I understand. All I'm letting you know is your concerns have been heard, discussions have been held with the administration, and the appropriate connection between council's legislative arm and the mayor's day to day operational administration has been...

Paul Hunter: This is not a hurry-up thing. I'm not rushing to judgment. This has been a six month or seven month project now that started out behind, did not make it public and not rant and rave, but that wasn't complied and this has crossed over into the new administration. I keep hearing whether the right rates are charged or if they are not charged and nobody knows. I do know that the right rates are not being charged, at least up to this month.

President Kirchner: I will share with you that that concern has been shared by myself, Councilman Wells, Solid Waste...

Paul Hunter: Well, this wasn't directed with you or council.

President Kirchner: And to answer your concern, part of the investigation of the scale at the landfill is associated with trying to make sure that the proper amount of trash is charged the proper amount of fee.

Paul Hunter: That's a separate issue, sir. The issue I'm talking about is compliance with rule of law in the city. That's what I'm speaking of. I'm not saying if the fees are right or wrong, but the fees are part of law, and if they are not enforced then somebody is doing what with the law?

President Kirchner: I have requested the Law Director to provide the opinion to make sure that the Service Director and the Mayor understood the responsibility under the law to charge the appropriate fees at the landfill and to inform the landfill superintendent to do so... administration, and the administration has indicated that is being done. At this point, we have addressed that very issue from a council standpoint.

Paul Hunter: I have discussed also with the, as you well know, the Law Director, considering a writ of mandamus to bring this into compliance. So, it's a last resort thing that nobody wants to do. To me, it's simply charge the rates as they are know, approach council and say, "Here's what they should be," after your scale and all of that. In the interim, follow the law.

President Kirchner: And it is my understanding that is what is being done.

Service Director Reinsmith: I've been here 30 years and I don't know how long I've dealt with Paul Hunter, but for some reason, he always gets half the story and he only expresses half the story...

Paul Hunter: Don't start this character....

Service Director Reinsmith: Hey...let me talk. Okay?

President Kirchner: [bangs gavel] Gentlemen.

Service Director Reinsmith: Go ahead and leave. Last fall we met when we discussed that all of the rates weren't being charged properly. The out-of-town rates were being charged incorrectly. We called a meeting, and we had Paul Hunter there, and we had Don Wells, Chairman of the Sanitation Committee there, we had Mayor Raizk, we had Don Maher, me, and we discussed it and we said, "Well, the rates aren't right, and the ordinance itself is not easy to read and figure out." We all know that. But, we said the rates will be charged properly. So, I sent out a letter to all the haulers and we wanted to give them time, because a lot of these big haulers have contracts with a lot of these companies. We said, effective January 1, the rate will be charged properly. Now, as the letters went out and Donnie started getting correspondence back from the haulers. A lot of people decided they weren't going to pay the rate and they were going elsewhere, to the tune of about \$20,000 a month in revenue, a quarter of million dollars a year. As soon as Randy came on, I greeted him and I said, "Randy, we've got a problem, and we need to get this Waste/Sanitation Committee back together again and talk about this. I think late January we all got together again. Paul Hunter was there again. You know, we're not sneaking around and doing this. Paul was there, Scott was there, Don was there. Just about everybody was there. We discussed the discrepancies in the rates and we said, "Hey, we're losing a lot of haulers." We were all right there that night and we agreed, the committee voted, and told me to go ahead and write a letter to the haulers and said we were going to have a moratorium for six months on this current rate. Remember?

Councilman Wells: If it was legal.

Service Director Reinsmith: No. There was no "if it was legal" about it. No, you were there. You voted and said, "Do it."

Councilman Wells: If it was legal.

Service Director Reinsmith: So, I write a letter and you guys said, "That will give us time to figure out what we can do and look at scales and all of that." So here we are at the end of May. You haven't done anything on those rates. I've bid out a set of scales. But, right after I did that, Scott notified the Law Director and said I'm breaking the law, after you told me to do it. Now, that's what burns my butt. I mean, you know, why didn't you call me Scott instead of going back to the Law Director and questioning my move?

President Kirchner: About what?

Service Director Reinsmith: Well, I mean, saying I'm doing something illegal.

President Kirchner: What are you talking about, Larry?

Service Director Reinsmith: And you didn't really get an opinion from him. You said, "I got an opinion." He didn't give you an opinion.

President Kirchner: About what?

Service Director Reinsmith: About whether those rates were right or wrong and whether I could change them.

President Kirchner: Mr. Law Director, did you provide an opinion, a written opinion?

Service Director Reinsmith: In April.

Law Director Shidaker: Yes.

Service Director Reinsmith: I've got it on my desk...in April.

President Kirchner: That is correct. What we informed you of...

Service Director Reinsmith: Not in January.

President Kirchner: ...after we left the meeting on January 25, we had indicated that it was the mayor's administrative right to control what the Service Director and the Landfill Superintendent did, if it was legal for you to adjust rates as you represented it to the committee, you felt it was, that it was up to the mayor. The committee indicated that it did not wish to go forward with a 40% discount for commercial trash haulers because of the recent 21% increase that this city had placed on its citizens. And, it was only after you refused to do...

Service Director Reinsmith: No I didn't.

President Kirchner: ...what we had found out from the Law Director was supposed to be done and you demanded a written opinion, that we got the written opinion.

Service Director Reinsmith: No one told me about this opinion. I know you demanded from the Law Director every opinion in writing, and why didn't I get a copy of it? See, this is what goes on. I mean, Paul complains all of the time and he says we do this and do that. You know, I've been in this city hall for 7000 days, and Paul Hunter has never once stepped in my office. He sneaks around and he writes notes and he gives them to the News Journal and he passes them to council people, and he always wants to burn you in public. But he never wants to come in the office and talk about the problem. You know, I served with Mayor Moyer on council. I served under three different mayors, fifteen different councils, and this is the worst leadership that I've seen in all those years, Scott, out of a council president.

President Kirchner: [Inaudible for Transcription] Paul Hunter.

Service Director Reinsmith: It's so dysfunctional. You've got these people all upset.

President Kirchner: Larry, let me understand. Did you indicate that Paul Hunter was in the meeting in December?

Service Director Reinsmith: Yes.

President Kirchner: But yet you just represented that he has never stepped into office to talk about...

Service Director Reinsmith: In my office. He was in the mayor's office.

President Kirchner: If he comes into the office to talk with the administration, then isn't...

Service Director Reinsmith: No. He's never come to see me.

President Kirchner: I understand. I will say for the record that I am and have been concerned that tens of thousands and potentially hundreds of thousands dollars in appropriate fees have not been collected from commercial trash haulers to the detriment of the residents of this city. For the record, I have requested the mayor to contact the State Auditor's office multiple times to bring them in to review those records because of the concern. The written opinion was provided you.

Service Director Reinsmith: In April.

President Kirchner: And you refused to actually charge the codified rates until you got a written opinion...

Service Director Reinsmith: That's right.

President Kirchner: ...from the Law Director that you had to follow the...

Service Director Reinsmith: No. I had already sent that letter down, Scott.

President Kirchner: The facts remain.

Service Director Reinsmith: You say one thing and do another and that's no good.

President Kirchner: Folks can listen to the committee meeting where you clearly said, "I still haven't received a legal opinion telling me I have to do that."

Service Director Reinsmith: That's right.

President Kirchner: And that's when we made the request to the Law Director. We didn't think we would have to ask the administration to get a legal opinion that they had to follow the codified ordinance that is in force right now – passed legally by a council, on the books, requiring certain rates to be charged.

Mayor Riley: I have never been asked by the President of Council to contact the State Auditor for any type of an opinion or review. You've never asked me to do that.

President Kirchner: That is incorrect, Mr. Mayor.

Mayor Riley: That's a fact.

President Kirchner: I'm disappointed that that is your memory.

Mayor Riley: You've mentioned it a few times. You talked about contacting them yourself, but you've never asked me to contact the State Auditor...

President Kirchner: I directly asked you in our private meetings.

Mayor Riley. ...Never.

President Kirchner: I will share with the council chamber on the subject of committee assignments. One of the few things that the President of Council is required to do is to name committee assignments. At the request, the proposal of Councilman Jaehnig, three new committees were recommended to address issues associated with the finances of the city. Upon reviewing that proposal and realizing the request's concerns and understanding the validity of it, that timing and understanding of the issue at hand, the potential of adding tax levies or an income tax increase required a great deal of information. We did create a new committee at the behest of that request. Now, upon creating that committee, I laid out a charter associated with the work that it would need to do. In that same day as I wrote that charter and realized the amount of work, I realized that the work balance was going to be out of balance. I took a look at the committee assignments and rebalanced the committees. For anyone who would like to see what those balances are, they are up here, and I brought copies. I will tell you that prior to adding that committee, we had four councilmen who had five committees and three councilmen that had four committees. We now have seven councilmen that have five committees. That's the balance. We have no councilmen who have more than two chairs. We have no councilman who has more than two chairs, and that is part of the balance as well. I believe that I was elected to lead this council to be able to effectively execute the business of the city, and it is my thought that those committee balances are there, and it's the most effective way to serve the citizens. I will also point out that I do not assign them without the approval of council. Those committees were voted on and passed by council, which is not legislation, it is simply council committee assignment. We have a lot of work to do in this city. We have a major budget issue and we have to solve those problems. I will tell you that it is difficult when I look at tonight's proposal from the mayor on naming a Blue Ribbon Panel and know that no one on council was even consulted on this idea. I believe that the communication part of this process has to start with the leadership at the top. This council stands ready to discuss all of these items. It stands ready to hear what the mayor's plan is and to try and execute it to serve the citizens. I do not think that this committee is an appropriate committee to advise council. I believe all of you right here in this room as citizens of this city are the ones that need to be contacting your legislators and letting them know what they desire to be done. And

coming here before council, as all of you did that spoke tonight, and I applaud that. I think that input is key and critical. I think that there are seven elected representatives of the citizens of this city that have the responsibility to balance this budget to live within our means. I think that those seven people have the responsibility to figure out how to do it. They asked for an received a vote of the public to serve in these positions. I believe with this document, the mayor has named a fine committee of folks with a lot of experience, education, and ability. But I believe that this council has the responsibility to make the tough decisions, as does this mayor. I think that's what we need to do. The work balance on those committees is designed to do that. For any of you who really want to know what that balance is, it is here, and I thank you for the opportunity to let you know that.

Councilman McKay: Mr. President.

President Kirchner: Yes, Councilman McKay.

Councilman McKay: Obviously you didn't hear what I said when I spoke earlier or you didn't take it to heart, because that's about the most contentious speech, which is typical. One paragraph that I didn't read was...the problem arises when a leader ceases to become a leader and forgets that he should remain as unbiased as possible in his leadership of council. Our president has certain rights and rules that he must follow. I do not mean to imply that he has broken any of these rules or laws in his leadership role. He actually has been very aggressive and effective in his attempts to clarify certain rules of council. I believe, however, that our leader in his passion to accomplish a goal, has broken an unwritten rule in his actions of Thursday last.

[Applause]

David Hollingsworth: Can I say something? I've been kind of quiet. I was given the privilege of seeing that list of directives you've given for that committee that was assigned. I find it to be a little bizarre, to be quite honest. The information that you have requested, I don't think this whole council would be, in the years they have left in their term, would be able to compile all that information.

President Kirchner: Specifically?

David Hollingsworth: I just think people need to look at the letter to look at the information you've requested to be compiled. There is no way.

President Kirchner: I will accept that that is your opinion. They seem like specific data points to me. The amount of money generated from a police levy that currently could exist, the amount of money generated from our existing income tax, the current value of property within the city tax zone... I don't think those numbers are impossible to put together, and the understanding of that data as a baseline...and then, a recommendation for the types of taxes we could put on what they would generate. It didn't seem that impossible. It does seem like a lot of work. I agree. But that's the information that I think that this council and the citizens would need to have. If this council and administration want to go to the public and ask for more revenue, which is what I am hearing is a desire potentially...

Councilman McKay: You better say potentially.

Councilman Jaehnig: It's not a desire.

President Kirchner: We have a revenue problem is what I have consistently heard from some corners. If we are going to go to the citizens and ask them for more revenue when our town has been so devastated, I think that we need to be able to provide them an understanding of what revenue they are providing, where it goes, and what revenue we are asking for, and in what form. How it would be used. I don't think that that is unobtainable information, but I do believe that it does take an extended effort. That is why I documented what it was. I will be happy to provide that to the mayor's office and anyone in the public that would like to see the document is more than welcome to take a

look at it. By the way, it was noted as a guideline of the work that seemed to need to happen. All of them addressed ideas brought up in the mayor's town hall meeting, covered by the mayor in this council. And, to me, that was just simply getting the information that the council would need for any kind of decision like that and the public would need for any kind of support of a decision like that. I'll provide the document to anybody that wants it.

Councilman McKay: I am really saddened by your response, Mr. President.

President Kirchner: So noted, Councilman McKay.

Councilman Stuckert: I want to make a point. You hear a lot about how all of this is because the President of Council does what the law and the Ohio Revised Code calls for him to do, but he didn't talk to everybody about it. Right? Well, this right here, which is the proposal that he was handling, came at the end of a meeting that we had, and it called for three committees. It called for Bob Mead to be on the Police Levy Committee and head it up. It called for me, Loren Stuckert, to be on the Income Tax Committee, and it called for Mark McKay to be on the Selling the Landfill Committee. Now, I don't know about the other two guys, but nobody talked to me about this before it came. This happens...we operate under sunshine laws. So much of this council, we're so used to not being allowed to talk to one another all the time, this is not...what happened with the President is not that different than what happens all the time here. I think that people are getting much too excited over something. I am not going to sit here and let a young man be spoken to in this way that I know to be different. You people are reasonable people, but you need to back off and take a look here. What we have in this council right now is what we've always had. Prior to this last election, we had people with the thought that we should be tackling the \$1.3 million deficit that we kept having, which we had three of them. At that time, the numbers were two to five. At one point, the two brought in a document, an actual document, that called for ideas on how to reduce this budget and live within our means. The headline the next day said they wanted to close the parks and they wanted to shut the cab company down. That is how they were treated. Now they didn't go out and round up a bunch of people. And I don't know if social media was available then or not, but they didn't do that. They resumed their role and they just kept saying the same thing. At that time, it was five to two. Then later, I got appointed, last July, to fill an empty seat. At that time, the ratio became four to three. As we moved toward this budget for 2012, there were three people that said, "Let's look at our spending versus our revenue." We haven't had any meaningful analysis of the line items in the budget to say one way or the other what we could or couldn't do. So, I propose that we do that. That the seven of us come together and do that. That's what I propose. To compromise, because we had to have the budget pass, I said, let's just appropriate three months worth and roll our sleeves up as an elected body and go to work on this. The response was, four to three, and we got voted down. Now, I didn't hear anybody saying "This is divided government" at that time. I did not hear those words, "divided government." Well, after the election, I don't know if you've noticed, but the ratio has flipped again. Now there are four of us here who say we need to take a look at the spending side first. Now it's four to three. And, my goodness, we are divided. We're just getting ripped apart. We're contentious. We're unfair. Everything we do is just an agenda. Now we're being political. Come on folks. You know that if the word applies one way it applies the other way. I have said, and I'm going to say it one more time, I will not support going to our people whose incomes have declined. That's why our revenue is down; their income is down. Okay, you're income's down, but we've got to have our money, and we've been looking for three years now and we haven't found anyway to bring this gap together, so we need to increase your income tax. Sometimes, I think we all just run on different systems. My system won't handle that. My system spits that out and says that's not rational. And I hear talk of our property values. Our property values have declined. My property value has declined, all throughout our area. Well, here is a proposal to add a levy, which is going to be a property levy to raise the needed funds. We'll attach that to police. Well, my system won't handle that either. My property value is down and you want me to add another levy to my property. It doesn't make sense. And on the landfill, you almost got me there because I'm very big on if a city service isn't really doing the job, then you look toward the private sector to see if the private sector can do a better job. But this isn't what that's about. The landfill's being

paid already by you guys. Okay? It's designed to get a pile of money so that we can bridge our \$1.3 million gaps off into the future with that pot of money. That's what we're talking about doing. We're not going to face reality. We're just going to put it off. I have already heard from the public, by the way, I'm elected, I do hear from people, and I heard from people that say, "You know, I'm concerned about what would happen if we have a commercial landfill inside our city borders." You know, this person had visions of a Rumpke mountain out on the west side of town with haulers running up and down our brand new Nelson Avenue, constantly going into the landfill. So there are problems with that one too in the people's mind. Now maybe everybody up here thinks that selling the landfill is a good idea, but I would suggest that as council we have a responsibility to check with everybody, because I don't think that that is a majority opinion and I don't think it's necessarily a slam-dunk. That all needs to be looked into. We're all trying to do things. I just cannot stand here and have it all sound like the whole problem is the President of Council. It is not. If he's going to get talked about this way, then talk about me that way, because I voted with...I voted on that committee. Okay? I love and respect every member up here. I know everybody here has good intentions. All we're saying is, let's roll our sleeves and do the job that we have to do. You know what, I check out all kinds of places. There's all kinds of city in the same shape that we're in. Part of ours is DHL. Part of ours is because the intergovernmental funds that we usually get are being reduced, so it's a genuine problem. But that's when we all have to do things. That's Wilmington style. We all get in it together. We take care of our parks when we don't have enough money to pay an extra \$200,000. We do all kinds of things and one of the things that has been in other cities that I happen to believe, if it is presented in the right way it would be received in the right way, that is the idea about the possibility of our employees. In order to preserve all of our jobs, employees considering going, as most of the county workers do, to a 35 hour a week voluntarily, because there is no way they could be forced to do it since we have a contract. If you do those figures, if I work those figures right, it takes care of almost half of our debts. There are ways. I'm not coming in and saying that has to be it. But there are things we can do. What we want is information. Mr. Mayor, you said when you ran and we did that budget, you said, "That's just figures on paper, and those are not the figures we're going to end up with." Well, we're pretty close to six months of this year, and we haven't seen any new figures. That's all we're saying. We haven't seen any new figures. We're pushing for that. We're not trying to be mean. We're not trying to...I mean...I don't have any scores to settle. I consider myself friends with all of these people up here and everybody I know out there, I'm a friend of. But, darn it, let's get off this kick. Let's back off and cool off and let's look at this thing logically. That's my two cents worth.

[Applause]

Councilman Jaehnig: Councilman Stuckert, just in clarification, in the proposal that I brought before council, it was specifically requested by the chairman of the Finance Committee that we come prepared with brainstorming ideas and proposals to that work session. So, all I did was exactly what he asked me to do. In regards to the committees, I felt that those did not need to be full council committees and that we should include the citizens in the discussion so we weren't creating new council committees; it would be committees that the mayor and the president could put together themselves. The people on there were just merely a suggestion, and the specific reason I suggested you lead one of those committees and Mr. Mead lead one of those committees is specifically because you are extremely anti-tax, which I applaud. In fact, I can't think of a better person to look into the realities of the effects that a tax could have on somebody than somebody that truly believes this is a bad idea. Because, you're not going to get caught up in just the "Ooh, look at this money we can get." You're also going to be looking very hard at what are the effects this does to us, God forbid we ever went down that way. I do take umbrage in regards to your comments about, especially Mr. Wallace, not being interested in budget cuts and that we're interested in increasing taxes.

Councilman Stuckert: I know he is interested in budget cuts, so don't go there. I know he is. I said we're all friends. We're all doing things together. Just don't get carried away with it. My point was we sometimes bring things to council without vetting the whole thing to one another and before they get here. That was my point in the beginning and that's my point at the end.

Councilman McKay: Mr. President. I would suggest this discussion is getting pretty circular and we might call the meeting for tonight, with your approval.

President Kirchner: I would say, with the glazed eyes I see in the audience, that is probably one of the best ideas we've had tonight. Thank you, Councilman McKay. If there are no other folks to talk, we are adjourned.

A motion was made by McKay to adjourn.
President declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, June 7, 2012, with President Scott Kirchner presiding.

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

Assistant Chief Duane Weyand was also present.

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

Council gave the Pledge of Allegiance to the flag.

President of Council: President Kirchner asked for the approval of the May 10 council meeting minutes.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last special meeting, May 10, as received.

Motion passed.

Minutes approved as received.

President Kirchner asked for the approval of the May 17 council meeting minutes.

Councilman Wells offered the following correction: Page 15 of the May 17 minutes. The speaker Mr. Hockaday should read Mr. Hollingsworth.

A motion was made by Wells and seconded by Stuckert to amend the minutes of the regular meeting, May 17, as so indicated.

Motion passed.

Minutes amended.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, May 17, as amended.

Motion passed.

Minutes approved as amended.

President Kirchner introduced speaker Whitaker Wright of CDC of Ohio.

President Kirchner opened the public hearing for the 2012 CDBG Grant Program.

Whitaker Wright: Thank you, Mr. President, members of Council and members of the public. Tonight is our second public hearing on Wilmington's 2012 CDBG Small City Block Grant Program. This year, the City's allocation is \$47,000. The state is permitting direct cities to apply for two projects. They are limited because of the funding cuts this past year. The City has selected to carry out one demolition project at 142 N. Mulberry Street on the spot slum and blight. The property is structurally unstable. Earlier this year, the owner of the adjacent property contacted the City and indicated that the chimney was falling onto their home. The Fire Department had to be summoned to remove the chimney, and the City feels that it is probably time to try to remove the rest of the property before it collapses. The second project is installing security cameras at Prairie View and Quaker, the subsidized apartment complex on Prairie Avenue. Prairie View contacted the city back in January and reported that in the last couple of years they have had problems with burglaries, a couple of robberies and some drug crimes and asked if it would be possible to install security cameras at the entrances to the building and also on the upper floors and the elevators. The City worked with the Department of Development. We determined that it would be an eligible project. It is a building that is occupied by either elderly or disabled residents of Wilmington and the property manager carried out their due diligence and got two price solicitations. We are committing \$23,700 to help them install security cameras and some monitoring equipment in the offices of each building. In addition, the city has committed \$2300 to complete one of the mandatory fair housing programs that go along with the grant, and \$7100 for

administration of the grant. This evening we will be passing a resolution to apply and the applications are due Friday, June 22. I open the floor for comment.

President Kirchner asked if there was anyone in the audience who wished to comment on any of the CDBG items.

Seeing none, President Kirchner closed the public hearing.

Mayor – Mayor Riley said that he had several items to go over. He recognized members of the audience from ATSG and introduced Russ Smethwick, who works with ATSG and has been instrumental in getting the agreements ironed out between the Port Authority and ATSG over the development of the jump hangar.

Russ Smethwick: President of Council, members of the Council, and the members of the public, I thank you for your time. I have given you all a copy of this presentation for your consideration. It is meant as an overview, if you will, of our project and what it is we're trying to accomplish. It involves the cooperation of the City of Wilmington as well as the City Schools of Wilmington. They are the predominant parties involved as we move forward with this. If you look at page 1, the situation overview is that the company, ATSG, and the Port Authority are working together to construct a new hangar at the Wilmington Air Park next to existing hangar facilities. It is going to be a 100,000-square-foot hangar that we're proposing to build. The Port Authority would build and own the hangar and the company would lease the hangar from the Port Authority. To fund this project, the Port Authority and the Company have worked to receive from the State, the City of Wilmington, from the Wilmington Community Improvement Corporation, as well as Clinton County, significant funds towards this project. I would like to take this opportunity to thank the City of Wilmington for its contribution to the Port Authority towards this project. We estimate that the project, once the hangar is completed, will employ 259 full-time employees. That job requirement will be a commitment the Company will have to make to the State of Ohio in order to be eligible to receive the funding. Otherwise, they will be subject to other penalties or some other adverse situations. The 259 jobs are estimated to generate roughly 14 million annual payroll dollars, which is worth about \$140,000 of income taxes to the City of Wilmington. The cost of this hangar is roughly \$14.5 million. As I said before, the Company and the Port Authority have reached terms on the lease of this new facility as well as amendment of terms to the existing lease agreement that we have with the Port Authority. All of which would extend our presence at the airbase to a minimum of 23 years, which is what we would be required to maintain under the financing package offered by the State. We have worked with the Port Authority to coincide our existing lease, which is much shorter than that, with the termination of this new facility lease. The Company looks at this as we are providing some significant stability to the Air Park for a very long period of time. Flipping to page two, it is simply a diagram of what the new hangar facility footprint would look like. Really, in short, what it does is it adds additional capabilities to the company to be able to market its services to a broader range of customers. We are able to offer painting capabilities to customers that we currently do not have today in any significant way, as well as broadening the capabilities of the type of aircraft that we are able to maintain, that we qualify to maintain in our facilities. Moving to page three, this is just a summary of the financial incentives offered by the State of Ohio: \$1.6 million logistics and distribution loan. That loan can be forgivable if certain conditions are met. There will be a \$9 million bond offered by the State of Ohio, which will have a 23-year life. As it works out, the Company, through its lease, will have to coincide its lease payments to the Port Authority; that allows the Port Authority to pay back that bond. That is how we get the 23-year commitment in place. There is also a 166 Direct Loan. It is a \$4 million loan from the state. The method in which that loan is repaid is really what is of interest to the City Council as well as to the Wilmington City Schools. We'll talk about that in a moment, but it is called Tax Increment Financing or TIF. Also required by the State of Ohio is that ATSG must provide a guarantee to backstop all of the financing that is associated with this project. That includes the lease that a Company affiliate will have with the Port Authority, the amount of TIF service payments. Again, when you think of a TIF service payment, think about the amount of money that is used to pay off debt. So, the Company has to guarantee a minimum amount of money in TIF service payments enough to amortize a

piece of the debt obligation. Turning to page four, Tax Increment Financing: What is it? Well, it's a public financing method used to assist or facilitate redevelopment, infrastructure, or other types of community improvement projects. When a City Council approves a TIF ordinance, it exempts a piece of property whose value will be improved by this project from real property taxes. That money, instead of being applied to the taxes, that same amount of money and the timing of that payment will be used to service debt. So, the simplest way, you are redirecting the property taxes, or a portion of it, in the end to satisfy a financial obligation or to help the community improvement project. It is not an uncommon type of financing vehicle. It's used quite readily in the State of Ohio. As a matter of fact, there are over 1100 TIF's that are utilized today in the State of Ohio. For your reference, in the Ohio Revised Code, the specifics of this TIF can be found in 5709.41. The type of TIF we'll be looking for under this section is a 25-year term, and it would implicate 100% of the real property tax dollars. The provision of the code allows for 10-year up to 75% without receiving approval, but we are going beyond that so that is why we are here speaking with you tonight as well as our discussions with the school district. Page 5, unless there are any questions on the TIF.

President Kirchner: Russ, if I could, I did notice the length of the lease is 23 years. The amortization of the 166 Direct Loan is 23 years. Is that a typo on the 25 or is there a reason that we would extend that two years beyond without the debt service payments.

Russ: It's 25 years intentionally, and it's two-fold. The first is because of the timing of the property revenue tax cycle. By the time this project is fully up and running, it is going to be longer than 23 years before you get the full impact of those tax dollars – before that valuation is sufficient enough to be able to generate enough tax increment financing to service the debt. So, it is going to take more than 23 years. There's also a bit of a cushion in there, if you will, to get it to 25.

President Kirchner: Okay. But, the amortization schedule ends at 23 years, as I read your presentation.

Russ Smethwick: Yes.

President Kirchner: Thank you.

Russ Smethwick: Does that answer your question?

President Kirchner: Sort of, but we can get into the details later. I just noticed...

Russ Smethwick: Also, if I can defer to our attorney, Scott Ziance, who I would carefully state is a TIF expert. If you don't have objection, he can weigh in on any of your questions if I'm not answering them satisfactorily.

President Kirchner: That would be fine. Is there a purpose for that money once the amortization schedule is complete?

Scott Ziance: Council President Kirchner, Mayor Riley, thanks everybody for having us here. The answer to the question is... is it a 23-year amortization schedule with a 25-year TIF?...because the TIF goes into effect when the City council passes the TIF ordinance. So, let's just pick a day... September 1, let's say. The TIF ordinance goes into effect. The first tax year that there is going to be a TIF exemption is tax year 2013, which is the snapshot date of January 1, 2013. By that point in time, even if the company starts construction on September 1, 2012, the property is only going to be partially completed. So, that in first year of that 25-year TIF period, the TIF service payments are going to be like this. They are going to be very small. The TIF service payments are just a dollar for dollar substitute for increased property tax payments. So, that first year is not sufficient to amortize the debt. Hopefully, the plan is, by January 1, 2014, to have the construction be complete. Absolutely. If construction is complete, then we will have the full value and we will have a full 24 years to service that 23-year amortization, but if something slips, (again, there is no plan for anything to slip, but it is construction and we all need to be prudent), we build in that contingency. It technically works out to a 4% contingency by adding that extra year. If all things go well, it will only be 24 years, but

we need at least 24, and 24 is what the Company is proposing because we think it is prudent to build in slight contingency.

President Kirchner: Does the repayment of the 166 Direct Loan begin in 2013, January 1, 2013?

Scott Ziance: No, the repayment begins...

Sarah Williams: It's 2014. I'm Sarah Williams. I'm the Tax Director at ATSG.

Mayor Riley: Sarah Williams is the Tax Director at ATSG and Russ Smethwick is the Director of Strategic Planning. Scott Ziance is an attorney who I have been told is spooky smart when it comes to TIF's.

Sarah Williams: The long and the short of it is there is a delay in Ohio real estate. If you've ever bought a house in Ohio, you know how there's a line on their closing statement that says this is how much you owe the guy that had the house before. There is always an adjustment for it. So, there's a delay between when the construction is finished and when the assessed value of the new building starts to actually generate revenue. There is also a delay on the 166 Loan between when we start construction. It doesn't start to amortize until after the City gets that first payment of property taxes. It actually goes to the County and then it's forwarded on to the City for you to pay that and pay other people as Russ will finish his discussion. So, that's the timing of it. The first part of that TIF loan has no interest, and then after that it is at 1% interest rate. So, they give us the money up front, but there is a delay while they are waiting for the Ohio Real Estate Property Rules and the tax rules to kick in.

President Kirchner: And that's through the ODOD's agreement?

Sarah Williams: Correct.

President Kirchner: Okay. And I'm assuming we can get a copy of those agreements.

Russ Smethwick: The short answer is yes. We're finalizing the financing package term sheet with ODOD as we speak, as they're scheduled to obtain final approval from the State Controlling Board June 11. So, we are getting very close to finalizing the terms of that transaction. Obviously, the next step is to close it. In order to close it, we need to have the requirements to have the TIF in place.

President Kirchner: This being my first TIF, you will have to excuse me. I'm not a TIF spooky smart expert.

Russ Smethwick: Scott, the only person in this room who probably has had any experience with the TIF is Scott. You're not alone.

President Kirchner: At least one Scott is well-prepared for this conversation. The TIF would be on the building itself? Obviously, it would be city-owned property. The property exists now. My question is, does the TIF not enact until the building is complete or does it start on the ground while construction is going on?

Sarah Williams: [Inaudible over coughing] covers the cost of the ground, I don't think. It's only the incremental value.

Russ Smethwick: Once you start investing and improving the land.

Sarah Williams: Because you said the ground is there already.

Scott Ziance: As a practical matter, there are no revenues until building and improvements. As a technical matter, though, the TIF exemption begins with the first tax year. The statute says it begins whenever you enact the ordinance. So, again, use September 1, 2012, as an example date. But, in that first year... What tax increment financing is...it is whenever city council declares the increase in the assessed value of a

certain parcel or parcels of real property to be exempt from tax. Let's just say the value of blank acres is 100 dollars. That value of 100 dollars is going to continue to be subject to property tax. The property tax is going to be continued to be paid on that 100 dollars. Whenever you enact a TIF ordinance, that \$100 stays level, but as the value increases over time, that increment, instead of paying property tax on that increment, the property owners pay what is called TIF service payments, and they're paid at the same time and in the same manner as property tax payments. So, getting back to the question, for the tax year 2013, let's say the value of the parcel is \$10,000. I don't know what it is, but let's say it's \$10,000. By 1/1/2013, the value might be a \$1,000,000. Maybe they've done some site work, some construction. That increase in value from \$10,000 to \$1,000,000, or \$990,000, the property owner will pay what is called TIF service payments on that. Obviously that TIF service payment on about a million dollar increase is not going to be enough to service that debt, but by 1/1/2014, when the whole building is done, hopefully, then the incremental increase in value will be about \$14.5 million. That is what is projected. That \$14.5 million incremental increase in value will generate TIF service payments, which will be used to service the debt on the 166 Loan after a capitalized interest period. Again, we're struggling a bit because the terms haven't been finalized with the state. We're working through the details of a term sheet and we want to begin this discussion with City Council now. Hopefully in the next few weeks, we are going to be finalizing the terms of the terms sheet.

President Kirchner: Okay. One other question because, again, I'm not a County Auditor either. Would it be normal for the county to come out and assess an increased improvement value without a completed construction project? Or would they wait until the building was complete in order to be able to assess the improvement value?

Scott Ziance: In most counties, and there are 88 slightly different answers to that question, but in most counties, whenever a building permit is taken out, someone in the County Auditor's office will find about it, they have some type of methodology to find that out, and then that will trigger someone to go out and find out what was there as of January 1. So, I'm guessing that is what happens in Clinton County, but I'm not certain.

President Kirchner: Okay. Thank you. I'm sorry to derail this in the middle of the presentation. I'm just trying to understand the difference in 23 and 25.

Russ Smethwick: It's a complicated matter, and we want to work through it so we all understand and can make an informed decision. Okay. On page five, we covered most of this just a moment ago, but the proposed TIF that we're asking the City Council and the Wilmington City Schools to consider is 100% of that incremental value of that property that is taxed would be subjected to this TIF and it would be for a term of 25 years. In order for this to happen, the City Council as well as the Wilmington City Schools have to come to an agreement that we will move forward with this. So, the incremental value of this property, estimated to be \$14.5 million is going to be subjected to this tax increment financing. So, ordinarily, you would pay the property taxes on that incremental value. It would be about \$270,000. So that's the amount of money of the property taxes that would now be considered TIF service payment. And so of that amount, the first obligation that would have to met is to satisfy the amortization on the 166 Loan, which based on what we have seen from the State is roughly \$227,000 a year. So, the \$270,000 of TIF service payments, the \$227,000 comes right out of that because that goes towards satisfying the loan. Any remaining money after satisfying the \$227,000, would then be eligible to be paid to the Wilmington City Schools as well as the Joint Vocational School, Great Oaks. The reason for this, and this is where I may start to struggle, based upon the funding formula with the schools, if there is a piece of property that has value, that is factored into the state's funding formula for the amount of the money the school is eligible for. The reality is the property tax associated with this new building will not be eligible for the school, so using the formula, they could potentially be left in a position where they receive less funding. So, if there is leftover money from making the debt service payment out of the TIF service payments that have been withheld, the leftover money can then be paid to the school and the joint vocational school to make them whole, which means they will be in a position as though the TIF was not in place and yet the building was still built, if that makes sense. If there is a shortfall where there is not enough money left over out of the TIF service payments after

paying the 166 Loan debt obligation and the schools are not made whole, then any remaining obligation to make them whole would be funded through the incremental income taxes paid to the City of Wilmington. Was that clear? We'll go through examples?

President Kirchner: It's interesting. Just out of curiosity, let me understand something you said. The estimate of the made whole amount is based on the fact that the school could lose state funding amounts based on the increased value of the property.

Russ Smethwick: That's right.

President Kirchner: What would occur if they did not lose that?

Russ Smethwick: I don't know if that is a likely scenario. Based on the funding formula, granted that there is a bridging formula in place, but based on the way they are historically done, if there is value added and there are real property taxes available, that impacts the amount of money the school would be eligible for.

Paul Hunter: Not the way I understand it. The school formula system is not affected by TIF's, as a general statement. I don't know the details.

Russ Smethwick: That's correct. It's not affected by the TIF, but the school formula is affected by the real property value of taxes. What happens is...

Paul Hunter: What you're saying is if there wasn't a TIF, it would affect it.

Russ Smethwick: The end game of the TIF is to put the schools in a position as if there was not TIF, but yet they're receiving the benefit of this new property incremental value.

Paul Hunter: Do you have the dollar amount? There was 35% of the improvement times .052 gives you an estimated tax or a service charge, if you will. Do you have an idea of what that number is?

Russ Smethwick: I'm happy to answer your question. Let me finish going through the presentation. There's an example on the next page, which I will take the city council through in the hope that that will shed some more light on this. So, I left off, if there is a shortfall in the amount of money that is remaining to make the schools whole, then that makeup payment would come from the City of Wilmington, funded through the incremental income taxes that would have been generated by the new payroll, roughly \$140,000 once they're up to full speed. This would be available to be applied to any makeup payment. We'll get into what we think that makeup payment is going to be. But, it's also very important to understand that if under some unfortunate circumstances where the company or the Port Authority would end up in default or go out of business, what have you, that the city or the schools would have no financial recourse liability from any of these obligations, specifically the 166. The TIF pledged by the city would not – the city would not be obligated to pay anything more than what they had pledged to under the TIF ordinance. The makeup payments, as I said earlier will be limited to the amount of incremental income taxes that the city would enjoy by the additional payroll. So, quite simply, the way I look at this, in no way or in no situation do we find that the school will be put in an adverse situation under this scenario with the TIF and nor will the City of Wilmington. Our request is for the approval of the TIF in order to allow this program to proceed, but in no way shape or form do we ever envision there is a situation where this would have an adverse effect on the schools or the City of Wilmington. We look at this as there is a very good opportunity for the community and for the corporation by going forward with this. If we flip to page six, it is an illustration of what the proposed TIF would look like. So you see, you have a \$14 million estimated valuation on this new facility. That would be the incremental amount of property subjected to property taxes. If I apply the formula, 35% times this-that, the amount of incremental property taxes is \$264,000. Of that amount, \$227,000 is required to be used to pay to amortize the 166 Loan, so you have a remaining amount of \$37,500. Well, if you look at the property taxes that the school, the Joint Vocational School in the City of Wilmington would have been entitled to based on the tax rates, they would be entitled to

\$51,000 of the \$264,000. Well, there's only \$37,000 left after applying the loan payments. So, that means there's a \$13,700 shortfall. So where does that money come from to make up the shortfall. Well, that would be funded by the City of Wilmington through the incremental income taxes generated by the new payroll. \$14,000,000 of payroll, 1% income tax, is \$140,000 of new income tax revenue to the city. Which, after making that makeup payment to the schools, the city would still be left in a net-positive position of \$126,000. So, again, as we look at it, the school is not disadvantaged in any way, shape or form in the project. And the city, because we have \$14,000,000 in new payroll, even though the city is using part of that to support the schools, they are still in a net-positive position. So, I concluded on page 7. Again, thank you for the opportunity to speak with you and talk about this matter. We think it is a great opportunity, not only for the company. Sure, we're a for-profit organization. We wouldn't do things unless there was a benefit to the shareholders, but we have lots of opportunities we evaluate that are of benefit to our shareholders. What makes this opportunity very exciting for the company is that we have an opportunity to bring a significant amount of employment to a community that has...and we've experienced it firsthand since we're the ones who had to terminate the 6000, 7000, 8000 people. We find this to be a particularly sweet opportunity because we have some ability to bring back a fairly substantial amount of jobs. The company is prepared to take the commercial risk on this venture. Yes, we are asking the city and the schools to work with us on this, but at the end of the day, it is a commercial enterprise and there are certain risks and rewards. One of the risks with this is that we could lose a lot of money. That's not the plan; it never is. But, we bear the commercial risk of having to hire the employees to generate the revenue and turn that revenue into profit. That's a risk we're willing to bear. Without the approval of this TIF by the City of Wilmington and the City Schools, this project will not proceed. Simply, the economics that are required to make this project work for the Port Authority and the Company require the TIF. If we can't get the TIF passed, if we can't get the City and the Schools to come to an agreement with us, we will not have the 259 new jobs. As again, in the final analysis, we see that the City, even after making the makeup payments to the school, will still come out in a net-positive position of well over \$100,000 in income taxes, and that's not to speak of the income taxes generated by the construction workers that would be working here a full year before the full payroll is up and running of \$14,000,000, as well as a multiplier effect to the local economy by having the new payroll spent at the local stores. So, in conclusion, the company respectfully requests that the city will give consideration to our request and approve the proposed TIF ordinance, obviously upon further information and discussions about this. That is what we're seeking. I believe it is important to note that time is of the essence with this. It's not a tomorrow decision, but we would like to work expeditiously with the city and the schools. We have started this with the city schools already to bring this to resolution.

Councilman McKay: I pretty much understand the city side of it, but would not the property taxes to the county be deferred or am I missing something. Would the county be shorted the amount of taxes that they would have gotten?

Scott Ziance: Yes sir. I prefer not to put it that way. What the county will not get will be the increased taxes – the property taxes. The base value is going to remain the base value, and they'll get those taxes. But they will not get any of the incremental increase. Those all go in the form of TIF service payments. And I think council understands this, but obviously, I would respectfully submit that it is notable that they are not asking for a property tax abatement. In a lot of situations where companies are seeking commitments from the local authorities, what they ask for is property tax abatement. The county might feel like it is property tax abatement because they don't get the revenues, but what the company is doing is they are paying the same amount and at the same time. In fact, they are committing to a minimum amount, it is just that this is going to be used for debt service on that state loan.

Councilman McKay: They'll get some increased sales taxes.

Scott Ziance: And hopefully... Exactly.

Councilman McKay: We kind of have to look at – not just on the city side or the school side, but we want to evaluate the whole picture.

Councilman Jaehnig: A comment that you made that I just want to clarify on real quick. Based on the value of the project once it is completed, let's assume that the economy finally turns around and everything starts heading back the other direction, then in ten years when the property is reevaluated again, at that particular point, that difference value could go up at that point, and that shortfall to the schools may no longer exist at that particular point, based on the payments. Am I correct in that assumption?

Russ Smethwick: Yes. That would be the hope is this project drives more benefit than what we put on this paper and that there is real property valuation improvement and the city does not have to contribute to the makeup payments.

Scott Ziance: You have to run numbers under different scenarios, but if the values increase, it's a good thing for everybody because the TIF could end early if there's enough there for debt service.

Councilman Jaehnig: That was my followup question...

Scott Ziance: If that's the way it's structured. Right now, what we propose is that if the TIF service payments first go to debt service, second go to the school district up to the point where the school district is made whole on that basis, and that was what Russ was describing where normally school districts, if they get increased taxes, they might get increased taxes of \$100,000, but the state will take away \$70,000 and then that's \$30,000 and that's what we're trying to makeup. So, they'll get their net amount. Then, we are proposing to the extent the city had to dip into its pocket to do makeup payments in any year when there wasn't enough to make the school district whole, then the city would get reimbursed. Then, after that, more money could go to the school district or more money could go, for example, to debt service. Those are some details we need to work through with the city and the school district.

President Kirchner: A followup question I have there, and again, I'm not an expert on taxes. But, if the property value increases, would the schools also be entitled to additional monies if the value of the property went up.

Scott Ziance: Yes, exactly. Because the objective is to put them in the same position as if the property were constructed and not subject to TIF. So, I just said it, assume they got 100 in taxes and they got 70 taken away, then the debt would be 30 that we would be making up. Instead of assuming that they got 150 in taxes and 110 were taken away, then we'd have to make up 40. So that makeup, the overall payment to the school district could increase if values increased.

President Kirchner: Okay, and the followup, I wanted to make sure I made for Councilman Jaehnig, because the original indication was that if the value of the building went up then the city's obligation to the school system might go down, but actually, it could go up is what I'm hearing you describe.

Scott Ziance: It could, but again, to the extent there is more TIF service payments that are needed to make the school district whole. On the back end, higher value is good, because if it generates excess, it could get the city paid back for previous payments. So, there could be portions...it's hard to describe in the abstract. We could show you with numbers and obviously we would look forward to doing that.

President Kirchner: So, the school systems benefit from a higher value wouldn't necessarily be as big as the increase in the service payment.

Scott Ziance: Absolutely correct. Again, because the objective is to put the school district in the same position as if the property were fully taxable, accounting for the state's school funding formula. With respect to the state school funding formula, we are making reasonable assumptions. We've met with the school district. We are making reasonable assumptions about what that will be because we can't predict what the school funding is going to be 20 years from now or 15 years from now. We know that in the

past it has generally functioned in the same way and so as values increase, their portion will increase.

Sarah Williams: Does that happen automatically, Scott? My understanding is that there is an agreed amount that gets paid over time, and that amount doesn't necessarily change and then there is sort of a waterfall of how things get paid out later. But, it's also my understanding that whatever that number is, it can be negotiated between the school district and the city.

Scott Ziance: What Ms. Williams points out, with the general principle of that, you put them in the exact same position. If values increase, the amount needed to make to make the school district whole would increase, but there can be different details cut whenever we structure the ultimate TIF agreement and the compensation agreement with the school district. So, what the school district could agree to, for example, and the city could agree to, is that the school district is going to get "x," and after the school district gets "x" then the city gets an amount. Those are details to be worked out. We put something on the table to begin the discussion.

President Kirchner: Okay. The other question that I have. You just said something that caused me concern, because we're talking about a 25-year agreement, but yet, if the school funding formula changes during that period, would that change the potential obligation of the city or would that change the obligation of the Port? ATSG?

Scott Ziance: Good question. Because of the need to pay the debt service on the 166 Loan, we need to have an agreement that is based on a reasonable assumption that stays in place about what the school funding formula is going to be. In other words, we can't have it adjust for changes in the school funding formula. We can't have it adjust... Russ showed the numbers where we need \$226,000 or whatever as debt service. If we have an adjustable TIF agreement where all of sudden the school district gets \$100,000 and does not have to pay debt service. It can't be structured that way. We need to make reasonable assumptions so there's enough for the debt service on the 166 Loan and so both the school district and the city can have reasonable certainty about what they're going to get in terms of cash. Whether the school district might, in certain years, get more, it's possible that in some years the school district would get more than it would on a net basis. It is possible in some years the school district would get less. But, with debt service, we have to come to an agreement on the reasonable assumption and stick with it so everyone can plan their affairs accordingly.

President Kirchner: So, does that trump...? This goes back to my question of obligation on the city's part. I understand what you're saying: the deal has to be structured in such a way that everyone knows the amounts based on today's world, but if a change came up to where the schools would be entitled to a great deal more, would that obligate the city to make that amount whole is my concern. Would it change our obligation or does the agreement stay the same regardless of the funding system.

Scott Ziance: The agreement will stay the same, regardless of the funding system. Our proposal is to make it clear in the agreement that the formula is "x," so the formula that we put in the agreement is not going to account for potential future changes in the school funding formula. So, the city's obligation will be, within reasonable parameters based upon the value. The value can go up and down and that could change what the school district gets and that could change what the city has to pay. We could show you how it would break out at different numbers. But, within reasonable parameters, we're going to know what those payments are going to be, and a change in school funding formula will not change that. Again, I want to emphasize one thing that Russ said. The city will not have any risk as a part of this and neither will the school district. There is a possibility that everyone won't get as much as they project, and there is a possibility that they will get more than they project. But there will not be risk. The city's obligation will be to pledge the TIF service payments that it receives. If it does not receive a TIF service payment, it does not have to come out any other fund. Similarly, with respect to the school district, the city's obligation is going to be to pay up to the new income tax revenues and from this project to make the school district whole under the formula we agreed to. Again, the city, as we work through this, you'll see that there will be a band of

expectation. The city is not going to get zero out of this. Can we guarantee it's going to be \$126,000 plus or minus 1% every year? Absolutely not. It's going to be variable. Likewise, the school district is going to get at least...the Company is going to agree to a minimum value, so the school district will get [inaudible over coughing] after there is enough to make debt service payments on the 166 Loan. Can we guarantee that's going to be enough every single year to keep them whole on a net basis? No, because we don't know what the school funding formula will be. But in some years, it may make them more than whole on a net basis. In other words, in some years (and this happens in some TIF's) the school district may get more in TIF service payments than it would receive if it got taxes and then revenues were taken away from the state. So, the TIF values don't impact the school district, the school district funding formula – that's correct. The school districts would generally prefer to receive TIF service payments rather than tax payments because they don't impact what they get from the state.

Councilman Jaehnig: Working with that...if the school funding, by a miracle, is fixed by the state and the schools are finally made whole like they're supposed to, then they are really benefiting at that point because they are still going to receive these payments – because it's a set – this is going to happen. At that particular point, the schools are double winners. Now, on the other side of things, if the state decides to gut the school systems and really cut their payments, we're not sitting here having to all of the sudden fund the entire school system because of this TIF agreement and the drop because we're going to have a set formula that's going to be in place no matter what the state does to the school funding system.

Russ Smethwick: The maximum the city would have to contribute in a makeup payment would be limited to the amount of incremental income taxes collected by the city to lay to this project. As Scott has mentioned numerous times, there is an agreement that will have to be struck between the city, the schools and maybe the state – the various parties – as to how this works. As you know, in negotiations there are lots of things that are give and take, so there will be an agreed-upon formula, but each side will get to weigh in and figure out how to best manage and mitigate their risk. So, there are things to talk about.

Scott Ziance: Fundamentally, the state's school funding formula as it pertains to property taxes and how local property taxes work, it hasn't changed. I have been practicing 15 years and it hasn't changed in those 15 years. That was before DeRolph. After DeRolph, Voinovich, Taft, and Strickland. Right now, we are in this interim period where there is a so-called bridge formula that it being used. There really isn't a school funding formula during this two-year period where the Kasich administration figures out how it wants to approach this. But, through the years, what they have changed is how they determine the amount necessary to adequately educate children. That's what the state has changed over the years. They change how you figure out what each school district needs. But, in general, what the state has done it has said, "Look, you need \$6000 per student or whatever it is to adequately educate children, so we're going to make sure you have \$6000. The way we're going to do that is, we're going to assume you can make the local property taxes 2% or 2.3% times your taxable value and then we're going to give you the difference." Fundamentally, that formula has been in place for a really long time, because it makes a lot of sense. It really is sharing state and local responsibility. I highly doubt that is going to change. The details are going to change, but ultimately, I don't think anybody has a solution to make school funding anything other than a shared local and state responsibility.

President Kirchner: I would just like to clarify something that Russ said, because he said the maximum liability that the city could be up to is all of the incremental income tax created by these jobs. Is that correct?

Scott Ziance: That's the proposal. We're not making take it or leave it proposals, but what we put on the plate was that proposal. Under the most reasonable assumptions, as Russ went through, we're projecting that the makeup payment would only be I think \$42,000 or something really small in those early years. The way we put it out there was up to the whole amount.

President Kirchner: Which could end up being no net gain.

Scott Ziance: Correct.

Russ Smethwick: Like I said, it's an agreement between multiple parties, so some of these details will have to be worked out between school and city.

President Kirchner: I do have one other question... When you look at 100% abatement. Does that similarly abate all taxes for MRDD, Senior Services, health levies, libraries? We're looking at all of the tax monies that would impact the community being involved in this.

Scott Ziance: Correct.

President Kirchner: Okay. I've been studying 5709.40, 41, 42, 43. I'm not an attorney, so it was kind of murky for me to understand. There are probably more questions that I will have later, but obviously, we're going to have meetings associated with some of the details of this. I thank you for the answers I got.

Councilman Mead: I have a question. Two parts. One is, realistically, how long do you figure it will take to get the building and the number of employees to the maximum. However long that is, if the loan payment comes due during that time, how is that handled?

Russ Smethwick: We have three years, as is proposed by the state's financing package, to reach the 259 employment level. That is a defined term in our term sheet. It's a job commitment that we are obligated to make. We have three years to do it.

Councilman Jaehnig: From the completion of the building or from the start of the project?

Russ Smethwick: From the completion. We have to be able to get up and running.

Councilman Jaehnig: I'm just asking.

Councilman Mead: How long is your estimate until the building and manpower is there?

Russ Smethwick: This is my estimate, but our discussions have been that roughly it would take 12 to 14 months to complete the building. As I mentioned, time is of the essence for a number of reasons. One of those is we would like to avoid, as much as possible, some of the construction work happening during the winter months. That will drive up some of the costs. If we have a winter like last year, maybe not. But if we have a nasty winter, then that will have an adverse impact on the construction costs. I would say 14 months.

Councilman Jaehnig: The second part of Bob's question was, I believe, what happens if the TIF payment comes due prior to. Say we have a horrible winter or something happens, I think the second part of his question is what happens if the TIF payment comes up prior to any funds being generated?

Scott Ziance: The company will have to make it. The company is guaranteeing to make the minimum amount of the TIF payment in order to amortize the debt.

Councilman Stuckert: The 257 jobs – is that net new jobs? Otherwise, we're not losing some on one end and then...

Russ Smethwick: No, sir.

Sarah Williams: The state agreement actually requires us to keep the 380-400 jobs that are out there right now in addition to 259 new jobs.

Councilman Stuckert: They require you to do that?

Sarah Williams: That's a requirement of the department.

David Hockaday: If I may interject, the Port has stipulated the number of full-time jobs that have to be maintained – existing full-time jobs.

President Kirchner: If I could follow up on Councilman Mead's question. During that period where you haven't gotten up to full speed and the payment, obviously the income tax isn't occurring here, the city would then be obligated to use whatever income tax it got from any jobs that existed. But you're indicating that we would not be obligated for anything beyond the incremental income tax associated, or would we be required to make the make whole payments to the school system even though the income tax wasn't flowing yet?

Scott Ziance: You would only be obligated to make them to the extent you have incremental income taxes. Again, there would be no risk to the city in terms of its existing tax base.

Russ Smethwick: We'll have to look – I believe the amortization on the 166 is scheduled such that we have the value's in place. If the property is in place, that means the jobs ought to be there. So, there should be sufficient money available to service the debt. Again, there is a delay in the amortization. It is a year....

President Kirchner: I guess it also goes to the development of the new business as well. I guess you're only going to bring so many people on when you have contracts that you can execute on.

Russ Smethwick: That's why they give us three years.

Paul Hunter: Is it a \$270,000 a year estimated service payment?

Sarah Williams: No, the \$227,000 is the loan payment.

[Simultaneous Discussion of Figures]

Paul Hunter: What do you come up as the figure that this school would get out of that? It should be 55% because that's the take that you get out of the property tax.

Councilman Jaehnig: But then they lose state funding based off of that 55%.

Paul Hunter: That's all out of our real property taxes – 55% of 2.7 for the Oaks and about 52 for the school system. So, how would you come up with...what's half of that? It's more than what you stated, I think, that the school would get.

Russ Smethwick: \$51,000.

Paul Hunter: It's about \$130,000 or a \$150,000 that they normally would get from normal distribution of property taxes from that size of a tax base.

Russ Smethwick: I don't know if that's correct.

Paul Hunter: The city will lose...they'll gain income tax, but they're going to lose 16% of the property taxes from that.

Russ Smethwick: You're say the city is going to lose...someone's going to lose...nobody is going to lose anything with this.

Paul Hunter: Well, when you get the income tax, you have to subtract what you will lose in property taxes. It's a big plus for the city; I'm not knocking that.

Russ Smethwick: We try to steer away from the notion that somebody's going to lose...

Paul Hunter: Well, that's your position, you have to.

Councilman Jaehnig: You can't lose something you don't have.

Russ Smethwick: If you don't do it...that's right. As we like to say, you could get 100% of zero or a certain percentage of something. That's the simplest way to look at it.

Paul Hunter: Okay, back to the basic question. What's 55% of \$270,000. That is what the schools will need to be held harmless.

Sarah Williams: The schools have calculated the number that they're comfortable with, and they have gone through and figured out, with the State Treasurer's involvement, and the City and the schools need to negotiate what that number is, but it is lower than the number that you're giving me. I did not calculate it myself.

Paul Hunter: Well I have over the years, and the school's take is 52% for the city schools and about 3 % for Great Oaks. Those two together are 55% that they normally get in tax distribution. The Treasurer sends them a check for that amount every year, and that's what he'll have to do here. The city will direct the Treasurer to keep them whole, Right?

Russ Smethwick: Mr. Hunter, at the end of the day the school and the city will have to come to an agreement on what that is that makes them comfortable.

Paul Hunter: I just want to bring that before council.

Russ Smethwick: We appreciate that, but what the schools decide they need is what they decide they need.

Paul Hunter: Well, what they decide, yeah, if they want to take less than what they normally would have gotten, that is fine.

Curt Bone: I can answer that. The 55% is correct, but their hold-harmless number is 25% is that we have to have to keep the negotiations.

Paul Hunter: But that limits the 10-year term, if you use the 25%. It's sticky.

Bill Liermann: Paul, I'll tell you what's sticky is having to continually lay-off people and see our school system just get driven into the ground. It's been that way ever since I got back on the board, ever since 2007. All we do is cut jobs and eliminate people. I'm tired of it. It's got to come to an end.

Paul Hunter: So, hopefully you'll get to be held harmless.

Bill Liermann: That's all we're asking.

Paul Hunter: But I don't see with the numbers. Somebody needs to check.

Councilman Jaehnig: The other thing to take into consideration with the schools is they do have an income tax also and they will benefit from these jobs moving into the district.

Bill Liermann: The more jobs that come in, the better we'll be.

Councilman Jaehnig: As long as we can make it hold harmless on the property tax end of things, they will gain on the income tax.

Paul Hunter: That's hard to quantify. We don't know that. You have to use the figures he gave, and it's not 55%.

Russ Smethwick: Mr. Hunter, I hope we made this very clear. This not something the company is forcing. We can't do that because they're too many interested parties involved to make this transaction successful. It is going to have to be a meeting of the minds as to what everyone can live with. We have laid out the general guidelines of how this would work.

Paul Fear: Can I just try to summarize from my side, as the Treasurer and the tax side of it. My understanding, then, is the school is going to come up with a number that they're happy with, and we are going to hold them harmless to that number. That's correct, right?

Russ Smethwick: Yes.

Paul Fear: The county is going to be the plus side of the sales tax, whatever you guys charge for your work and your business, so there's going to be sales tax revenues for the county. The Air Park, my understanding is, the lease will be to them so that they can service the actual debt because they own the land and they own the building. Is it the triple net then that you are going to make them, you're going to pay the utilities...

Russ Smethwick: Yes. As we do today.

Paul Fear: You're going to take care of improvements and stuff like that, so they are going to be okay to it. What is the dollar buyout on the 25th year?

Russ Smethwick: We have no option to own the property at the air base.

Paul Fear: They did mention that we get to keep all of the income tax during the construction time for the construction workers that are out there. So, we are to the plus for the city for the income tax during the construction period of 14 months. You mentioned at one time there's a penalty if we don't maintain the 259 jobs, and that penalty is to the state? Right? That doesn't give anything back to us in the city. That is just a state hold harmless because of the agreement that you have.

Russ Smethwick: We might have to pay higher interest rates. There could be an acceleration clause on the financing. Those things have to be worked out with the state. But we do know this, if we don't meet our job commitment requirement, there is going to be some pain.

Paul Fear: The bottom line for the city is if we don't use \$140,000 or whatever number it is minus the \$14,000 or whatever we have to pay to them, we never dip into our pockets to make the city school districts whole if we haven't gotten it already back. But we could end up getting zero if the number of jobs aren't there because all of our money that we get may have to go to hold the city schools harmless. Is that correct? We could be at zero, but we'll never be at a negative. Everybody's to the good somewhere.

Scott Ziance: The estimated make hold payment, total, to both school districts at a \$14.5 million value, is \$51,300. So even if, theoretically, there was no excess TIF service payments, then obviously \$51,300 is a small portion of \$140,000. Obviously, it could be \$140,000, it could be \$150,000, it could be \$130,000, it could be...

Paul Hunter: But that is under 10 year/25, the \$51,000, right?

Scott Ziance: The \$51,000 is what is what we're talking about with the school district, and that's about what the number....

[Multiple people talking over each other]

Russ Smethwick: That number is for the Wilmington City Schools and the Joint Vocational Schools – the 51,000, is what we estimate to be the make whole amount to get the schools back in the revenue position as if the building...

Paul Hunter: ...if you do that, your TIF is ten-year limited as far as the schools go.

Russ Smethwick: That's why we have to work with the schools and the city council, because in order to go beyond the ten years, you have to get an agreement.

Paul Hunter: You can steamroll the school to 10/25.

Russ Smethwick: We would need approval.

Paul Hunter: But your \$51,000 is based on that approval. Not on...

Russ Smethwick: That's right. This is just calculations, that if we all came into agreement, this is what we think our estimates are. We openly share this information with the schools and the city council. If there is disagreement, then let's talk about it.

Paul Hunter: If the \$51,000 keeps the schools whole but the ten years elapses, then what do you do for the other 15 years?

Russ Smethwick: Well, this is a 25-year TIF. That number is on an annual basis. I may not be understanding your question...

Sarah Williams: There are a couple of things I think that are getting missed. First of all, it's between the school district and the city to negotiate the amount. The school district needs to feel comfortable with it. The city needs to feel comfortable with that payment. It has nothing to do with the Company, other than the fact that we're going to share...here's how much TIF service payment in lieu of tax we're going to pay. If the tax rate goes up, if the property valuation goes up, there will be more money. It is between the school district and the city to ultimately decide what happens to that more money. They can pay off the TIF sooner, send more money to the school district, they can keep more money. That is between the school district and the city.

Paul Hunter: But again, the \$51,000 is 25% of the....

Sarah Williams: But that is between them to negotiate. We're not really discussing the number here. We're just trying to get to a point where...this is the proposal, this is how it works, now people need to go back to their respective boards and figure how it to make this work between them. They need to come up with something between them that allows this community to have 259 new jobs that will spread throughout the community and generate more income and hopefully build the schools, the city and everything else here. We have to start somewhere.

Paul Hunter: So, if the schools agree that the 25% over ten years, but your estimate is assuming the 25%. That is what this \$51,000 is based on...the 25%. The school is supposed to be held harmless at 25% of what they've gotten.

Mayor Riley: That will be a conversation between city council and the schools.

Paul Hunter: Well, they're putting out the information...

[Simultaneous inaudible comments]

Sarah Williams: We're making an estimate of how it could work.

David Hockaday: I think that's what Mr. Smethwick did was to get the discussion going. He gave you an illustration of how the TIF is structured. The actual details will be done in the negotiation between the city and the schools. Page 6 is just an illustration of how things would work. The numbers are not concrete.

Mayor Riley: Does anybody else on council have any questions?

Brian Shidaker: Randy, I have a quick question. Scott, maybe you can answer this for me. It's regarding the estimated additional city income taxes. So, do you envision that there would be some type of compensation agreement between the schools and the city? Correct?

Scott Ziance: Correct.

Brian Shidaker: Will you let the city know what would happen if we could not reach an agreement with the schools and the city.

Scott Ziance: Sure. Thank you. Statutorily, if there is no agreement reached between the city and the school district with respect to any type of property tax abatement or TIF where the school district is going to be held harmless on the growth basis, which is what we are talking about here, the city is required to share up to half of...it's basically 50% of the new income tax revenues with the school district. There is typically an offset for some infrastructure, but again, assume 50% of the new income tax revenues. So, again, we're trying to set forth a structure for a win-win-win deal where everyone has positive benefits from it. Thank you for pointing that one point out.

Mayor Riley: Well, thank you very much. I certainly appreciate the input. I know that the Port Authority and ATSG have been negotiating extensively to get the JUMP hangar built and bring those jobs to the community and we certainly appreciate that. This is our first glance at TIF in a public session, so obviously there were a lot of questions. I so much appreciate you coming tonight and sharing them with us. Obviously, there are a lot of assumptions being made, a lot of details to iron out, but at the end of the day, I don't know how history will paint me in another 3 ½ years at the end my term as a mayor, but I will not be characterized as the mayor that stood in the way of jobs, that's for sure. I can think of a lot of reasons why this might make me a little bit nervous, but I can think of 259 good reasons why we need to work together to bring this about. So, I appreciate you being with us tonight and your input. Thank you.

Russ Smethwick: Mr. Mayor, thank you. Members of Council, thank you.

Mayor Riley: I have a few other items under my agenda. I received an email just today. This will cross you...boy, I'll tell you what. I got an email today from the City Manager of Latrobe, PA, challenging us on our claim for the home of the banana split. In fact, I'm sorry that Gary Hufferberger isn't here tonight, because the email is actually addressed to Mr. Hufferberger. Did you get a copy of this?

Andrea Chaffin: There was one on our Facebook page.

Mayor Riley: Well, it will have to come off now. They are challenging our contention that we are the home of the banana split. They say that just because we have a festival does not mean that we are the home of the banana split. And Alexander Graziana, the City Manager of Latrobe states in his email talking to Mr. Hufferberger, "Maybe you and your mayor, Randy Riley, and festival chairman Kevin Johnson would like to come to Latrobe and sample some of our history and banana split at Valley Dairy. Or possibly I could ship over some Valley Dairy ice cream with a case of bananas." He obviously does not realize that there's a whole lot more to a banana split than ice cream and bananas. You have chocolate syrup, strawberry topping, pineapple topping, whipped cream, nuts, and, of course, the cherry on top...a cherry on top. So, this guy does not know, and I hope this goes on YouTube, because although Alexander Graziani sounds like a very nice gentleman, he obviously does not know how to make a banana split. So, if he wants to learn, he is welcome to come to Wilmington, The Home of the Banana Split, to learn how to make one. We don't think that we invented the banana split because we have the festival here, we have the festival here because Ernest Hazard invented the banana split. So, I got that off my chest. Thank you very much.

[Applause]

Mayor Riley: The other thing that I do have. There was some concern in one of our council meetings in the past month or so about the Family Dollar sign on Locust Street – how tall it was. There was a suggestion that it be considerably lower. I stopped down and spoke to Chad McElwee, who was the contractor there, and he gave me his father's name, Doug McElwee, who is actually in charge of the building. I received an email just this week from Michelle Horner, who is in our Building and Zoning Department. She noted that she wanted to pass this along and I'll pass it along to council. She spoke to Doug who is building the Family Dollar store. He said that the mayor asked him to lower the sign on Locust Street about a month ago. Doug just got it all worked out with Family

Dollar, and the sign will be lowered. The pole will be about three feet out of the ground, and the five-foot sign will be on top of that, for a total height of eight feet, ten feet lower than it currently is. So, it's an eighteen-foot sign now, but it will be considerably lower than that. So, we got some concession from the Family Dollar people, which I certainly appreciate. Also, I would note in your packet there was an invitation to the Flag Day Ceremony at the Elks Lodge on Saturday morning at 9:00. Commissioner Pat Haley will be the speaker at that program. So, if you can make it, it certainly is a good program. One other thing...this morning, in fact, we received a call from one of our senior citizens who lives on the west side of town who was very upset because she had received a phone call from a young man who was crying and said that he was her grandson and he had just been locked up in Mexico. And somebody took the phone away and threatened that they were going to keep him locked up if she didn't send so much bail money down to them. This lady told the guy, she said, "I'm 98 years old, but I'm not stupid. I'm not sending any money to anybody." It just happens when I was home for about a half an hour this afternoon, on ABC national news, they were talking about just this type of scam. So please, if you know of anyone who is getting phone calls that seem to be suspicious, hang up, don't believe it. She actually called her grandson in Texas and he answered the phone on the very first ring just about and everything was fine. I heard that we had one other type of phone call like that. So, please be aware that that is happening, and for some reason, Wilmington is getting hit. I am glad to have Denny Gherman with us tonight. We received a thank you note from the City of Moscow – a very nice note thanking all of the people that came from all around southwest Ohio and helped them out. As you recall, we had, how many Denny?

Denny Gherman: 24.

Mayor Riley: Twenty-four of our employees took time and went to Moscow. I believe we had quite a few people there from the Water Department, Service Department, Landfill, Wastewater Treatment. A lot of our employees went down to help them out after that horrible, horrible tornado that they had. So, they sent us a thank you note, which I certainly appreciate. That's it, Scott.

President Kirchner: Thank you, Mr. Mayor. Before we get into committee reports, not to insert too much controversy, but based on what has come our way from Latrobe, Pennsylvania, I will consider a Department of Banana Split Defense potentially a new committee. We will have consultations with the mayor and see what will be necessary to defend our banana split ownership.

Mayor Riley: I think Rob likes that idea. You were going to report on Banana Split later. I think I stole some of your thunder.

Councilman Jaehnig: That's alright. Steal away.

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

Asset, Acquisition and Use –Chairperson Bob Mead had no report.

President Kirchner: Thank you. I would indicate, Councilman Mead, that I believe as part of this TIF issue, there may be matters coming in the way of the Asset, Acquisition and Use Committee. So, I would ask that you be ready as we find out the details of what should move and when to hold a committee meeting. We will let you know as soon as we have the sequence of events and information we need. Thank you.

Finance Committee – Chairperson Bob Mead: There are two items on my agenda this evening, Mr. President. The first item is three readings on an ordinance making supplemental appropriations. You each have the individual appropriations on your included handout. This money is money that already exists. It does not have a negative effect on the General Fund. It is merely transferring it from a pot into the line item so it can be used by the various people.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

President of Council asked for discussion.

Seeing none, President called for roll call vote.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5027 passed as read.

Councilman Mead: The second item this evening is the first reading on an ordinance making miscellaneous transfers. The same thing is involved. It does not have any negative effect on the general fund. We are moving money around.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Miscellaneous Transfers.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed

Director of Law read ordinance by title only.

Mead requested that the second and third reading be on the Agenda for the next meeting.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson Mark McKay: Our first item, I would ask the President to convene a public hearing having to do with the abandonment of East Fulton Street.

President Kirchner opened the public hearing for the abandonment of East Fulton Street.

Councilman McKay: Basically, this is a requirement by the ORC whenever the city would consider abandoning property. This has been requested by the property owners of this area which is between their two properties. At this time, if there are any comments, they can be made.

President Kirchner: Is there anyone in the audience to speak on the matter this evening?

Service Director Reinsmith: I will say this. I think both parties probably wanted to be here to talk about it or at least be here, but I know at Planning Commission we told them at the next council meeting we would be setting a public hearing. Then, after that meeting, the Law Director had found the ordinance where ORC said that if both petitioners petitioned the vacation, then I think a public hearing wasn't necessary. So, I think that is probably why they didn't show up tonight. Because they were told that it would probably be a date later than tonight.

President Kirchner: And all members were in full support.

Service Director Reinsmith: Yes. They both signed the petition. That is why Brian said that they can waive the notice of public hearing.

Law Director Shidaker: Yes, they petitioned. As long as there is consent from all members, a public hearing is not necessary. But we put it on the agenda anyways just to be safe. Thank you.

Councilman Jaehnig: Since they're not here, to speak on both property owner's behalf, I think this is an excellent thing to do. Both sides have taken great care of that property over the years to make sure that it has not been rundown, blighted or grown up weeds. It really has been taken care of nicely. It obviously that we are never going to develop that into the alley or street that we had talked about. I appreciate all of the time that they have taken to take good loving care of that property.

Councilman Wallace: Mr. President, I agree that it's good for all parties, both the owners and the city.

Chief Duane Weyand: I would echo the same sentiment. I've been over there numerous times [inaudible for transcription], I guess my only concern is, as many times as I have been over there, the question I have for Larry or anyone who can answer it, what happens when Jim sells the property and moves on? That's a natural waterway and if somebody dams it up, it can cause flooding. Would there be any recourse?

Service Director Reinsmith: You can't alter a waterway. That's a state law.

Councilman Jaehnig: We have an easement going through there also, don't we Larry?

Service Director Reinsmith: For sanitary sewer.

President Kirchner asked if there were further comments.

Seeing none, President Kirchner closed the public hearing.

A motion was made by McKay and seconded by Wallace to give the first reading only on the ordinance To Vacate a Portion of East Fulton Street Right-of-Way between 466 and 508 North Walnut Street.

Motion passed

Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Councilman McKay: The next item is the first reading on an ordinance amending the traffic control map and the traffic control file. This has to do with parking on Gallup Street. We've had a discussion in council. We've had two committee meetings regarding this. The short version is that we would like to remove parking from the east side of that street to facilitate safety vehicles and snow removal during the winter. To help with that process, there has been a parking lot constructed in the rear of the homeless shelter, which generated quite a bit of parking on that side of the street. So, this has helped to make that process a little bit easier. I think it would be appropriate now to go ahead and ask if there are any further comments from the audience or council.

Councilman Siebenaller: There were questions whether or there is access off of Main Street or one of the back streets to the parking lot.

Councilman McKay: He is talking about the concern that a resident had about the easement to the parking lot.

Law Director Shidaker: She purchased the property with the easement already there on her property, so she knew it existed. It's for egress and ingress to the homeless shelter, so there's really nothing she can do about it other than be upset.

Councilman McKay: As I said, we have discussed this. Actually, this is the second time around for this. We have discussed it an awful lot.

A motion was made by McKay and seconded by Wallace to give the first reading only on the ordinance Amending the Traffic Control Map and the Traffic Control File.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed
Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President, I have one item on the agenda, and I also have a recycling report that I laid at your places tonight. I would like to say that we have 1,474 bins out to the residents right now. We also have the city building on the recycle route, and the city park will soon have recycle barrels. So, that is going very well. We've delivered 52 bins since January, and we're now at a 36% residential participation, which is excellent. Even though we have improved, I think we can do better. We need to recycle; it's the right thing to do and to save our landfill. I laid a few copies over on the table in case anyone is interested in reading that. The second item I have is a first reading on a resolution authorizing the Director of Public Service to enter into a contract with Brechbuhler Scales, Inc. for the purchase of an above-ground truck scale for the Sanitation Department.

A motion was made by Wells and seconded by Mead to give the first reading only on the resolution Authorizing the Director of Public Service to Enter Into Contract with Brechbuhler Scales, Inc. for the Purchase of an Above-Ground Truck Scale for the Sanitation Department.

President of Council asked for discussion.
Seeing none, President of Council called for a vote.
Motion passed.

Wells requested that the second and third readings be on the Agenda for the next meeting.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Loren Stuckert: Mr. President, we have several items. First of all, we have a resolution that we want to move on. It has to do with the CDBG Formula Program. Whitaker has been before us a couple of times and in committee.

A motion was made by Stuckert and seconded by McKay to suspend the rules and give the second and third reading on the resolution Authorizing the Submittal of an Application for the FY 2012 Small Cities Community Development Block Grant (CDBG) Formula Program, and Declaring an Emergency.

President asked for discussion.
Seeing none, President called for vote.
Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the resolution by title only.

A motion was made by Stuckert and seconded by Jaehnig to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Res. No. 2287 passed as read.

Councilman Stuckert: Next, Mr. President, we have an ordinance that calls for rescinding the codified ordinance that we had on political signs that specified a period of time that the signs could be displayed. We have since discovered that there is a Supreme Court opinion that states that that would be unconstitutional.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the ordinance Rescinding Codified Ordinance 1303.01 Regarding the Period of Display for Political Signs.

Motion passed.

Director of Law read ordinance by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert: We have a couple of our sign ordinances, one of which we took back to committee and reworked and the second one that came to us at our last committee meeting.

A motion was made by Stuckert and seconded by Siebenaller to give the first reading only on the ordinance Amending Chapter 1167.07 to the Codified Ordinances of the City of Wilmington Portable and Temporary Signs.
President asked for discussion.

Councilman Jaehnig: If I can ask Councilman Stuckert to please explain the ordinance so the audience understands what this new sign ordinance is.

Councilman Stuckert: You mean the one that we're reading now?

Councilman Jaehnig: Yes.

Councilman Stuckert: Well, we have an existing set of ordinances on signage, and they're divided by chapters. We're going through and revising those to more or less update them with regard to various aspect of signs to make them modern. We have assistance from Chris Schock and Steve Brown and some of the planning people. Rather than do the entire code, which is pretty lengthy, we are taking it a chapter at a time. That is where we are going with each one of these. This one has to do with temporary signs. Were you suggesting I go through and point out all of the things that have been changed?

Councilman Jaehnig: No. But, we have businessmen in the audience, and that's what they're particularly interested in is how these sign ordinances might affect their businesses.

Councilman McKay: Just an overview of what the ordinance is doing.

Councilman Jaehnig: Yes. Just an overview.

President Kirchner: Councilman Stuckert, if I may, as I recall when we addressed this, basically, currently all temporary signs by our code, the old code, are illegal. There are none that are allowed, although many are seen around town. The effort in this is to establish specific types of signs and permit types of signs to try to help our businesses be within code and be consistent across the areas.

Councilman Stuckert: That's exactly right. We didn't allow them at all. So, we have a whole long list of regulations on these temporary signs that we are now going to allow. I think it's awfully lengthy. If you want me to read all of the things we have added, I can do it.

Councilman Jaehnig: No, I just think it's important that those in the audience understand that in the past banners were excluded. We are now going to allow banners for your storefronts for up to 30 days without a permit. After 30 days in length, you'll need to have a permit to have it longer. That flags will now be allowable on your business and that we're going to approve sandwich board signs. At that particular point, you'll need to meet these new sign regulations. And if you're in the historic district, you will also need the regulations of the Design Review Board. But, what we have right now are a lot of signs that are put out in a desperate need to get business, but because we have banned all of them in the past. Thankfully, we were not enforcing the fact that they were banned and allowed them to be put out, but we have ended up with all kinds of different signs and there is no real cohesiveness to what is being put out there. This will allow and help businesses know what they can do and can't do in a reasonable manner, yet allow the city at that point to also enforce and bring some cohesiveness and a standard look to the city. That's really all I was looking for...for that basic understanding.

President Kirchner: Does that complete discussion?

Seeing no more discussion, President asked for a vote.
Motion passed
Director of Law read ordinance by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert: The last one again has to do with signage. These are chapters 1167.01 and 1167.04 and they have to do with wall and projecting signs. We have gone through and eliminated some of the code and then we have added certain language to parts of it also. We changed some of the language that has to do with permanent signs that are attached to walls. We also added language in regard to our yard arm signs. We defined it as a sign suspended from a ground-mounted pole or other similar support. We've added some height limitations. It cannot be over five feet and it can extend into the right-of-way. We have defined projecting signs as signs that would be attached to a building or suspended to a building or structure and extending away from the building or structure. Otherwise, the signs on the building and it extends out away from the building. That's the definition of projecting signs. Then we added new language that will permit those projecting signs to extend into the street right-of-way provided such sign extends no closer than one horizontal foot from the curb and does not exceed six feet from the face of the building. We added language regarding projecting arm signs that they have a maximum area of 68 square feet. We added language that requires that projecting signs should be a minimum of eight...

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Councilman Stuckert: ...and signs to be closer than 20 feet to an existing projecting sign and that they should be attached to a building wall, sign face at an angle of ninety degrees. In the H-1 and other historic districts, they should also should comply with any applicable rules and design rule processes. We have design rule processes in the Historic District. I think most of you are familiar with that. There shall be one yard arm sign permitted per frontage side on a public street per lot. That pretty much is the new language. I assume you want discussion.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the ordinance Amending Chapters 1157.01 and 1157.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs.
President asked for discussion.

Councilman Jaehnig: Well, this is just the additional signs that again were prohibited before. The yard arm signs were illegal. Projecting signs were illegal, so these are the additional new signs that were not allowed to be used.

When we first started working with Judiciary Committee this year, one of the first things we said was that if we can't or don't enforce an ordinance, what's the point of having it. So, I like this because it's reducing restrictions on what businesses can do. Secondly, it also in a small way improved respect for law and should make our ordinances easier to enforce because they are going to be easier to follow.

Mayor Riley: I would also note, just as an aside, that a lot of the signs we have been discussing here, we went back and looked at some of the historical pictures of downtown Wilmington and there were yard arm signs and projecting signs and it looked quaint. It didn't look cluttered or bad. So, we're actually maintaining that historical look of the downtown area.

Councilman McKay: There were a bunch of people on the streets.

Mayor Riley: Wasn't that nice.

President asked for further discussion.
Seeing none, President called for a vote.
Motion passed

Director of Law read ordinance by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert: That's all I have.

President Kirchner: All right. Excellent work on updating our codes and helping our businesses understand and be able to legally advertise. I think it is great work.

Safety Committee- Chairperson Don Wells had no report, but he did point out that there was a typographical error in the truck scale ordinance and asked that it be corrected before the next reading. The word "of" needed to be omitted in the second Whereas.

Downtown Revitalization Committee - Convener Mark McKay: I don't have any legislation but I would like to say that we had a band last weekend and we would love to see that every Saturday and every day in between. We are working on it, aren't we, Mr. Brown?

Steve Brown: Yes sir.

Councilman McKay: Do you have any further comments? What do we have planned next?

Steve Brown: The first third Friday concert will be in two weeks, a week from tomorrow in the mural parking lot. Then the following week we will also be hosting GOBA downtown with a concert beginning at 8:00 in the evening. The public is invited to that also. As a matter of fact, the public is encouraged to interact with the bicyclists.

Dan Stewart: Brown Bag.

Steve Brown: Thank you, Dan. Every Thursday in July from 11:30 to 1:00 is free music at the Murphy Theatre on stage. Bring your own lunch and you can sit on stage and visit with the musicians and get a new perspective on the theatre. Air-conditioned. If you've never been on the stage, it is very cool to look out and see. So, everyone is invited to that in June and July on Thursdays.

Councilman McKay: These things don't just happen. The Main Street Group of which Steve is the Director is a big part of DWCIC. The events take a lot of planning. So, thank you for all you do. That's all I have, Mr. President.

President Kirchner: Thank you, Mark. Thank you, Steve, and thank you, Dan.

Parks and Recreation Committee - Convener Rob Jaehnig: We have no legislation. I just want to report that last weekend was Relay for Life, which went over very well out at the parks, culminating with a fireworks display by Rozzi's, which was a donation. They were actually looking to test some new fireworks and so just before the grand finale, there were five shots that went up that were a brand new firework called broken glass. If you didn't get to see them, they were absolutely stunning. Really takes fireworks to a new level, in my opinion. It was something to see. That was wonderful. This weekend out at the parks is Banana Split. So, make sure you get out there. My personal favorite is always the master's competition. Because we are the true home of the Banana Split.

President Kirchner: That's not happening this year. Before it gets out to the public...Chief Weyand.

Chief Weyand: I was responsible for the Master's Competition this year. I did everything in my power to twist every arm. I threatened. I told them they would not be able to drive on our streets if they did not compete, and I had only one taker. For whatever reason, I had numerous problems with people. There is just a lot of turnover in the restaurant industry in our county. I reached out to other places and made a lot of phone calls. Unfortunately, I was down to one person and I had to cancel.

Councilman Jaehnig: How about this...I'll throw out the challenge to my fellow councilmen. How about a council challenge for the Banana Split Master's Competition? Or is it too late?

Chief Weyand: How about we put an eating competition together. I know the mayor was disappointed that I had to cancel.

Mayor Riley: Who was the most disappointed person in Wilmington?

Chief Weyand: It was the mayor.

Mayor Riley: I was one of the judges. I got to sample all of these banana splits over the past several years, and I'm ticked.

Chief Weyand: I tried my best. I told them I would be the shortest reigning Chief of Police ever, so I did everything I could do.

Councilman Jaehnig: Well, make sure you make my favorite part of the entire banana split, the banana split evening contest. It's a great event. There's a great deal going on. There is a lot of music and a lot of things besides just the banana splits. So, make sure you visit it this weekend. Thank you, Mr. President.

President Kirchner: thank you, Rob. And I will echo the mayor's sentiment that we have just covered classified material not to be shared with Latrobe, Pennsylvania.

Income and Levy Tax Committee: Chairman Rob Jaehnig: Mr. President, we obviously have no legislation as of yet. We are continuing with discussions on the potential options that the mayor and council could have at their fingertips if it was determined that review of the taxes were needed. So, the discussion will continue on. We will have be having a second meeting, not next week, but the following week, and we will put notices out on that. I'm sorry...a third meeting. That is it.

Service Director- Service Director Larry Reinsmith had no report.

Safety Director – Safety Director Russ Burton had no report.

Mayor Riley: I would like to note on the safety side, and Duane, you can fill in. Last weekend, the Wilmington City Police cooperated with the Ohio State Patrol in a joint effort. You might give some detail. I was very proud of the guys for what they did. OSP is absolutely delighted with our work.

Chief Weyand: Yes. What we did is we kicked off our summer with one of the first roundups that I can think of that we have done as a Police Department for a drug roundup. It started with Scott Bacon being on our Task Force this year. We have really been hitting it hard. So, we had fifteen indictments that we served last Thursday for drug charges. All of them are high level felonies from heroin trafficking to crack cocaine. In addition to that, what we did is we had made what we call a high-intensity drug trafficking sweep and we spent two days (we were able to get some federal money to help offset the cost of the overtime), but we took two days and we did a lot of traffic stops and sat on some of the hotels and motels that weekend. It's common when they sell a lot of drugs, they do it out of the hotels, just because if you're going to do a search warrant there, there are no laws to the person who rents the place/owns the place. So, what it is, we sat on a couple of those and made some arrests from people that were trafficking heroin at the hotels, which was separate and above from the indictments that we served. We took the stuff from there, and then we went to some other places and was able to make some other arrests in different parts of town. So, it was kind of a great weekend for us. I think collectively we might have had close to 40 arrests in two days, and we did some traffic stops and we had our canine working out at the cars. We made other arrests for low-level drug offenses as well. So, it was a pretty good two days for us.

Mayor Riley: Good job. Thank you.

Reports:

A motion was made by Wells and seconded by Jaehnig to approve the Income Tax Report – May 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

President Kirchner: Councilman Stuckert, I did fail to ask that the Judiciary Committee similarly be ready to consider the TIF matter. But, if you can check with your committee members, we'll working on getting new information before the committee. I will be talking about the Law Director about legal counsel for that matter.

Councilman McKay: Mr. President?

President Kirchner: Yes.

Councilman McKay: I did email you, and I don't think you responded, but I'm wondering on the TIF legislation, so we could give it the discussion necessary, if you would consider possibly a special meeting rather than doing it just in committee meetings.

President Kirchner: Actually, Mark, my understanding to the process is that initially the city council has to pass an indication that they are considering a TIF with a notification to the school systems. There is a period of time in there in which a public hearing has to be held, during which discussions would occur. Now the matters of discussion would formulate the agreement, which I will agree with you, I think would be necessary to come before the whole council for open discussion. But in the beginning, my understanding of the process is that the very first thing they would consider is the notification necessary, and that would actually initiated the process where discussions can begin. Which is the reason why I had not responded on that. As a matter of fact, we didn't know until this evening that they would be attending either, was the other part of that. Your point is well-taken, Councilman McKay. This will be a matter that will require all of council to be involved. As we begin that process, I encourage you all, even though you cannot participate in the discussions in committee, to attend and understand what the dates are and what the legislation process will be, and we will move from there.

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

Dan Stewart: 574 Hale Road. Wilmington, Ohio. I don't know if this is the proper group to address this to, but I figured I might as well start at the top and maybe it can trickle down. Since the News Journal moved out of their location, the area behind there has become a dump. I personally have removed two mattresses from there. Right now, there are four more there. There have been tires that have been dumped there. My real concern is one of the mattresses now has a spot on it about this big with burnt matches, and it is a burn hole in the mattress. I just want to make council aware of the situation, and hopefully it can be taken care of by whoever needs to take care of it.

Mayor Riley: Thank you, Dan.

Councilman Jaehnig: I wanted to thank you for all of the work you did in regards to the Cash Mob this weekend. We had a lot of fun and I would like to see that happen more often.

Dan Stewart: I would too. I would like to see that every weekend with some business in the county.

Councilman Jaehnig: I would do it every weekend. I'm cooking Mexican this weekend.

Dan Stewart: Just to elaborate on that. We had two employees in the store that would not have been there had we not had the Cash Mob at our store, so that is two employees that we have added. It's just a trickle, but we had over 100 sales more than we would have on an average Saturday. I think the Cash Mob is a wonderful thing. It benefited us and I would like to see it benefit other businesses.

Councilman Jaehnig: I think The Crave did quite well after the Cash Mob also.

Dan Stewart: Yes, The Crave did. We sent a lot of people down there.

President Kirchner: I would like to compliment you, once again, on your window display. I almost have to pull over and come in and try to put a ball through that thing every time I drive in.

Dan Stewart: That display is an entry for a contest for the Melissa and Doug Toy Company. They are going to select fifteen of what they select as the best entries, and then those will be put on Facebook for judging. It's international. Any company that handles Melissa and Doug products is entered into this. We're the only ones who are listed so far. They have 104 listed on their site so far. We're the only one who plugs in.

President Kirchner: Should you end up in that final voting, we would hope that you would come back to council and let us get the word out.

Dan Stewart: We will do the best we can.

Mayor Riley: Thank, Dan. That's exactly what I was going to say. I was going to comment on your window. If we get to the voting place, we will just encourage everyone to put that down in your list of favorites and vote on it every day.

[Banter]

President Kirchner: Chief, based on what he has described behind the News journal building, would it be possible to ask any cruisers moving through that area to perhaps head down that alley.

Chief Weyand: My suspicions are that there are some apartments back there and I think there's some turnover. I think it's just becoming a [inaudible for transcription]

Mayor Riley: Larry will get a hold of Donnie tomorrow and let him know about the mattresses. We can't leave that sitting back there.

President Kirchner: I myself am concerned from the fire standpoint. If there are, and I know our Sanitation Department does a great job on following up on those items, but in the event that there is something out there. Obviously, if I am not mistaken, we have had other little burning incidences with trash in that downtown area down there.

Dan Stewart: That would be awesome.

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

Councilman Mead: Mr. President, that happened in the back of Dan's store some time back. They tried to inadvertently burn the back end off his store. So, that can happen. I also have something to say. I was hoping there would be more people here tonight. I know, in looking out over the crowd, we're pretty much preaching to the choir. But, I had a contact with a friend of mine over the past week, and he's the kind of guy that always tells exactly what he thinks. And, I like to listen to him, and I'll listen to him for hours. When he was done, he told me he was going to have people up here. I told him, "that's the greatest thing in the world." I said, "To get people up here, I think that's great." If you can people from the public. I don't care if they want to come up here and they have complaints, if they want to rip us up, whatever they want to do. If you can just get people to come up and talk and take part in their government. Say something. You

have rights and you need to exercise them. We all need your input. Especially the people who aren't here are the ones who need to hear this, but I encourage anybody to... I don't care if it's against me. Whoever. Whatever they want to do. If they want to hit somebody...hopefully not with a missile...but if they want to come up and have their say, there's a time to do it. I don't mind it at all. I love it. Because it just says this is the greatest country in the world that we can exercise these rights and that the chief is not going to come and put us in jail.

[Banter]

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, June 21, 2012, with President Scott Kirchner presiding.

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

Assistant Chief Duane Weyand was also present.

A motion was made by Mead and seconded by Wallace to excuse the absent member. Motion passed.
Absent member excused.

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 Stuckert and seconded by Mead to approve the minutes of the last regular meeting, June 7, as received. Motion passed.
Minutes approved as received.

President Kirchner: The second item on my list tonight is a Notice to Legislative Authority from the Ohio Division of Liquor Control that the Limited Liability Company Disclosure Form for The Loft at Samuel Walkers, 64 W. Main Street, is on file with the Clerk of Council. Mr. Law Director, is that all that's necessary?

Councilman McKay: Is this is a change?

Councilman Jaehnig: It's a transfer of title of the new owners.

Mayor – Mayor Riley: I would like to step down and invite Wayne Smith and his family, if they would come on up. For those of you who don't know Wayne, Wayne Smith has been a fixture in downtown Wilmington for quite a few years – in fact, fifty. It doesn't happen that often that we get one person running a business and being an active member of our community for such a good long time. As a result, we have a proclamation for you, Wayne.

WHEREAS, For 50 years, since he first began his career working in George Moore's shop, Wayne Smith has been a barber in downtown Wilmington, Ohio. In 1964, he opened his own establishment and has owned and operated Smith's Barber Shop ever since; and

WHEREAS, During his career in the Wilmington Barber business, Wayne has cut more hair, listened to more yarns and told more stories than most people could do in a lifetime; and

WHEREAS, Wayne's Barber Shop is *the place* to go to find out what is happening in politics, sports, current events and topics of a more diverse nature than can be described here; and

WHEREAS, Wayne is so well-known, well-liked and admired that many local politicians stop in his shop just to see what is really going on the community.

NOW, THEREFORE, I, Randy Riley, Mayor of the City of Wilmington, Ohio, on behalf of all city residents, do hereby congratulate and recognize

WAYNE SMITH

as one of our finest citizens and recognizing that his 50 years of business is not over yet, we wish him many, many more years of hair cutting, listening and advice-giving to all the patrons of his shop.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND CAUSED THIS SEAL OF THE CITY OF WILMINGTON, OHIO, TO BE AFFIXED THIS 21ST DAY OF JUNE IN THE YEAR OF OUR LORD TWO THOUSAND AND TWELVE
RANDY RILEY, MAYOR
CITY OF WILMINGTON, OHIO

[Hearty applause]

Councilman McKay: I know Wayne doesn't want to make a speech, and he won't, but there are a few things of note that really should be said also. Don is not here tonight, but he cuts Don Wells' hair on a regular basis, my hair for fifty years, and Bob Mead's hair. He also cut my father's hair, and George cut my father's hair before you.

[Banter]

Councilman McKay: We skipped a generation because I had daughters, so they did not get the benefit of Wayne's wonderful abilities and the things that he can help you out with – what I call “life's little lessons.” But, my grandson got his first haircut from Wayne also. So, those are just some of the achievements. Thank you very much, sir.

[Applause]

Councilman McKay: Actually, Wayne has been through a couple of things recently that would have knocked most people down, but he is still kicking.

Mayor Riley: I have a few other things. A couple of weeks ago, I noted that there – and I don't think Gary Huffenberger was here a couple of weeks ago, but I had noted that I had received an email that was directed to Gary Huffenberger from the City Manager of Latrobe, Pennsylvania, challenging us about claiming to be the originator of the Banana Split. Since our Banana Split Festival has come and gone and was very successful, I decided that I would respond to Mr. Graziani, so he received this email today. I have a copy for you, Huff.

Greetings to our friends in Latrobe, Pennsylvania, from your good friends in beautiful Wilmington, Ohio, birthplace of the true banana split. I truly appreciate the offer of a case of ice cream from Valley Dairy and a case of bananas. Of course, we at the birthplace of the true banana split know that it takes a lot more than ice cream and bananas to whip up this tasty treat. Our version of the true banana split includes ingredients such as chocolate syrup, strawberry topping, pineapple topping, whipped cream, a sprinkling of crushed nuts and a cherry on top. Although our claim to the banana split and the Banana Split Festival are, in our minds, at least, rock solid, we do concede that Latrobe is the home of the best lager ever made, Rolling Rock. Rolling Rock has been one of my personal favorites for years. As a result, Latrobe has always had a special place in my lager-loving heart. I know that much has been made of the mystery number 33 on the label of each Rolling Rock that is produced. And if you have ever seen a bottle of Rolling Rock beer, there is a number 33 on the front of it. There are probably a dozen different theories as to what that truly means. So, I gave him ours. My theory is that your forefathers in Latrobe used that as a secret tip of the hat to Wilmington's invention of the banana split. Count the number of letters in the following sentence: Wilmington: the home of the banana split. You counted right. It equals the mysterious number 33. We just wrapped up another great weekend of fun at our banana split festival. I would love to have you visit us next year during the festival. In exchange for a case of Rolling Rock, I am sure I can get you in as a celebrity judge at the Master Banana split-making contest. Best wishes to you, your mayor, council and all the fine citizens of Latrobe. Sincerely, Randy Riley. So, we're having fun with our brothers and

sisters in Latrobe. I'm sure that will make it to their newspaper at some point. This isn't exactly in Wilmington, but it is in Clinton County, and we'll probably get some help from this, but there has been in Hillsboro, Ohio, for a number of years a weekly Saturday night barn dance. In case you haven't heard, they are moving that to Clinton County. It will be out at 73 and 71 where Alma has her cheese barn. So, if you want something fun to do on Saturday night in and around Wilmington, the Richard Lynch Band will be at the Keeping it Country Saturday Night Barn Dance. I believe that's all I have, Scott.

President Kirchner: Very good, Mr. Mayor. Excellent work on the identification of the magic 33 mystery.

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

Asset, Acquisition and Use – Chairperson Bob Mead had no report.

Finance Committee – Chairperson Bob Mead: We do have three items on the agenda this evening. The first item is the second and third readings on an ordinance making miscellaneous transfers. Those transfers are in your packet and they have to do with moving money from communication salaries to civil service incidentals, \$5500.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Seeing none, President called for a roll call vote

Roll call: Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5028 passed as read.

Councilman Mead: The next item on the agenda is going to be three readings on an ordinance making supplemental appropriations. This item has to do with moving money to the sum of \$61,760 from the Waste Fund to the Capital Equipment Fund for the purpose of purchasing and installing a scale to weigh the solid waste coming and/or going from the landfill.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Paul Hunter: That's for the scale, right?

President Kirchner: It is. For the drive-on scale.

President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Jaehnig to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes;

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes.

Motion passed.

President of Council declared Ord. No. 5029 passed as read.

Councilman Mead: The next item on the agenda is going to be three readings on an ordinance providing issuance and sale of various purpose notes in the aggregate principal amount of \$902,500 in anticipation of the issuance of bonds. You have this thing in your packet and you can read it. It has to do with the bond and the notes that they pay on each year. It has to do with the extension of Lowes Drive, expansion of the city's landfill and David's Drive. Each year they are making payments on the notes for those projects that are lumped into one.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Providing for the Issuance and Sale of Various Purpose Notes in the Aggregate Principal Amount of \$902,500 in Anticipation of the Issuance of Bonds, for the Purpose of Discharging at Maturity Notes Heretofore Issued to Pay Part of the Costs of Constructing (I) Lowes Rod and Related Improvements, (II) An Extension to Davids Drive, and (III) Vertical Expansion of the City's Landfill, and Paying Related lawful Costs, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Jaehnig to pass the ordinance as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Motion passed.

President of Council declared Ord. No. 5030 passed as read.

Councilman Mead: That is all we have this evening for Finance Committee.

President Kirchner: Very good. Before we continue with committee reports, I would offer one thought, and I think perhaps law school was a terrible waste of talent seeing your ability to potentially read disclaimers on radio commercials. That was very impressive, Mr. Law Director. The mayor has also asked to return to an item that he wanted to add to his portion of the agenda.

Mayor Riley: I'm sorry I passed over this. One of the things that I want to do for the citizens and also for council, is you hear from Larry Reinsmith, who by the way is absent today, and you hear from Russ Burton, our Safety Director on a regular basis, but the other supervisors and superintendents and directors, you don't really get that much of a chance to meet and hear from. One of the things that I plan on doing is during my section of the agenda for the next as long as it takes, I'm going to invite someone in to talk about a topic that needs some clarification, needs some follow-up and gives an opportunity for a little discourse – questions and answers if you so choose. I've asked Danny Mongold to come today to talk about what I think is a very confusing topic, which is the civil service laws and how civil service affects the City of Wilmington. This issue goes back well over 100 years. It was in the late 1800s that civil service law was first passed, and it was as a result of, actually, the assassination of President Garfield because your history professors will remember this. It was a disgruntled office seeker who shot him. As a result of all of that, they decided that it was not going to be political favor handing out anymore, it was going to be a tested procedure. As a result, all civil service jobs are now tested. You have to take a test to pass the civil service laws. In Wilmington, being a statutory city as opposed to a charter service, having to abide by all of the laws in the Ohio Revised Code having to do with cities, we are a statutory city. We have to obey all of the civil service law. Danny handles all of this for us. Come on up, Danny, if you would.

Danny Mongold: Good evening. Randy did ask me to come in and speak a little bit about our employees and how we do government here at the city. We are governed under the collective bargaining units as well as Civil Service ORC. So, we have different

things that we have to do when we go to hire people or promote people or even abolish jobs and things like that. We have to go through a whole big process. To lay-off people, there's probably, when we did the lay-offs in 2010, there were probably, I'm going to say, 10-12-15 pages of rules and regulations just to lay-off. I think I gave one of them to Bob Mead. You said, "Wow, that's a lot of paperwork." That's the kind of things that we get into when we deal with civil service laws, Ohio Revised Code and bargaining units. It's like the mayor said, we are a statutory city, so we do have to abide by those rules and regulations. One thing that came up that the mayor talked about was the 35-hour work weeks that someone had talked about, cutting hours. Basically, under the 124.34A Ohio Revised Code speaks directly to that. What it says is that just as a cutback of all employees to do 35 hours, you can't do that under the Ohio Revised Code. The reason that you can't do that is because it talks about pay and position as well as some other things that you can't do just across the board. Now, there are exceptions naturally, and that would be moral conduct, neglect of duty, insubordination and things like that. The key to that is, it is all bound under cause or just cause or disciplinary action. So, what is the Ohio Revised Code under 124.34(a) says is the only way you can do that is for cause, and cause means a disciplinary action. So, I wanted to make sure that that was clear with everyone. Even though it says what it says, a reduction of hours is a reduction of pay, so that would fall under that category.

President Kirchner: Does the ORC forbid the employees from voluntarily offering a furlough program that would reduce their own hours.

Danny Mongold: No, it does not. Actually, I'm glad you brought that up. In 2010, we processed a furlough program. It began in April 2010. We had (and I'm going from memory here) 17 employees that did 79 days of furlough days, which amounted to somewhere between \$15,000 and \$17,000 in savings. The next year, we had four people. I believe the reason for that is, number one, we couldn't make it mandatory. We can't do a mandatory furlough program. It was voluntary. Well, the first year, we did have some people step forward and do that. The second year, I think that would have been the third year of no increase for the employees, we didn't get such a good turn out on that. This year, I believe maybe we've had one or two people do one or two days. But the program is there, and supervisors do know about it and employees do know about it, so I am hoping that there are some more people who take advantage of it.

Mayor Riley: Just in the last week or so, we sent out a reminder to everyone about the furlough program, encouraging them to utilize the furlough program to save some money in their departments. One of the caveats of that that I noted in the note that I sent out to all of the supervisors was go ahead and allow your people to take time out without holiday or vacation time, just furlough time, unless you have to pay time and a half to cover for that person. Then it ends up costing us more money. So, there are a few caveats in that. But, if someone wants to take some time off to take the grandkids fishing or whatever, we encourage them to do that.

President Kirchner: Is it limited to those that have grandchildren now?

Councilman Jaehnig: I'm just looking for a little bit of clarification of the furlough. If somebody takes a furlough when they still have vacation available to them or personal time or whatever is available, are they allowed then to bank that for the future also?

Danny Mongold: The vacation? Your speaking of?

Councilman Jaehnig: Right.

Danny Mongold: Currently yes, they do. One thing is, when they take a furlough day, though, they do not get billed any sick leave or vacation time. So, when they take a no-pay day that is truly a no-pay day, there is nothing else built into that.

Councilman Jaehnig: And it affects the amount of money that is being used to determine their pension and so forth.

Danny Mongold: Correct.

Councilman Wallace: But you're not saying if someone takes those furlough days and they were injured during that day that the insurance would not cover them.

Danny Mongold: No. I'm not saying that.

Paul Hunter: So, they are not enrolled in the health insurance for that time period?

Councilman Jaehnig: No. They are.

Danny Mongold: No, they would not do that, Paul. We would keep that available. Absolutely. Back to the 35-hour thing. There is a way that you could do that, and I am not suggesting it by any means. Actually, there are two different things you could do. You could lay off everybody that would come up to that amount of hours that you're speaking of. When I say everybody, I don't mean everybody. I'm talking about the equivalent of hours that would be to what you've talked about. How many people that would be? I don't know. I haven't done the calculations on that. Secondly, and I'm not recommending this either, I'm just telling you this as a matter of fact, you could lay off every employee in the city. You could then abolish those positions through civil service. Then we would have to recreate those positions, whatever that may be as far as job titles, job descriptions or whatever, then we would have to re-rate those positions. Which means we would have to look at what those salaries could be. They could be, who knows, the same, higher, lower, I don't know what that would be. Then, we could recall the employee. Somewhere in that mess there could be unemployment paid. There could be potential lawsuits from civil service employees and so on and so on. I don't know that that would be; I'm just telling you that would be a second way to do that. Like I said, I don't recommend doing that, but I wanted to tell you that it's a way.

Councilman Jaehnig: The third method would be to change the form of government from a statutory to a charter.

Danny Mongold: It would be.

Mayor Riley: Currently the State of Ohio, the Director of the State Personnel Board of Review, sort of operates as the top person in Human Resources for the state and determines these types of situations. In the City of Wilmington, we do have our own Civil Service Commission. The commission is appointed by the mayor and we currently have on the Civil Service Commission, Connie Hardie, Greg Law and Kevin Snarr, who serve as the Wilmington Civil Service Commission. Any questions involving the employment of, really anybody in the city, or as Danny noted, if we change job descriptions, they could appeal to the Civil Service Commission and have their job re-rated. It would be up to our Civil Service Commission who act completely independently. Even though they are appointed by the mayor, they are independent to make any determination that they feel is lawful based on the Ohio Revised Code. It is a complex situation.

Danny Mongold: Any disciplinary on non-bargaining units employees – the Civil Service has the final say on that. On the bargaining side, it would be a mediator or arbitrator of binding arbitration. There is a difference there. But, Civil Service Commission would have the final say in a civil service employee disciplinary action.

President Kirchner: Danny, it is my understanding that in many of the cities where they have moved from statutory to charter, the existing employees often are grandfathered in and would remain under the old descriptions, pay scales and things of that nature to avoid legal...

Danny Mongold: I think that's probably right, Scott, but I think there could be different things done. How it's presented, the whole package deal would be with existing employees and civil service and all that. I leave out South End here, they were PERS and I don't believe they are now. You could answer that more than I could, Randy. CMH?

Mayor Riley: Correct.

Danny Mongold: There's a way to do that, I suppose. I'm certainly not advocating that, because I'm always and advocate for the employees to a certain extent.

Mayor Riley: One of the biggest difference that I have seen in my career working in both basically the private sector and in civil service. In the private sector, using the hospital as an example. Hospital personnel, if your patient census is really low and you've got five people on the floor but you only need three, you can send two people home. They can take vacation day or holiday time if they have it, but if they don't have it or don't want to use it, you can send them home without pay. In the public sector, city employees, you cannot do that. You can't cut their wages or pay them any less unless they are willing to take a voluntary furlough day for that, regardless of what the work schedule might be.

Danny Mongold: That's it. Thank you for your time.

Paul Hunter: Danny, would you explain the difference between at-will employees and civil service employees. For the audience. These guys all know it.

Danny Mongold: Ohio is an at-will state. Basically what that means, and correct me Brian, if I'm wrong, it's really a grain of salt type deal any more. Because there are so many rules and regulations. The at-will thing means that you can quit at anytime you want and the employer can terminate you at any time they want...

Paul Hunter: Without cause.

Danny Mongold: But believe me, that doesn't work in today's society. There's ways to get around that also. So, if when they say an at-will state, in my opinion, that really means nothing.

Paul Hunter: Because of legal complications.

Danny Mongold: Because of all the legal complications for anything. Anybody can sue anybody for anything at any time for any reason.

Paul Hunter: That's on the bargaining units...

Danny Mongold: As far as?

Paul Hunter: In the city, our two bargaining units...

Danny Mongold: Well, we have three, Paul. We have three bargaining units. We have sergeants, we have the FOP Blue and we have IAFF firefighters. Those contracts are all coming up this fall, so we'll start negotiations in August. The current contracts go through 12/31 of this year, so we'll be bargaining and see where we're out and see how that's all going to shake out in the fall.

President Kirchner: Danny, based on the civil service law, if the city has run out of money, would they still be required to keep everyone on the payroll?

Danny Mongold: Economic factor is not a factor in the 124.34. It's only for cause, for just cause, and for any disciplinary action. It states that right in the book. Economic factors are not a cause for that.

President Kirchner: Okay. So, in spite of the fact that it may make the city go bankrupt and be unable to provide for the citizens, every position created by the council at any mayor's request would always be a burden under civil service is what you're indicating.

Danny Mongold: Unless it's for disciplinary reasons, yes. Or the other things that I suggested that you could do.

Councilman Jaehnig: I'm not sure that that is correct.

Mayor Riley: You would have to eliminate positions completely.

Councilman Jaehnig: Workflow adjustment. For example, with the reduction of the firefighters. That was economic.

Danny Mongold: But it wasn't everyone.

Councilman Jaehnig: No it wasn't anyone. But if you have a certain department or a certain pay level or job description and you have too many employees, you can reduce the number of employees due to lack of work or economic downturn.

Mayor Riley: Part of that is also a difference, Rob, between civil service employees and employees that are governed by a union contract.

Councilman Jaehnig: Correct. But the bargaining is actually the more difficult of the two, in my understanding. If there is a downturn in work, if there is a reduction in work due to an economic downturn for whatever reason, you can, to my knowledge, reduce your workforce to readjust. Hence, when DHL shut down and the righting of the work force that occurred at that time, is a perfect example.

Danny Mongold: The only thing that I can say in that is that the interpretation of that...it clearly spells that out in there...it says economic downtown. I don't know what that means...I'm not an attorney...as far as everybody, but that's the interpretation that we are using. Brian would you like to add anything.

Brian Shidaker: Well, I'm not a labor attorney, and there are criteria in the statute. You can eliminate positions...not necessarily certain people, but positions can be eliminated. And then there is a whole process on bumping people. They've got first rights on this position. They move all around. I can look into it, but there's a certain criteria.

Councilman Jaehnig: We had three building permit clerks because we had so much building going on and then all of a sudden the building completely reduced and went to nothing, and we only needed one to process whatever we had. The work had disappeared. The work had disappeared at that point. Based upon the way the rules work, you can, because there is no work, reduce that position by two positions. You can call it whatever you want, whether it's economic or lack of work or whatever. You can make those types of adjustments.

Mayor Riley: And I think in that situation, eliminating two positions, for example. Any one of those two could basically challenge anyone else's position in the city. They could bump somebody else if they qualified for one of the other jobs.

Danny Mongold: And it's like jobs and...

Councilman Jaehnig: A domino effect.

Law Director Shidaker: And it's open to interpretation, too, what is a like job, which also opens up the lawsuits.

President Kirchner: Many things legally are open to interpretation.

Danny Mongold: Thanks everybody.

Mayor Riley: I would like to bring someone every time we meet, if that's okay with you folks.

President Kirchner: I will offer, the understanding of the legalities are exactly why back when we had our budget work sessions, I shared the concept of the employees partnering with council in a voluntary manner to come forward with a voluntary furlough program. The idea of a mandatory one obviously has legal implications, but the 1.3 million dollar deficit has significant implications too. If they were to come forward with a program of voluntary furlough in the 35-hour range, every employee in the General Fund or that

receive budgetary transfer from the General Fund, it would make over a \$500,000 impact to the \$1.3 million budget deficit. That was why I had encouraged the employees to try and see if they had the ability to partner with the council.

John Schum: Mr. President, would that affect their full-time status as a full-time employee if they were reduced to 35 hours.

President Kirchner: Again, based on Danny's indication, a voluntary furlough program does not remove them from insurance capability/full-time status. It's just time without pay on a voluntary status. That's one of the whole reasons for it to be a voluntary program.

Law Director Shidaker: I think if you're above 32 hours, it doesn't affect the full-time status.

Mayor Riley: There is a difference between full-time benefits and part-time benefits. You're right on that, John.

Linda Gallagher: Has anyone surveyed the employees to find out why there has been such a reduction in the number of employees who have voluntarily opted for the furlough hours.

Mayor Riley: Danny, go ahead with that.

Danny Mongold: I can speak a little bit to that. I haven't taken a survey, but I've spoken to several. It's because they haven't gotten raises for four or five years now, and they just can't afford it.

Mayor Riley: Bottom line, I think, Linda, that's it. They just can't afford it. We've also had a significant reduction in our forces, just through attrition. We haven't hired anyone other than a few key safety people in the past several years, so we don't have the people to back them up and work continues to build. Like I mentioned earlier, if somebody is going to take a furlough day but the superintendent of that department has to pay somebody to do their work at time and a half on their day off or something, that certainly defeats the purposes. So, everything needs to align that you have a slow day, you don't want to burn vacation time or holiday time, you just want to take a day off without pay, you can do that. But, as Danny stated, that doesn't happen quite the way it did about three years ago.

John Schum: Those of us who are retired that have had experience in doing any number of things while we were working, is it possible for us to volunteer to help take up some of the slack should the city experience a need for people that are experienced in certain fields just to volunteer to come in and help out. Is there a provision for that?

Mayor Riley: Yes.

John Schum: Or would we be stepping on somebody's toes.

Mayor Riley: The Parks Department, for one, is certainly anxious to have many more volunteers. A lot of those services that we provide throughout the city, it takes a little bit of training. Even to ride the back of trash trucks safely, it takes a significant amount of training, but handling equipment, working in the Water Department, Sewer Department, you can't just jump in and volunteer there too much.

Paul Hunter: There are insurance issues as well, because you've got to be covered.

Mayor Riley: The one place that we have been utilizing a lot of volunteers lately is the recreation department. If you are interested, please contact Lori Williams. She would love to have some more help.

President Kirchner: Danny, you did indicate that for positions that are vacant, if the city has found that they don't need them, it would not be a problem where there is no one in it and the work doesn't exist for us to eliminate them. Correct?

Danny Mongold: Eliminate the position?

President Kirchner: The position. Yes. Because there's no one in it.

Danny Mongold: No, there isn't. The only thing is that in good times, which I hope are soon, if that position is needed, it's tough to go back to Civil Service and ask to have that put back in. I mean, we can do it, but sometimes they look at you like, "You just eliminated that last year." It doesn't hurt anything to be on the classification plan as long as it is not filled. It doesn't hurt anything to stay there, maintenance worker or what have you. It serves no purpose. It doesn't make any difference for paperwork or anything like that. The only report for the amount of employees we have. We don't count the positions, for the PERS stuff, the OSHA stuff, it's only done by the amount of employees we have. To answer your question – you can abolish. You can. If you want to bring it back...the Civil Service, that's their option to bring it back.

Councilman Jaehnig: In that particular case, it's a position that we don't see an immediate need for and in an effort to not make it difficult to bring it back, we could still put legislation forth showing that the workforce needed for that position currently is zero and it stays on the books and then if the city determined at a later date that they needed that position back, they could come back and council could then reinstate it and not have to go through civil service?

Danny Mongold: It stays on the books now. It's on your classification plan. It's never taken off unless somebody asks to have it abolished. If we don't fill a position, we still leave it in the mayor's office on the classification plan. It's there. It doesn't come off; it doesn't mean anything, other than there's a title there and no employee.

Councilman Jaehnig: And it costs nothing.

Danny Mongold: It costs nothing. No. So, I mean...

Councilman Jaehnig: I'm sorry. Maybe it's a misunderstanding. I was under the impression that most of those positions had numbers next to them as the max that could be put in those positions.

Danny Mongold: No. That's a range number – like a 10 or a 4 or a 6 or a 15. That's just the range number of the classification pay plan that they're in. That's not the number of employees. Unless you have one that you asked personnel to give you the number of employees in departments. If you have that, then that could be, but if you look at it straight as it is right now, the numbers to the left are just the pay range for that position.

Councilman Jaehnig: I thought at one time we had, especially with the Police Department back before DHL was leaving. There was a request to increase the number of officers. That went through safety and I remember working on that. That had to do, well, according to our ordinance, there's only a certain number we're allowed to have. We were going through an increase then, so that is why I was thinking there was something like that assigned to all of the departments and all of the positions. So, I'm incorrect on that?

Danny Mongold: The police are not on the classification plan. They are on their own pay schedule. What you had done was for the Police per se for ordinance purposes.

Paul Hunter: Ernie Blankenship has left, but his position stays on the books. Right?

Danny Mongold: It stays on the books. It doesn't mean anything for reporting purposes.

Paul Hunter: You guys would have to authorize the filling of it.

Danny Mongold: It's just not funded or anything.

President Kirchner: Actually, I believe that that is incorrect. If the position exists on the books, the council does not have any say. It is purely the mayor who has the ability to hire into that position because it exists on the books. Is that correct?

Law Director Shidaker: The council authority would be what you appropriate for that position, but as far as filling that position, that would be under the discretion of the administration – the mayor.

President Kirchner: So can hiring be done if there are no appropriations available?

Law Director Shidaker: If you want to get sued. Because the employees are not going to get paid.

Mayor Riley: It's part of the checks and balances.

Law Director Shidaker: He can hire, but if there is no appropriation, they're not going to get a paycheck.

Mayor Riley: I want to thank Danny for his presentation tonight. I think this is going to be helpful in the future. But, Danny, other than just being the HR Director is also my point person for Risk Management, working with the Miami Valley Risk Management Association, employee benefits. He literally is about one of the few people in the city administration who is in contact with every employee. His job is to assist every employee and help them with their needs. I certainly appreciate what Danny is doing for us.

President Kirchner: We'll get back into committee reports at this point, now that you are all civil service experts. Thank you, Danny.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson Mark McKay: We have two items which we have discussed previously. Both are up for second and third readings and approval tonight. The first is an ordinance to vacate a portion of East Fulton Street, which is the right-of-way between 466 and 508 N. Walnut Street. The owners of those properties have petitioned to ask that this area be vacated, and the city has agreed that we're probably not ever going to extend that portion of the street through that property. Both representatives of the property owners are here tonight. I don't know if there are any comments that they wish to make.

A motion was made by McKay and seconded by Wallace to suspend the rules and give the second and third reading on the ordinance To Vacate a Portion of East Fulton Street Right-of-Way Between 466 and 508 North Walnut Street.

Roll call: McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the ordinance by title only.

A motion was made by McKay and seconded by Wallace to pass the ordinance as read.

Roll call: Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5031 passed as read.

Councilman McKay: The second item is an ordinance amending the traffic control map and traffic control file. Basically, that is to eliminate the parking on the east side of Gallup Street. Once again, we have discussed this several times in council and in committees. Are there any comments?

A motion was made by McKay and seconded by Wallace to suspend the rules and give the second and third reading on the ordinance Amending the Traffic Control Map and the Traffic Control File.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes;

Director of Law read the ordinance by title only.

A motion was made by McKay and seconded by Wallace to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5032 passed as read.

Solid Waste/Recycling Committee: In the absence of Chairperson Don Wells, Councilman Mead: There is one item on the agenda this evening. This is going to be the second and third readings on the resolution authorizing the Director of Public Service to enter into a contract with Brechbuhler Scale, Inc. for the purchase of an above-ground truck scale for the Sanitation Department. This is an item for which we had three readings in the Finance section with the supplemental appropriation to be used to purchase that scale.

A motion was made by Mead and seconded by Jaehnig to suspend the rules and give the second and third reading on the resolution Authorizing the Director of Public Service to Enter into a Contract with Brechbuhler Scales, Inc. for the Purchase of an Above-Ground Truck Scale for the Sanitation Department.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to pass the resolution as read.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes.

Motion passed.

President of Council declared Res. No. 2288 passed as read.

Councilman Mead: That is all we have this evening.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Loren Stuckert: Mr. President, we have a number of items tonight. We will begin with the first one, which is a Planned development at the Cape May Retirement Center. We need to have a public hearing on that before we have our first reading.

President of Council opened the public hearing on the PD-1 Cape May Retirement Development.

Mike Hughes: JMM Architects, representing Cape May. It's basically a 15,000-foot addition and approximately a 4000-5000-foot renovation as part of the building. I understand there are some concerns on parking and the building layout on the site. I'm basically here to answer any questions.

President Kirchner: I think the questions arose because you were adding employees and there was parking in the area where you were constructing. I know during that analysis, there was identification of additional spots that could be opened up. Again, I think it was a matter of making sure the residents and everyone had adequate parking with the new employees that would be added. The other question that I think came up was the question of safety vehicles being able to move through the property, just in case they were ever needed. There was just concern for safety and citizens there.

Mike Hughes: Since the plans were previously approved last month at planning, we have added 28 parking spaces to the plan, so it's a net of 21 total spaces from what we have now. I believe it is probably going to be dedicated to staff parking where we have it situated on site. So, that is opening up all of the other parking spaces that bogs everybody down.

Councilman McKay: Did you say there were 28 additional from when you presented at Planning or did I misunderstand that?

Mike Hughes: We basically added – we added 21 additional. We took the nine and added it to the bank of 28.

Councilman McKay: From what you presented at Planning.

Mike Hughes: Yes.

Councilman Mead: Will this area include a unit for Alzheimer patients.

Sarah Boehle: There is a plan for that. At this point, it is planned to be a 30-bed skilled nursing facility. It won't be a dedicated unit, but certainly we will provide care for folks with Alzheimer and other dementia.

Councilman Jaehnig: Would either of you like to just take a moment and talk about the estimated job growth for the addition that it would allow you to accomplish.

Sarah Boehle: Sure. I'm the Executive Director at Cape May. What we're looking at with our addition is providing new nursing home space for about 30 residents to live there. We are looking at construction jobs of probably about 11 and 14 months or so, about 35-45 construction jobs. And then long-term, once the facility is opened, we would be providing about 30 FTE's which is 2080 hours per year. It would be about 36-38 jobs. Some would be full-time; so would be part-time.

Paul Hunter: Would it be a property tax paying facility?

Sarah Boehle: No. It's a healthcare facility, so it will not be.

Councilman Jaehnig: Most of those jobs are considered skill labor, right?

Sarah Boehle: It will be a variety of jobs.

Councilman McKay: Just a point of clarification. If Planning did not see those extra 21 spaces, does that have to be looked at again by Planning.

President Kirchner: Let's clarify. Are you indicating that as part of a plan you had presented to Planning Commission, you had added an employee parking lot with that number or are you indicating since having been to Planning Commission, you have.

Mike Hughes: Correct. Since we have been, we have added the 21 additional over what we presented.

Mayor Riley: The spaces that they presented at Regional Planning were sufficient. One of the questions was, "Is that enough?" So, we passed it based on the number that we saw. If they are going to add extra; that's just icing on the cake.

Councilman McKay: Okay.

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

President Kirchner: ...with Planning Commission having approved a submitted plan at the time, are there any legal reasons why...

Law Director Shidaker: Not in that situation. I don't believe so.

Councilman McKay: I just want everything to go right. This is a great project. Cape May is a great residence of Wilmington. They are pretty quiet out there, but they do a lot for us.

Unknown speaker: Have you received your certification?

Sarah Boehle: No we have not. We are still waiting for approval from the State Department of Health, which we anticipate getting sometime in early July. Hopefully we would be breaking ground in September.

Mike Hughes: On your comment on the emergency vehicle access – we're still maintaining the perimeter loop around the entire building.

President Kirchner asked if anyone else from the public wished to speak during the public hearing.

Seeing none, President Kirchner closed the public hearing on Cape May PD-1.

Mayor Riley: I would like to go on record for thanking Sarah and her staff and all the administration out there for a wonderful job. We cannot forget Cooper Snyder and actually some of the residents of Cape May who have worked tirelessly to help bring this to where it's at today. Hopefully, we'll have a groundbreaking soon and then a ribbon cutting shortly after that. Thank you for all of your work.

A motion was made by Stuckert and seconded by Jaehnig to give the first reading only on the ordinance Modifying an Existing PD-1 Located in the City of Wilmington.

Motion passed

Director of Law read ordinance by title only.

Stuckert requested that the second and third reading be on the Agenda for the next meeting.

Councilman Stuckert: I would like to move now for a second reading on an ordinance rescinding Codified Ordinance 1303.01 regarding the period of display for political signs. We read this at the last council meeting. This has to do with banners and for signs that were previously banned in the city of which we have had numerous signs over the years that we technically illegal. So, we're bringing our code up to a point where we will be able to enforce it and it does allow for these banners and sandwich board signs and has provisions for the historic district.

Councilman Jaehnig: Loren...you're off one.

Councilman Stuckert: Okay. I'm sorry. I'll just move for the 1303.01.

A motion was made by Stuckert and seconded by Siebenaller to give the second reading only on the ordinance Rescinding Codified Ordinance 1303.01 Regarding the Period of Display for Political Signs.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

Stuckert request that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: Now I will move for the second reading on an ordinance amending Chapter 1167.07 to the Codified Ordinances of the City of Wilmington Portable and Temporary Signs, in title only. That's the one that I just gave the dissertation on.

A motion was made by Stuckert and seconded by Mead to give the second reading only on the ordinance Amending Chapter 1167.07 to the Codified Ordinances of the City of Wilmington Portable and Temporary Signs.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed

Director of Law read ordinance by title only.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: Mr. President, I will move at this point on a second reading on the ordinance amending 1167.01 and 1167.04 to the codified ordinances of the City of Wilmington wall and projecting signs. Again, this is part of our ongoing revisions on our sign codes started by Councilman Jaehnig. We're within about one more chapter possibly of completing that. This has to do with the wall and projecting signs.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the ordinance Amending Chapters 1167.01 and 1167.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed

Director of Law read ordinance by title only.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: Mr. President, I have a first reading on an amendment that is calling for the rescinding of a codified ordinances, one of which is title 509.09. It's regarding suspicious persons. Also ordinance 373.12 regarding impounding. It might be skateboards or whatever; it has to do with impounding. This was brought to us out of a concern that we have an ordinance here that really isn't enforceable and should not be on our books.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the ordinance Rescinding Codified Ordinance 509.09 Regarding Suspicious Persons and Codified Ordinance 373.12 Regarding Impounding.

President asked for discussion.

Councilman Jaehnig: I'm sorry, Mr. President, I was unable to make that meeting. I'm not quite sure the reasoning behind the change.

Law Director Shidaker: Chief, do you want to...?

Chief Duane Weyand: Yes, the first one is suspicious persons. There is a better way to go about the ordinance itself. Basically, it was created almost 45-50 years ago for citing people for begging and loitering and stuff like that. A lot of the stuff just doesn't apply anymore. Plus, there is a better way to do it, which is having them register to solicit by a different means. Also, we have a different ordinance on the book that applies better to our soliciting ordinances. So, that's the reason we're asking to take that off. The other one is the impounding of bikes and skateboards and stuff like that. Again, there are other means to take care of that through the forfeiture process through criminal conviction and stuff like that rather than have an ordinance on the books that says that the police have the ability to confiscate certain items. It's better handles through the court. Plus, it has to do with MVRMA. There are a lot of lawsuits out there for taking people's property without judicial hearings and stuff like that. It's easier to allow the court to handle that process rather than us trying to deal with it on our side. So, it's more of a housekeeping effort. We're just trying to streamline stuff and make it more efficient for us. Thank you.

President Kirchner asked if there was any more discussion.

Seeing none, President called for a vote.

Motion passed

Director of Law read ordinance by title only.

Stuckert requested that the second and third reading be on the Agenda for the next meeting.

Councilman Stuckert: We have a rather important item as our last item, Mr. President. It has to do with three readings on council's intent to negotiate in good faith the terms of a Tax Increment Financing, known as a TIF agreement.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the resolution Of Intent to Negotiate in Good Faith the Terms of a Tax Increment Financing (TIF) Agreement, and Declaring an Emergency.
President asked for discussion.

Councilman Jaehnig: I think maybe someone should explain why we are doing a letter of intent and where we are in the process.

President Kirchner: Well, I'll take a little stab at it. The tax increment financing is a request that is put forward by ATSG and the Port Authority in regards to the JUMP hangar. Based on the timing needs of meeting the state's requirements for making sure their funds were going to be used, they put forward a deadline that did match with the legal process necessary to accomplish the TIF. The state came to us, Jobs Ohio, and said that if the City, the County, the Port Authority, ATSG, and the school systems intend to do this project, they need to make a statement that they are in good faith going to work to get it done and support the idea of the TIF as part of the JUMP hangar solution. The resolution is the only legal means we had to indicate, based on the fact that we needed the time to legally execute that process, that the City did have intent to work with the school systems to see if an agreement can be made. The exciting side of the TIF agreement is that we are talking about a large construction project that at this point is slated to, when full, potentially bring 259 new full-time jobs to AMES as a portion of ATSG. That State had put together a generous funding package to try and enable us to do job creation, and that is the exciting side of it. The difficult side of it is, of course, the city and the schools have encountered very incredible financial difficulties, and the TIF agreement would actually be allowing the taxes that would be paid to the school on the new construction to be used to repay some of those state grants or loans in order to finance the construction. So, this process legally requires, because of the length of it in time and the size of it, 100% as requested by the Port and ATSG to actually have the schools and the city negotiate over the income tax that will be generated for the city. So, a portion of that income tax is what is at stake here, and that is the part that is a little unfortunate from the side of the city. Of course, we are going to partner in good faith with the schools to try and see if we can reach an agreement. I'm a little surprised that we didn't have a representative from ATSG. I know David Hockaday is in the back. David, would you like to speak on behalf of the Port on this matter?

David Hockaday: No. I think the issue is pretty set. The last time when there was a presentation it was said that the TIF is between the school and the city . The Port and ATSG have concluded our negotiations, so it's now time for the city and the schools to come together to move this TIF forward.

President Kirchner: Very good.

Paul Hunter: Also, the Port has to carve out a parcel that this is going to take place in. Before you can pass an ordinance, you have to receive that parcel, as I understand the law, from the Port, than you cede it back in some ridiculous...

Councilman Jaehnig: And that is one of the delays, because the surveying needs to be completed on the property.

Paul Hunter: It has to be less than 300 acres and must be in the possession of the city prior to the ordinance you want to pass.

President Kirchner: Some of those mechanics are the very things that as we were working through the legalities of it we realized would not meet the timing necessary. The resolution was a stop-gap measure to keep the opportunity...

Paul Hunter: This will give them time to cut that parcel out. Because if you're going to say, "No, we don't want it," it would be silly for them to cut out that parcel. This resolution they see that your intent is good, so they can proceed on their end.

Mayor Riley: You're absolutely right. We can't accept and then turn back a parcel that doesn't yet exist. You're right.

President Kirchner: Does that answer all the questions?

David Hockaday: Mr. President. Can I clarify a statement that was just made? For the bonds to be issued by the State, there has to be a survey and the survey of that property is a very extensive survey that goes to clarify where the parcel is for the issuance of the bond statement. That has to be done very early. It has to be surveyed. Item B here you show the transfer of property ordinance. That is where the city takes the property for the very momentary action and then it gets re-filed back to the Port Authority because we will be the actual owner of the property throughout the indebtedness. So, that's a little different than what Mr. Hunter presented.

Paul Hunter: That's exactly what I said.

Mayor Riley: I think that's pretty darn close.

President Kirchner: I think the bonding was an update. As for the process, you are correct. The city has to take possession in order for the TIF to exist.

Paul Hunter: David is my quality control man.

President Kirchner: And a fine job he does of it.

President asked again if there was further discussion.

Seeing none, President called for a vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Stuckert and seconded by Mead to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Director of Law read the resolution by title only.

A motion was made by Stuckert and seconded by McKay to pass the resolution as read.

Roll call: McKay, yes; Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Motion passed.

President of Council declared Res. No. 2289 passed as read.

Councilman Stuckert: Mr. President, that is all.

Safety Committee- In the absence of Chairperson Don Wells, Councilman McKay: We do have one resolution for safety tonight and that has to do with expressing our intent to sell city surplus items. This is a housekeeping measure that we do every year. We're getting it done.

Councilman Jaehnig: This is renewal of GovDeals, right?

Councilman McKay: Right...the intent to sell surplus items. It's a blanket thing that we do every year. Correct me if I'm wrong, Brenda.

Clerk Brenda Woods: Correct.

Councilman McKay: And we have just not done it yet.

A motion was made by McKay and seconded by Mead to give the first reading only on a resolution Expressing Intent to Sell City Surplus Items to the Public through an On-Line Auction Service, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by McKay and seconded by Mead to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by McKay and seconded by Mead to pass the resolution as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2290 passed as read.

Councilman McKay: That is all we have under Safety, Mr. President.

Downtown Revitalization Committee - Convener Mark McKay: I would just like to mention that the GOBA event is coming tomorrow. I guess things are going to start to kick-off at around noon tomorrow. I don't know all of the ins and outs of this stuff, but there is going to be a bunch of bicycle people here. They are going to be staying at the fairgrounds. They are going to be all over the place. We're going to have the parking lot over at the St. Columbkille area portioned off for a party Friday night. So, join us all in the downtown.

President Kirchner: Thank you. We do encourage everyone to come out and welcome our guests.

Councilman McKay: That stands for Great Ohio Bicycle Adventure, I believe.

[Discussion of the Bicyclists' Route and Schedule]

Parks and Recreation Committee - Convener Rob Jaehnig: We have one piece of legislation and a couple of quick updates. The Parks Board has requested authorization to sell two vehicles from their fleet that are not needed. They feel that the money could be better used for actually running the parks. They have asked that we approve those sales. It really wasn't determined what funds were used to purchase these vehicles – whether it was park levy funds or city funds at the time of purchase – so just to make sure we're clean it is coming back through council. We will ask for three readings. One is a Ford Escape and a F250 Super Duty Pickup that will be sold. Are there any additional questions?

A motion was made by Jaehnig and seconded by McKay to give the first reading only on a resolution Declaring Surplus Property, To Wit: Vehicles Valued at More Than \$1000, and Authorizing the Sale of Said Vehicles, and Declaring an Emergency.

President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by McKay to pass the resolution as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Stuckert, yes.

Motion passed.

President of Council declared Res. No. 2291 passed as read.

Councilman Jaehnig: Just a couple of additional quick updates. The parks have been working very hard at partnerships and working with volunteers and really have some real success with that. One of the partnerships that they were able to work on had to do with the Clinton County Trails Commission. The Trails Commission actually spent \$7800 to do a major trail repair on the Luther Warren Trail, which had some serious breakdown that occurred over the last couple of years. They would like to publically thank the Clinton County Trails Commission for their donation and getting that repaired so timely.

Also, in the paper today, if you didn't notice, written by the exceptional reporter Mr. Hufferberger, was an article about the joint conversation that the Parks Board is going to be having with the residents and the neighbors around Galvin Park to talk about next steps and what they may be able to do there at the park. I highly encourage anybody who is interested or lives in the area to participate. Then, this weekend it's bikes. Next weekend we're back out to baseball and softball again. We have coming into the parks 68 teams next weekend for a tournament. We are expecting about 1500 spectators – 700 players, so about 2200 people. The hotels are already fully booked, so it will be a very busy weekend out at the park. That's all I have, Mr. President.

Income and Levy Tax Committee: Chairman Rob Jaehnieg had no report.

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

Safety Director – Safety Director Russ Burton had no report.

Reports:

A motion was made by Mead and seconded by McKay to approve the Auditor-Treasurer's Report May 2012, as received.

Motion passed.

Reports accepted as received.

President Kirchner: At this point, I would like to open the meeting up to the general public and/or members of council to address council while in session.

Paul Hunter: I'll make this short and sweet. There's an old saying that you can't fight City Hall, and win, anyway. It's just an old saying. I prefer the term, "help" city hall, not fight it. Helping the City to help itself is not a job for the timid or the apathetic citizen. It requires skin thick enough to repel institutional resistance and personal insults as well as endurance to see actions through to completion. This council has allowed me to be a part of the process and I thank you all for your tolerance and acceptance.

President Kirchner: Thank you, Paul.

Councilman Stuckert: Mr. President, I'd like to weigh in on that and respond. I think Paul is an amazing person. I'm new to the council – I've only been here since last year at about this time, but I truly appreciate his efforts in keeping council informed and helping us help ourselves and helping us not make mistakes. He's a pretty big man. When you don't agree with him, he doesn't come back at you over that. He just appreciates the opportunity to put things on the table. I for one really am amazed at his participation. I'm a Government teacher. I tell kids all the time that George Washington said that the thing that will make this country successful are virtuous citizens. The first order of business for a virtuous citizen is to have the courage to recognize when things are not right, to stand up and say so and let their voices be heard. He certainly meets that qualification. I as one on this council do applaud him for all that he contributes to us each and every time.

Paul Hunter: Thank you. I appreciate that.

President Kirchner: I would second those comments by Councilman Stuckert. I have known Paul since 1999 when I attended my first council meeting. I have found Paul's interest and involvement in issues and items to always be in the effort to educate on and understand. Mr. Hunter is an extremely knowledgeable man in many areas of our government. I think he is always willing to help and offer opinions. I agree that even when you differ with him on an opinion, he is always willing to step to the next issue and engage right back in the conversation. I'm glad, because I think that those challenges need made. I think they need made from more citizens that care that much about the city. I will also say that I have always understood his very true calling to do this is because of his love of this city and the citizens in it. He gets nothing but my respect for every effort, whether we agree on the issues or not. Thank you for all you do, Paul.

Mayor Riley: I can't let the occasion go by without telling my favorite Paul Hunter story. I was County Commissioner at the time and he came to a meeting and was coming in with ideas and thoughts. When it was over, I said, "Paul, you're my favorite curmudgeon." And he said, "Thank ... Well, wait a minute ...". The next time I saw him, which was maybe a few weeks later, he actually had the definition of curmudgeon that he had printed out. He said, "Some of these aren't good." I said, "Think 'Andy Rooney'." He said, "Oh, I like that!" So, you're still my favorite curmudgeon.

[Laughter]

Councilman McKay: You're not resigning, are you?

Paul Hunter: No.

[Laughter and Banter]

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.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, July 5, 2012, with President Scott Kirchner presiding.

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

Officer Ron Cravens was also present.

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

Council gave the Pledge of Allegiance to the flag.

President

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, June 21, as received.

Motion passed.

Minutes approved as received.

President Kirchner: That completes my portion of the agenda this evening. Mr. Mayor?

Mayor – Mayor Riley: I would like to start off by recognizing the Wilmington Park Board, Lori Williams, Friends of the Park, Trevor Shumaker, and I don't know how many volunteers we had that worked tirelessly in the heat to make our July 4th Celebration absolutely excellent. They did a great job. Also, the fireworks crew did an wonderful job. As you know, I used to work with them. In fact, I used to direct the fireworks crew for about 20-something years. And on a day like yesterday, when it's hot, those guys did a great job. And the show lasted more than 15 seconds, which some communities can't say that. They did a wonderful job. I would start thanking the sponsors, but I know I would leave somebody off, but thanks to all the sponsors who made that possible. As I told council two weeks ago, I was going to ask one of the superintendents to come in on a regular basis and give us an update and talk to us. Phil Floyd is here this evening to talk about the Wilmington Transit. Phil?

Phil Floyd: Thank you, Mr. Mayor. Everybody here knows that anytime I get up to talk about Wilmington Transit, you get about ten minutes of commercial about how wonderful it is. That's what you're going to get. But, the mayor did ask me to come in this evening and talk about the funding methods, and what we have accomplished to reduce the requirements for city funds. Sometime this month we will receive our 2013 grant and budget proposal. This will begin the process that will allow the Wilmington to continue providing the safe and affordable public transportation that this community has come to rely on the last 28 years. This is a process that includes preparing the actual grant applications, determining the budgetary requirements, and preparing and signing the certification and assurances documents, which assures our commitment and guarantee as a recipient of federal/state funds that we will follow every and all requirements set up by the federal transit administration and the Ohio Department of Transportation. The most important requirement within these documents is that the grantee, which is the City of Wilmington, will make available within its General Fund a percentage of the total operating budget in capital funds for any requested replacement vehicles. The formula to determine the shared cost to provide the service is determined by multiple factors, including current available federal and state funds, of course, our prior year performance data and efficiencies, our budget request and need, and the percentage of ridership based on population. It used to be a rather simple formula with the federal government providing 50%, the state government 30%, and the local grantee 20% of the total operating costs. However, over the last 10 years, Ohio's contribution to public transit has decreased from a high of \$40,000,000 to only \$7.5 million this year and next. This year we have had to adjust to these reductions in available grant funds. For a period of time, Wilmington's share continued to increase. Just four years ago, Wilmington's share or required local match was as high as 29% of the total operating capital budget. The amount at that time was \$436,302. When I first came to Wilmington

Transit System, then known as Wilmington City Cab Service, my first priority was to find ways to reduce the amount the City of Wilmington had to contribute to the General Fund as part of the total budget. The 2009 grant and budget applications arrived soon after. When I finally submitted to ODOT we had indeed found ways to reduce Wilmington's contribution and had it reduced to only \$246,869, the lowest amount since the year 2000. By 2011, we were down to \$192,295. This was very timely, as the economy tanked soon after we submitted the 2009 grant request and budget. It's very important to realize that while we are required to make available a certain amount to our general fund, we do not always have to transfer or spend the total amount. In 2010, we transferred only 31% of the allocated city funds. But in 2011, we were forced to use all of our allocated funds. Every year is different. There are costs that we control and of course costs that we have no control over, like fuel costs and vehicle maintenance. Some of the things that I did to reduce the City of Wilmington's share was to look at the previous budgets, line by line, as well as analyze all aspects of operations and find ways to increase efficiency, such as combine riders to move more people with fewer miles, trim drivers' hours, no overtime, not replacing drivers if they retired. Today we're down to 42 drivers from 49, which means that our part-time drivers are working harder. We send drivers home if we're not busy. We've found alternative grant funds, such as the Congestion Mitigation to Air Quality Funds that provided at that time 100% of the replacement costs of two vans, plus a Fuel Initiative Funding, which helped to pay for increased fuel costs. Operationally we have cancelled several service contracts with outside companies, such as maintenance contracts on our air compressor, a \$1600 savings, our vehicle lift, a \$1500 savings, and we have reduced weekly costs for uniforms by conducting an analysis of needs and overages. We cancelled all city-provided mobile phones and extended the maintenance service procedure frequency on vehicles. We no longer perform certain maintenance procedures if not required per vehicle maintenance schedules, such as air conditioning flushing and transmission flushing. We instituted a no-idling policy, except for in extreme temperature situations like today where we want to keep it cool and safe for our drivers and our riders. At that time, we replaced two large wheelchair vehicles with more fuel efficient minivans with wheelchair ramps. We are required to have 50% of our fleet wheelchair accessible at all times. Last year, we learned that we could take advantage of a fuel tax rebate from the State of Ohio, generating \$11,000 from the 2011 fuel use. This rebate will be available again this year. We reworked our required phonebook advertising, reducing monthly costs from \$118 to \$47 a month. I maintain complete control over authorizing purchase orders, and I continue very close scrutiny of all expenses, every single day. I work very closely with the Department of Transit at ODOT to find ways to reduce local shares. Besides controlling costs, we determined that contract work counts as local share, so we have slowly been building our contracts and have been accepting more trips from agencies such as Job and Family Services, MRDD, Clinton Memorial Hospital, schools, local businesses, etc. Contract work provides double the revenue of standard fares; however, we have to be very careful to balance contract with our main function of an on-demand door-to-door service for our community members. I also learned that we could use as local share allocated costs from our use of services provided by the Auditor's Office, HR Department, and the Service Director's Office. It has been my absolute goal in the last four years to find any way possible to reduce expenses to the bare minimum while maintaining the same level of service and maintaining the affordable fare structure. We have only had one rate increase in 28 years. Now, one downside to our cost saving efforts have been, at times, slightly longer wait times, which can make it difficult for our community members to plan, especially for healthcare appointments or to be picked up with perishable groceries in hand. Wait times can be as much as one hour, especially during the first week or so of the month. And a result of our cost cutting efforts is that Wilmington's share of the total transit budget has been reduced from that 29% when I started to only 13% of our total Wilmington Transit operating budget. Now what that means is that for every \$1 worth of service provided to the community, it costs Wilmington 13 cents. Conversely, every \$1 cut from the Wilmington Transit budget saves Wilmington 13 cents. As an example, as suggested recently if we reduced our full-time employees week to 35 hours, we would save 13 cents for every dollar reduced, but we would lose the federal and state money, which amounts to 87 cents of every dollar, reduced as an expense. It is important to know that it is not a dollar-to-dollar savings scenario. Other issues worth noting are that we actually couldn't reduce hours of our full-time dispatcher, because we would have to fill those hours with somebody else,

because of the hours that we operate, thereby not saving any money there. We could not reduce the hours of the part-time drivers any more than we already have and adequately cover the hours we operate. Each of the last two years I have prepared for our mayor, the previous mayor, multiple scenarios that would include reduced local contribution amounts. In almost every scenario, service hours would have to be shortened or fares would have to rise substantially, or both, to save any significant amounts. By significant amounts, I am saying it would still only be a fraction of money needed to reduce the deficit. But the resulting reduction in service would adversely affect those that require the service to maintain quality of life not available through any other means. Our service allows for a high level of independence for our elderly and disabled. So many people rely on us to transport them for essential services such as healthcare appointments, including dialysis and the cancer center, food shopping, social service, educational and social interaction. I've seen many times, this service is an economic generator for the community. Our two most frequent destinations are Kroger and Wal-Mart, plus many other local retail and restaurants. Money is being spent or earned for every trip to those establishments. The 13 cents on the dollar being allocated by the city for Wilmington Transit is one of the best investments being made on behalf of its citizens. This year, again, we are on track to provide 125,000 rides. I want to say that again, 125,000 rides. We are considered by ODOT Department of Transit one of the best transit systems in the state. No other Ohio public transit provides the ratio of rides to population that we do. Our performance data has improved every year since 2008. Now there are a few things that can be done to slightly reduce local share further without severe changes to our service level. We could charge fees for advertising on the side of our vehicles. We looked at this and found that it would generate minimal revenue and would make our vehicles very unsightly. Approximately \$3000 a year can be saved by eliminating provided uniforms for our drivers. This is highly discouraged as it would take away the level of professionalism and an element of familiarity, safety, and friendliness that our seniors and other riders come to expect. Arriving to pickup in street clothes would create uncertainty to many people. Direct contributions or in-kind contributions count as local share. We take personal checks. With the very strong efforts made over the last several years to eliminate any and all excess and/or unneeded expenses at Wilmington Transit System, it is very evident that any additional reductions to the required Wilmington city matching funds would adversely affect our ability to provide the transportation services that our citizens have come to expect and in many cases require. Any further reductions in Wilmington local match, without new revenues, would result in a reduction of service hours or increased fares. As I stated before, if the amount of Wilmington's matching funds were reduced by 50%, as has been suggested, then federal and state funds would be reduced by the same percentage. This would result in service being cut in half. Public transportation in Wilmington provides all of our citizens a convenient and necessary means to gain access to work, healthcare, education, and shopping. For many seniors and the disabled, there would be no other means to access these services. The Wilmington Transit System allows for a level of independence not available if we did not exist. The Wilmington Transit System has already endured a reduction of State funds over the last few years. We have seen a 30% reduction just this year alone. Through hard work and dedication of all our employees, we have continued to provide a level of service that is considered the best in the state of Ohio. We see our employees as our greatest asset, realizing that without them we could not exist. They have pressed on, without complaint, without hesitation, without raises, to continue to providing the community with the service that is exception and necessary for the wellbeing of the citizens of Wilmington. Thank you for listening.

Mayor Riley: Thank you, Phil. I appreciate it. I want to make sure I've got this straight. The city share has been cut from over \$400,000 to less than \$200,000 in the last few years.

Phil Floyd: Yes. Last year we asked for \$192,865, I believe.

Mayor Riley: And two years ago, it was over \$400,000.

Phil Floyd: Correct.

Mayor Riley: Good job.

Phil Floyd: Thank you.

Paul Hunter: Are you still using the city gas pumps for the cab?

Phil Floyd: We do.

Paul Hunter: Have you looked into doing what the police department has done?

Phil Floyd: We have definitely done a full analysis of that.

Paul Hunter: And there is no significant savings for us?

Phil Floyd: And the safety factor, pulling the large vehicles through there, as busy as they get, would be difficult. But we have looked at it, Paul.

Mike Mandelstein: How about alternative fuel? Are any of the vehicles powered by propane or compressed natural gas.

Phil Floyd: This has been considered. Absolutely. None of our vehicles are able to function on alternative gasoline. Certainly, down the road, when there's available funds. We had hoped to get three vehicles this year, but we were only able to get two. The costs of the other types of vehicles, we have put that.

Mike Mandelstein: The current fare that is being collected by the drivers is a minimum of...?

Phil Floyd: It's a \$2 fare for anywhere in the City of Wilmington. Outside the city it's a dollar a mile. If you're a senior, 55 years old, or permanently disabled, you can receive a transit card that will give you a fare of \$1 within the city.

Mike Mandelstein: What percentage of those collections contribute to the overall budget, the operation.

Phil Floyd: The elderly and disabled?

Mike Mandelstein: All fares collected?

Phil Floyd: Contribute to what, please?

Mike Mandelstein: Contribute to your budget. As far as the money collected by the drivers, regardless of who the ridership is?

Phil Floyd: Fares collected.

Mike Mandelstein: Yes. The fares collected. What percentage of that contributes to the budget.

Phil Floyd: I'll get that information out there for you, Mike.

Mayor Riley: Mike, I would point out, as a matter of fact, just today I was looking at what it would cost to convert the taxicabs to compressed natural gas, and it's in the range of about \$7500 - \$7800 per conversion, which would equal about 1800 gallons of gas. So, to convert vehicles that we now have on the road, I think would be excessively expensive. I'm sorry, Phil, I haven't had a chance to talk to you about this yet. What I would like to do is as we bring new cars into the fleet, do a cost-benefit analysis of purchasing vehicles that might run on compressed natural gas, which in some communities compressed natural gas is available at under a dollar a gallon. I've heard it's as low as 50 cents a gallon in some areas. That could be a huge savings. Like I said, I apologize to Phil because I haven't had a chance to talk to him about it. I just thought about it today.

Mike Mandelstein: It's been a common practice since [inaudible] particularly in Georgia, to equip and run most of their vehicles fleets in municipalities with gas, natural gas...

Mayor Riley: Not just the cabs, but all of their vehicles. You're right. That has been looked at in several places.

Phil Floyd: That is certainly something that we are looking at.

President Kirchner: Mike, I would also offer, today I stopped down and was talking to Chris Schock, Director of Regional Planning, about that very topic and asking to check into the availability of grant funds for converting vehicles. Obviously, one of the issues is that you have to have the infrastructure to fuel the vehicles. Chris has indicated a willingness to take a look at it. You're right, it's an option we need to look at for lowering costs. I had not had a chance to discuss it with anybody having just caught Chris in his office today. I do think it's an idea that we will look into fully.

Paul Hunter: You have to consider cargo space as well. You will have to fill up the trunk when you go to the grocery store. That's where the bottle would sit, I would assume.

Mayor Riley: Those are exactly the issues that we need to look into, Paul.

Phil Floyd: To answer your question, Mike, about 20% of our total budget is fare collection – about \$305,000 this year is our estimated fare collection.

Mike Mandelstein: So any sort of cut of the numbers that you just indicated, say 6.5%, the offset if it were a straight fare increase, would be a ballpark figure, double or more. In other words, if the city said we can't go \$192,295 in 2011, for example, we can only get half that and you had to offset that with a fare increase, simply no other relief from other sources. I guess I'm asking, roughly where would the fare structure be – if the hypothetical became a reality.

Phil Floyd: I would have to look at those numbers to get it. We have done analysis, of course, on what fare increases would do – 25 cents, 50 cents, one dollar. Those are the kinds of things we look at all the time in terms of how we could increase revenue.

Mike Mandelstein: Are the fares more or less in line based on your knowledge of the 88 counties.

Phil Floyd: There are 59 transit systems in the state, and we're right there with a good many of them. Actually, in the city, the fares are higher.

Paul Hunter: There is some limit on what you can do with the elderly and handicapped fares, right?

Phil Floyd: Yes. The end line is we're constantly looking at ways to fund and move the people that we move for the least amount of cost. That's our main goal.

President Kirchner: Phil, you mentioned something that I'm curious about. You mentioned hearing of a proposal to cut the budget by half. I'm not familiar with where that...

Phil Floyd: That was in the proposal that Councilman Wells and Councilman Mead presented last year. In fact, just a few weeks ago, Councilman Mead held up saying this is the proposal that we presented. I'm assuming that it's still on the table being thought about.

[discussion]

Councilman Wells: We had discussed that number afterwards. Remember? We had a misunderstanding. It wasn't made clear to us how that formula worked. We talked about that.

Phil Floyd: Because that was still mentioned, Don, though, I felt that it was still on the table as a possibility and being thought about.

Mayor Riley: That is exactly why we're asking superintendents to come in – to discuss all of these issues.

Phil Floyd: It was three weeks ago that the proposal was mentioned as still being the answer to the issues. There was a certain meeting where that was a thought. Again, to cut 50% of the city share would indeed cut our total grant monies 50%.

Councilman Wells: Well, I think communication like this, you've explained to us the formula, so we have a better understanding of how it works. At that time, we didn't know.

Phil Floyd: Hopefully it's been helpful.

Councilman Wells: I think at that time, we went through all of that.

Mayor Riley: I want to throw you one more curve ball. In case you haven't noticed, it's hot outside. Your drivers really do touch in a very helpful way a lot of our senior citizens. I would ask you tomorrow morning when the drivers start coming in to encourage them to talk to our seniors about drinking lots of water – not just coffee and tea – but lots of water. Also, if there is anyone who is really seriously in a significant straight – they don't have fans and they don't have air conditioning – recommend to them that they just lie down in the tub for about 10-15 minutes to make a lifesaving difference for some of our citizens. I would encourage you to have your drivers, as obviously the chit-chat in the cab is going to be about the heat a lot – but have them give them a few tips about drinking a lot of water – water in and water on are the two best ways to fight this heat that we are in. So, I would ask them to do that.

Phil Floyd: I can put a memo on the board in the morning.

Mayor Riley: I appreciate that. Thank you so much.

President Kirchner: Phil, if I could. I wanted to clarify one thing. You referred to the voluntary furlough program that I had mentioned. Just so you know, the analysis did not include drivers because they are part time. It only included full-time administrative personnel.

Phil Floyd: That is why I referenced the six full time.

President Kirchner: Well, I thought you had mentioned the fact that if you had to do it with your drivers, it would reduce service hours...that was why.

Phil Floyd: If we reduced the part-time drivers' hours even further, obviously it would affect the operation hours. But, in referring to the furlough or 35-hour week, I referred to our six full-time employees. To do that, and if the entire city employee's staff did that, we would reduce, for instance the allocated cost that we use from the departments I mentioned, which would reduce the amount even further, because we would receive less in grant money. I figured about \$10,000 is what would be saved if all five of our full-timers, not including the dispatchers because we have to make that up, \$10,000 is what would be saved if they took 35-hour weeks.

Mayor Riley: I appreciate you coming tonight. Thank you so much.

Phil Floyd: You're welcome.

Mayor Riley: The only other thing I had was on my way in just a little over a half an hour ago, I saw the strangest thing parked in downtown Wilmington. It was an orange car with parachutes at the back of it. Rob?

Councilman Jaehnig: It's ECTA weekend. The East Coast Timers are back. It's the Ohio Mile Weekend again. They are a little stunned. They were expecting it to be a light month and as of Wednesday or Tuesday, they had a 107 registrants, which is up from last month. Not as much as the inaugural event, but they didn't expect that. They actually had not originally planned on this particular date in July being so close to the 4th, but because of availability and schedules they went ahead with it anyways. They are pleasantly surprised with the turnout they're going to get. There is a also a strong amount of motorcycles coming in that indicate the possibility of a show of support for the individual who passed during the last race. They are expected to start racing between 9:00 and 10:00 a.m. in Saturday morning. They'll finish racing between 5:00 and 6:00 on Saturday, and then back at it again between 8:00 and 9:00 Sunday morning and be done by 4:00 Sunday afternoon. A know a lot of them are planning on hitting downtown on Saturday evening.

Mayor Riley: It's not very often you see something that looks surprisingly like the General Lee sitting downtown with parachutes on the back of it. I knew you would know what that was. Thank you, Rob. That is all I have, Scott.

President Kirchner: Thank you, Mr. Mayor.

Auditor – Auditor David Hollingsworth had no report.

Asset, Acquisition and Use – Chairperson Bob Mead had no report.

Finance Committee – Chairperson Bob Mead: Mr. President, we have one item this evening, which is going to be three readings on an ordinance making supplemental appropriations. These appropriations do affect the General Fund. These are items that were not put into the budget at the end of the last budget period. They were not put into the new budget in order to keep the budget down. At this point, Wilmington needs to enter into an interview, test and hire some people. They are mostly covering the costs of testing for those interviews and also some standard procedures for drug testing for the year. This is an item brought forward by the HR Department.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5033 passed as read.

Councilman Mead: That is all I have this evening, Mr. President.

Water Committee – Chairperson Mike Wallace had no report.

Streets Committee – Chairperson Mark McKay had no report.

Solid Waste/Recycling Committee: Chairperson Don Wells: No report, Mr. President, but I would encourage the citizens to please recycling. If you don't have a bin, call us. We need to help save our landfill. Thank you.

Wastewater/Sewer Committee: Chairperson Loren Stuckert had no report.

Judiciary Committee: Chairperson Loren Stuckert: Mr. President, I have five items tonight. The first item, I would like to make a motion to suspend the rules and regulations and give a second and third reading on our ordinance to modify an existing planned development at Cape May, located in the City of Wilmington.

A motion was made by Stuckert and seconded by Jaehnig to suspend the rules and give the second and third reading on the ordinance Modifying an Existing PD-1 Located in the City of Wilmington.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Stuckert and seconded by Jaehnig to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President of Council declared Ord. No. 5034 passed as read.

Councilman Stuckert: Mr. President, our second item is a third reading on the ordinance that we have heard twice before rescinding the codified ordinance 1303.01 regarding the period of display for political signs.

A motion was made by Stuckert and seconded by Jaehnig to give the third reading only on the ordinance Rescinding Codified Ordinance 1303.01 Regarding the Period of Display for Political Signs.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Stuckert and seconded by McKay to pass the ordinance as read.

Law Director Shidaker: It already passed.

President of Council declared the ordinance passed as read.

Councilman Stuckert: Okay. The third item is a third reading on an ordinance amending Chapter 1167.07 to the Codified Ordinances of the City of Wilmington Portable and Temporary Signs.

A motion was made by Stuckert and seconded by Jaehnig to give the third reading only on the ordinance Amending Chapter 1167.07 to the Codified ordinances of the City of Wilmington Portable and Temporary Signs.

Motion passed

Director of Law read ordinance by title only.

President of Council declared the ordinance passed as read.

Councilman Stuckert: Our fourth item, I would like to move for a third reading on an ordinance amending Chapters 1167.01 and 1167.04 to the codified ordinances of the City of Wilmington wall and projecting signs.

A motion was made by Stuckert and seconded by Jaehnig to give the third reading only on the ordinance Amending Chapter 1167.01 and 1167.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs.

Motion passed

Director of Law read ordinance by title only.

President of Council declared the ordinance passed as read.

Councilman Stuckert: The final item is a motion I would like to make to suspend the rules and regulations and give the second and third reading on an ordinance rescinding codified ordinance 509.09 regarding suspicious persons and codified ordinance 373.12 regarding impounding.

A motion was made by Stuckert and seconded by Mead to suspend the rules and give the second and third reading on the ordinance Rescinding Codified Ordinance 509.09 Regarding Suspicious Persons and Codified Ordinance 373.12 Regarding Impounding. Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the ordinance by title only.

A motion was made by Stuckert and seconded by Siebenaller to pass the ordinance as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Motion passed.

President of Council declared Ord. No. 5038 passed as read.

Councilman McKay: Mr. President, just a clarification because I've been here longer than anybody, and I do not recall when we had just the third reading not having a motion for passage. Can you clarify that, Brian?

Law Director Shidaker: Can you say that again, please?

Councilman McKay: Why do you not need a motion for passage when you have just a third reading.

Law Director Shidaker: We should have had a motion for passage.

Councilman McKay: So, what do we need to do?

President Kirchner: Just to clarify the question, you're asking about the previous items that only had a third reading, correct?

Law Director Shidaker: Right.

Councilman McKay: Correct. Because you have the second and third reading by title only, you obviously have to have a motion, so you would need it for passage only.

Councilman Stuckert: You indicated that it was already passed and we didn't need it.

Law Director Shidaker: That was incorrect. There should have been a motion for passage at that point.

Councilman Stuckert: So we're even. You stand corrected.

[Laughter]

Councilman McKay: More importantly, how do we fix this thing?

President Kirchner: That would be the appropriate question to ask at this point.

Law Director Siebenaller: For those that did not have a motion for passage, if you want to do it right, we can do the motion now for passage.

President Kirchner: As we get ready to do that, let's make sure Brenda has time to document the roll call. Because I know your list goes in order on the roll call.

Clerk Brenda Woods: But there won't be roll call.

President Kirchner: Passage will, I believe. Passage is not a yea/nay vote.

[Discussion of voting procedures]

President Kirchner: We're learning new things tonight, Councilman McKay. I have to admit that it's catching me...

Clerk Brenda Woods: It's yea/nay.

Law Director Shidaker: Yes. It's yea/nay.

Clerk Brenda Woods: You'll have a motion, a second, and then "all those in favor."

Law Director Shidaker: Then I don't have to read it again because it's done.

Councilman Stuckert: So, we're going back up to item B. On that third reading of the ordinance rescinding codified ordinance 1303.01 regarding the period of display for political signs...

A motion was made by Stuckert and seconded by Jaehnig to pass the ordinance Rescinding Codified Ordinance 1303.01 Regarding the Period of Display for Political Signs, as read.

Motion passed.

President of Council declared Ord. No. 5035 passed as read.

Councilman Stuckert: Then Item C, the third reading on an ordinance amending chapter 1167.07 of the codified ordinances on portable and temporary signs.

A motion was made by Stuckert and seconded by Jaehnig to pass the ordinance Amending Chapter 1167.07 to the Codified Ordinances of the City of Wilmington Portable and Temporary Signs, as read.

Motion passed.

President of Council declared Ord. No. 5036 passed as read.

Councilman Stuckert: Then item D, which was our third reading on the ordinance amending Chapters 1167.01 and 1167.04 to the codified ordinances of the city on wall and projecting signs.

A motion was made by Stuckert and seconded by Jaehnig to pass the ordinance Amending Chapter 1167.01 and 1167.04 to the Codified Ordinances of the City of Wilmington Wall and Projecting Signs, as read.

Motion passed.

President of Council declared Ord. No. 5037 passed as read.

President Kirchner: Do you have anything else, Councilman Stuckert?

Councilman Stuckert: That is all I have.

President Kirchner: Thank you, Councilman McKay, for asking for the clarification. I have to admit that after he had indicated we didn't need it, I just moved forward.

[Banter]

Safety Committee- Chairperson Don Wells had no report.

Downtown Revitalization Committee - Convener Mark McKay: I think we talked about just about everything that is going to happen this weekend. The General Denver Draft is Friday evening and that is supported by ECCO. Saturday and Sunday, the ECTA. Then, Saturday night, the cruise-in.

Councilman Jaehnig: Sunday the fair begins.

Councilman McKay: Sunday the fair begins. That's slightly off downtown, but that is truly a big event.

[Banter about fair]

Councilman McKay: Let's go back to Safety for just a second. Don, we haven't discussed this, but I know there's discussion with the county and I attended the meeting

where the mayor discussed our Station 2 and the possibility of using it for emergency. I just wondered, are we at a point where we need to have a meeting internally to discuss that further?

Mayor Riley: We're getting close. Not right yet, because the sheriff has been out of town, and I certainly need to talk with him first. But, yes, we're getting awfully close. It just makes good sense, but I certainly want to talk to the sheriff and maybe have him at that meeting if possible. I haven't had the chance to talk to him yet.

Councilman Wells: Will we be compensated in some form for the use of the building.

Mayor Riley: Yes. We'll have an excellent EOC and that will be our compensation. We'll have an Emergency Operation Center that is probably double the size of the one at the Sheriff's Office. It will function a whole lot better. Currently the EOC is paid by everybody in the county per capita basis. The City of Wilmington has, for I don't know how many years, has paid \$15,000, slightly above our per capita. The County has paid \$30,000, but they have provided in kind, which they are required to by law. I'm not really too concerned... Actually, there's a couple of interesting things with this, Don. I'm not particularly concerned about recouping any of the in-kind gift, but as we proceed to mothball Station 2, use it less and less, we will still use it for storage, one of the things that has made me a little uncomfortable is not having someone out there every day. This will put an occupancy in that building that I think is really good for the city. So, we get something in return. We'll have a couple of people out there who will keep an eye on the building for us. That makes me feel a whole lot better. A lot of things are coming together to make this seem like a really good idea. The number one reason for doing this is that the emergency operation center that has been designated for us, and thank the Lord that we've never had to use it, would not work well in a true emergency. It just wouldn't. Brian was out there the other day and took a look at with me. We were just doing a little run-through on that side of town. Brian, do you have any observations from that that you noticed.

Councilman Siebenaller: Station 2 is clearly bigger.

Mayor Riley: Oh, yeah. Which makes a huge difference.

Councilman McKay: They would, in your proposal, be doing renovation-type repairs?

Mayor Riley: Yes. Anything that would be needed to bring it up to usable standards would have to be done by, one, the county. They have EMBG funds that come in from the state. We also have grant dollars that are available from the state for, usually it's for building a new EOC – Emergency Operation Center, but if you have a perfect solution to a problem like we do, those funds could well be available for us also. But, I'm not looking to putting any city dollars into rehabbing that facility. Actually, because of the mold and the remediation that we had to do with the mold, there is some work that needs to be done to that building. So, this will get that done for us.

Councilman McKay: So, it's kind of a win-win situation.

Mayor Riley: Oh, it really is. Yes. It really is.

President Kirchner: The operational costs would then be covered by the Emergency Management Organization as opposed to the city budget.

Mayor Riley: Correct.

President Kirchner: So, we would actually be able to maintain the facility.

Mayor Riley: We have to keep that facility above freezing. We can't just shut it off because we have tankers and life squads out there as well. We have to heat this facility, and this could help defray some of that cost. So win-win is a very good analogy, Mark.

Councilman Wells: Do we currently do the mowing out there?

Mayor Riley: Yes. Mike?

Mike Mandelstein: What assets are currently stored out there at that building.

Mayor Riley: I couldn't give you the numbers of the vehicles, but I know that we have the platform aerial, which fits out there perfectly. We have an engine. We have a squad. The fire safety house that is used to teach children about fires and also weather-related emergencies is in that facility, as well as we have a trailer that has the rescue boat in it, the original inflatable that we use. That type of thing is hooked up and ready to go.

Unknown in audience: The foam pumper.

Mayor Riley: The foam pumper. Thank you. There are a couple of other pieces out there, but I can't remember what they all are. The fitness area is also out there at this time. We have a pretty good fitness area that PD and FD can use on a regular basis, just for the fitness and wellness on their part.

Mike Mandelstein: What is the foreseeable use for any of those assets.

Mayor Riley: We alternate the use of those assets once a month (or is it every other?)... On a regular basis, they are rotating them down to station 1 so that one piece of apparatus is not getting worn down quickly, so it should double the life of the equipment that we have. So, all of the equipment is being maintained in a state of readiness. And, Lord willing, we have some industry, we have some growth, we have some jobs. Who knows if we might have to reopen station 2. If we have to reopen Station 2, nothing that we do out there for the EOC would impact our ability to reopen Station 2 and use it as a fire station.

Mike Mandelstein: In other words, it's a simpatico relationship between the two entities.

Mayor Riley: Absolutely.

Councilman Siebenaller: I really appreciate you taking us through. When we went out there earlier this week (and I really appreciate you taking us through), it was pretty clear the divide between the area that would be used for emergency management and then the other side would be fire. They had bacon going on at one end.

Mayor Riley: We know what the chief had for breakfast.

President Kirchner: Everybody loves bacon.

Mike Mandelstein: Is it possible that that building, in an extreme contingency, has additional space for marshalling first responder forces from that point in the event of a city-wide issue that renders this fire station incapacitated.

Mayor Riley: Absolutely. In your emergency response preparedness...

Mike Mandelstein: I mean moving actual equipment out there and staging it.

Mayor Riley: Absolutely. That type of redundancy is really important in emergency management.

Mike Mandelstein: Enough such that it would more than just our city fire department. Other resources might be marshaled there.

Mayor Riley: If you look at that facility, Mike, we currently have the very large parking area just to the east of Station 2. That belongs to the city has well. That would be an area...we have actually talked about that...we would do staging of emergency response equipment if it was necessary.

Mike Mandelstein: Is there a current backup power supply.

Mayor Riley: Absolutely.

Mike Mandelstein: Would it have to be upgraded?

Mayor Riley: It has been upgraded. It's good to go right now.

Mike Mandelstein: For both entities.

Mayor Riley: Yes, sir. That's actually mandatory for an EOC. You have to have backup.

Safety Director Russ Burton: We're not going to lose total control of the facility because it's also going to be shared by PD and FD for training.

Mike Mandelstein: Does the facility lend itself to future building expansion.

Mayor Riley: To be real honest with you Mike, I don't think that's necessary. I don't think that's necessary. We do have some expansion capability out there...

Mike Mandelstein: I'm going somewhere with that, but not right at this time.

Russ Burton: On the west end of the building, the one closest to Liberty Center, there is potential area there for expansion. But, like the mayor said, right now, it's not required.

Mayor Riley: There is also expansion capability to the north side of it. You have bays that make up the bulk of the building. It is actually towards the golf course area, towards the back of the golf course, there is a large gravel area. There is actually a blacktop area and then a large gravel area. You could probably, if you needed to for more equipment, you could probably put in another two or three bays and still be able to get all the way around the building without cutting through bays. So, yeah, it does have that kind of expansion. And a helicopter on the roof.

Mike Mandelstein: One last question concerning it. Does it have the capability or could it have the capability in an extreme contingency to become a medical triage point...

Russ Burton: Absolutely. With the bays, the bays could be cleared out. The equipment would be out anyway.

Mayor Riley: Yes it could, but if you are doing a mass casualty assessment, we also have capability of setting up, there are actually inflatable structures at the hospital that can be made for mass casualty, particularly if you are doing decontamination and such. They inflate almost like a original inflatable, like a ZUMRO. These inflatable things just pop up literally in three to five minutes, Mike. It's a structure that is ready to go.

Mike Mandelstein: But, if they were not available initially...that's the question I'm going to.

Mayor Riley: Absolutely. That is where EMS and Fire Departments and Emergency Responders are taught to scramble. They can make an emergency facility out of almost nothing. In fact, in one of our trainings, when I was with FEMA Disaster Medical Assistant Team, that was one of our challenges coming up with a triage area that was out of the weather. We literally just used ladders going from one fire truck to the other draping canvass over it, and you had an area underneath that that you could actually treat patients. It made really a fairly large area for us. That's the type of training that they go through in emergency preparedness. That is all I have. Thank you.

Parks and Recreation Committee - Convener Rob Jaehnig: We have no official legislation tonight, just a quick update on the parks. Obviously, this last week we had a very rough weekend. We had a major tournament going on out there when the storm hit Friday evening. They did an exceptional job of taking care of those people and getting them where they needed to be, getting everything cleaned back up, reset back up, so that they could continue to play the next day. They did an exceptional job there. They have

two weekend tournaments coming up in a row with the Cincinnati Red Stockings, which is like little league baseball. It's a two-weekend event. Also, the Friends of the Park have been extremely busy out there. Obviously, they are the host for the 4th of July event, but they have done a lot of donating with new lights and new electrical outlets out there. Some new dirt and gravel to smooth out some parking lots. They have donated almost \$3000 to give back to the parks to really improve. The parks are still looking for volunteers. They are setting up parent advisory groups for each of the rec leagues – soccer and baseball and so forth – to try to get more parent involvement and more parent discussion. We want to see where you want to go. These types of things. So, they are really doing a great job of reaching out to the community and having those discussions. There are a few spaces left for their big fishing event this weekend. They are going to be fishing around the pond.

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Councilman Wells: ...Stuckey Farm Park. I had a gentleman who lives in Lakewood complain to me that he thought we should mow that because it's kind of grewed up. I can't recall, have we been mowing that before? I know one time I was out there with Roy Joe and we walked around that property and it was short then. I don't... I just thought I'd pass that along because he did say something about it.

Service Director Reinsmith: I'll pass that on to Lori, now that it's a Park.

Councilman Wells: Okay. Thank you.

President Kirchner: I hesitate. In this heat, it may not be tall for long. It may be wilting down to nothing. Let's hope we get some relief.

Service Director Reinsmith: We'll get rain this next week; the fair is starting.

President Kirchner: I have to say, after Councilman Jaehnig talked about the interruption of the tournament last weekend, I can't help to think that Mother Nature mistakenly thought the Banana Split was that weekend, because normally we get a good Friday night storm. We were very blessed...

[Banter]

Income & Levy Tax Report: Chairman Jaehnig: We are continuing to meet, but we have no report today.

Service Director- Service Director Larry Reinsmith: I have no report, but I did get a report from my Water Superintendent, and I know the mayor got that too. He was sort of happy. Every month goes by and he keeps looking at his revenue. The first six months now of this year, he has had an increase for the first time in two or three years. So, that's a good sign for us.

Mayor Riley: He called me very happy about that. I would also like to point out at this time, Larry, since you're talking about the Water Department. Last weekend, when the storm blew through, we were hit, but not nearly as bad as our neighbors down in Highland County. I received a call from Mike Jones at EMA that Highland County EMA had contacted us because Highland Water was down to probably an hour or less of supply. They had a lot of people who were running out of water very quickly and wanted to know if we could help. I got a hold of Jerry, who, by the way, is on Highland Water, and said that he knew that he was down to a trickle. I said, "You better start filling up jugs." I told him if anybody from Highland County came with tankers or what they used to call water buffalos for potable water just to fill them and we would take care of the billing and issues of it later because our neighbors to the south were really hurting. It took them a couple of days to get over that. But Jerry was very instrumental in making all of that happen. I don't think we actually filled many tankers because the state came in fairly quickly, but we were prepared to help those folks.

Service Director Reinsmith: We also sold, I know, over 300,000 to Western Water. They had numerous situations and they may have had electric down to their pumps. We still had four connections to their system.

Councilman Jaehnig: Was the Highland water situation because of pumps being down.

Mayor Riley: They couldn't pump water up into their towers and that was the problem. It really rather surprised me that they didn't have backup generators for all those pumps. Being that as it may, they were hurting. So, we were able to at least be on standby to help them out.

Councilman Jaehnig: I just wanted to ask, where are we and what is the procedure to move forward on the scale at the landfill.

Service Director Reinsmith: Well, you know, when you passed the ordinance the other day, you didn't pass it as an emergency, which required a 30-day waiting period. I went ahead and sent the contract up to the vendor. All the 30-days is going to keep you from a referendum. I already have the wheels rolling on that. The contract is out and we're waiting for the signatures to come back. I figure by that time, the 30 days will be over with. You know, I talked with Donnie on that. In committee we talked about the cost of that project. There was a true cost of the scales of about \$60,000, but there is other additional monies that we are going to have to be required. I know Donnie said that you had moved the money at the last meeting, but all you moved was that \$60,000. But, there still will be additional, maybe \$20,000, that we will need. We can talk later about that.

President Kirchner: Let me understand, because I thought that was an installed cost.

Service Director Reinsmith: It is, but there are other requirements. There is a wheel washer and scrubber. You wash the tires on the vehicles as it is leaving the landfill, before it hits the scales again. You know, on those muddy days, it can pick up a lot of mud, and when it comes back over, you don't get a true reading on the truck weight.

Mayor Riley: On the empty truck.

Service Director Reinsmith: But I told Donnie we can hold off on that for a few months because it's not going to be that wet. Then, there's the gravel path that you're going to need there. I think he was working the numbers up, and it was around \$20,000 additionally. I know originally when we talked in committee, I said around \$80,000.

President Kirchner: So, we didn't bring forward the plan that has all of the needs to install the scale.

Service Director Reinsmith: No, I asked Donnie, I was on vacation, but I think he asked Rob how much money we were going to move.

Councilman Jaehnig: He didn't ask me, because it wasn't my committee.

Service Director Reinsmith: Whoever it was, asked what was the price of the scales, and he said "\$60,000," and they said, "We'll move \$60,000 then."

President Kirchner: As I recall, it was based on the quote that was brought to committee – based on the RFP that was put out.

Service Director Reinsmith: Yes, but all they are doing is installing the scales but not anything else. They're not moving fuel tanks.

Mayor Riley: The big cost, I think, that I just found about not long ago was washing the wheels as it left the landfill. I was just thinking about bringing things in and getting them weighed. But when the empty truck goes back out, it can't have 200 pounds of mud.

Service Director Reinsmith: I think it's like \$8000. You have to run some plumbing and stuff like that.

Mike Mandelstein: Larry, would it be safe to say that the scale itself is a \$60,000 install but you have site prep expenses that will add on to that to the tune of...say...twenty grand or so.

Service Director Reinsmith: I say you're real safe there, Mike. I mean, the scales are all totally installed with all the electronics and the digital readouts and the ramps and all of the concrete work. That's all that was for. We're looking at different options on the fuel tanks. The mayor knows we're talking about a couple of different things that may eliminate the need to move those fuel tanks altogether.

Councilman Wells: I remember us talking about the fuel tanks, but I did not recall ever hearing anything about a wheel washer.

Service Director Reinsmith: I didn't either. That was new.

Councilman Wells: Is that pretty standard everywhere?

Mike Mandelstein: I have seen something similar in my lives in Franklin County, Columbus, and Fayetteville, and it stands to reason if they're going to come in with clean wheels off of the payment, go up a muddy path, after the first weighing, disgorge the contents and return, and those wheels and the underside of caked, they probably are figuring they're writing checks or paying cash for what they're doing – what is referred to in the butcher shop as a fair tare.

Councilman Jaehnig: Actually, it would work in their favor...because they would be getting to dump extra trash and not pay for it.

Councilman Wells: And it behooves us to get the mud off.

Service Director Reinsmith: That's all Mr. President.

Safety Director – Safety Director Russ Burton had no report.

Reports:

A motion was made by Wells and seconded by Stuckert to approve the Income Tax Report – June 2012, as received.

Motion passed.

Reports accepted as received.

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

Paul Hunter: 200 Randolph Street. The aggregation issue is one of my favorite subjects. We're sending \$80,000/month out of the city in excess utility costs. Every month we delay completing...I know you guys are busy...you have budget problems, you've got TIF problems, but this should have a priority of some sort. The county has moved to put it on the ballot. That's all been done. We don't need that step. We can proceed apace with just a simple procedure. The procedure will be given to you...any broker can tell you what to do and give you the paperwork to do it. About \$80,000/month is a lot of disposable income that can be spent in the city...it's the equivalent of a 13-mil property tax cut. This aggregation can mean that much to the citizens. If you have any questions, please ask. There is a little more detail as to how I arrived at my figures in the handout. We are moving towards some point, are we not?

President Kirchner: We are, Paul. Just so you know, just today I met with Chris Schock at the Planning Commission. I know that Bill Bradish had come in and talked to him. I'm trying to remember Bill's company.

Paul Hunter: Palmer Energy.

President Kirchner: They worked specifically with the county commissioners. The county commissioners have moved to put it on the ballot. The question I've been asking is the understanding of because there is potential for a greater savings with the larger group, is what kind of timing and ability the city would have to join in that aggregation or not. Those are the questions that I have been waiting to get the answer to.

Paul Hunter: My position is, and I think Bill's too, Mr. Braddock, is that let's go ahead and get the city done. The county issue can be done – they won't be ready for a year, I'm told, to actually do their county-wide aggregation. They've got to do the ballot issue in November and then it becomes effective sometime next May or so. We can go ahead and do ours – join or not join – it's up to us at the time that becomes available. I just can't see us holding up. I agreed with you initially, but in thinking it over, let's go ahead and move to get the citizens that savings. Then, when the county is on board and becomes certified, we can look at that in closer detail. The last word I had from Mr. Braddush was he thinks he can get the city the same rate as the combined rate. That's what he is telling me.

President Kirchner: That was part of the information that he had shared that he believed it was possible, that the city could act prior to the county being able to, for their own citizens, but could act through the County Commissioners potentially to get into that larger buying pool. I am waiting to hear the answer of whether or not that is an opportunity that council would need to consider.

Paul Hunter: All incorporated municipalities in the county, including Wilmington, have to have a ballot issue. We've done ours. We've got that paperwork done. Sabina now is interested; they will have to have their own. What the county can do, the unincorporated areas of the county, all of the townships are going to be under the county's umbrella, but not the villages. We can go ahead and do this. I just can't see any reason to delay because of the county because the county does what they do and we can do whatever we want later.

President Kirchner: It wasn't a matter of delaying to wait on the county. It was a matter of understanding the mechanics of it. We moved on our own outside of the county commissioners, who would be necessary to work with Palmer. Whether or not that would preclude our ability to join in if and when the county completes the ability.

Paul Hunter: Any municipality can join at any time.

President Kirchner: We would be contractually obligated to whatever we were involved in at that time if we move forward with aggregation outside of the county.

Paul Hunter: That's why, if they had a higher rate, you wouldn't want to aggregate. If they have the same rate, we would. If they have a lower rate than we get, then we'll go with the county that way. I don't see...let that work itself out.

President Kirchner: It's just understanding the mechanics of what it would imply moving forward, Paul. It's just getting the mechanics of what the commitments...

Paul Hunter: I'll just finish up and say that \$80,000 is going to Dayton that could be left here. Thanks. I left some things on the table if anybody is interested.

Councilman Jaehnig: Just one thing...for those who did not notice...Family Dollar opened their doors today, so we have another business up and running. So, there are a few more jobs. The sign has been lowered and it looks a lot better.

President Kirchner: I would offer to council in the public portion a budget proposal. I will note as this comes down that originally I tried to have this ready for the last meeting, and the date still says 6/21/12, because as I have continued to work on it, I did not go back and edit the date. So, it is a 7/5/12 budget proposal to Wilmington City Council. Tonight I would like to present a budget proposal for Council consideration that I think has the potential to significantly improve the city's ability to serve and protect the health, safety and welfare of our citizens while living within the city's means as we

weather these troubling economic times. This proposal is made with a disappointing need and the respect and understanding of the significant impact it suggests to a limited number of individuals. It is also made with an understanding that we were elected to meet the needs of our citizens with the hard earned tax dollars they provide.

Many in our community have been touched by both the devastating impacts of our local tragedy with the departure of DHL and the economic downturn that has impacted our country and global economies. Our citizens have had to make personal adjustments in their own households to lower their expenses while providing for the true necessities in life like food, shelter and clothing. These needs have meant giving up on many conveniences and what some may call luxuries such as cell phones, eating out at our local restaurants and family vacations. Some have had to make more significant adjustments as extensive as lowering electric, gas and water usage and some have even sadly lost their homes, healthcare and even more. The devastation has been significant.

Through it all, the city has passed, I will note with dissenting votes, 3 deficit budgets and fallen back on the significant reserve funds generated by the brief period of prosperity encountered after the arrival of DHL and annexation of the airpark. Sadly, during the time following the announcement and eventual departure of DHL, the city as a whole has failed to respond, as our citizens have had to, by reducing its convenience and luxury expenditures to live within its means. That period of spending beyond income and maintenance of higher than absolutely necessary budget expenditures has burned through the reserves briefly created and now leaves tough choices that much be made to serve the health, safety and welfare of our constituents.

During the 2011 campaign, I listened as then candidate for Mayor, Randy Riley, spoke of often hearing about the idea of “doing more with less” while indicating that it may be time to “do less with less.” Tonight, I would like to propose ideas that I think enable the city to do the same with less.

I have spend hundreds of hours in conversations with the Mayor, all 7 council members, other of our city elected officials, our constituents and in deep analysis of our city budget and personnel costs. Personnel costs specifically because the city is purely a service-focused organization and personnel are necessary to provide that service. I have listened to ideas expressed in public, input from all I have talked with and analyzed past and present data to try and identify options for addressing the budget deficits that we have faced for the past two years as well as in the current year.

As a result of that effort, I have identified some options I now put before council for their consideration as the elected voice of the people. Options aimed at first attempting to reduce the deficit in the current operating year and eventually at providing an opportunity for balancing our budget to revenue in the year ahead. The options include the following 3 items:

1. The consolidation of certain positions and responsibilities.
2. The elimination of administrative positions added during the years leading up the DHL’s departure, some of which were budgeted and occupied but are now vacant.
3. The immediate reverse appropriation in the current year of monies intended to fund the salary, pension, workers compensation and Medicare costs of the appropriate above-referenced positions and updating of City Ordinance 4823, which is the City Classification legislation.

Item 1 refers to enacting an approach the Mayor has indicated he is constantly evaluating of combining responsibilities and positions, thus reducing a position and an additional level of administration. Specifically, I am recommending that the position of Superintendent of M&R be eliminated with the responsibility for overseeing the detpo being shifted to the Service Director position.

This recommendation is made and the suggestion provided that the Mayor consider replacing the current Service Director with the current individual serving as the Superintendent of M&R. The position of Service Director serves at the pleasure of the Mayor and as such could be replaced at the decision of the Mayor. Larry Reinsmith, who

is serving in the position of Service Director, is a fully retired past and present city employee. The common public description of that situation is a “Double Dipper” referring to collecting both a public pension and a public salary. By replacing Larry, the individual in the “Double Dipping” situation, with Denny Gherman, who is not yet retired, the Mayor would provide continued employment for a capable and experienced individual, while reducing the operating cost of the city and achieving the benefit of an approach he has publicly supported.

With the current Service Director holding responsibilities for Building Inspection and potential related credentials, I would recommend that if the Mayor makes that effective decision that there are credentials for Denny to earn, the Council support that approach by creating legislation providing an interim lowered salary during which time Denny would pursue and acquire the necessary credentials. I would also recommend that if necessary due to the needs during that time, Council be willing to make the small additional appropriations that might be necessary to contract for that service.

Item 2 refers to some Administrative positions created in the last 8 years. During the period from 2004 through 2008, the city created 4 new administrative positions that increased the cost of city operations. They include the Executive Administrative Assistant to the Mayor, the Assistant Police Chief, the HR Director/Safety Coordinator, and the Code Enforcement/Engineer positions. All positions were created at the request of then Mayor David Raizk and justified as needed for a growing city. They added to the administrative overhead of our city and while perhaps being conveniences of a growing city, now represent a significant portion of the current city budget deficit.

Two of those positions, the Assistant Police Chief and the Code Enforcement/Engineer, are currently vacant. The previous Assistant Police Chief, Duane Weyand, has been named the current Police Chief after the retirement of Chief Mike Hatten, and the Code Enforcement/Engineer voluntarily departed to pursue other employment.

The other two positions are currently filled.

The Executive Administrative Assistant to the Mayor is a position that was added to replace the Administrative Assistant to the Mayor. My recommendation would be for Council to eliminate the Executive Administrative Assistant to the Mayor and return the duty levels to those for the previous Administrative Assistant to the Mayor position. The previous job description should be reviewed and reinstated by Council and returned to the Classification Ordinance.

The remaining position is the HR Director/Safety Coordinator. That position did not exist prior to 2005. The HR responsibilities were managed by the HR Secretary, Administrative Assistant to the Mayor and the Mayor. I am recommending that Council consider eliminating that position from the Classification Ordinance. The elimination of that position would cause the individual currently serving in the position, Danny Mongold, to be unemployed. While it is regrettable that any job be lost here at the city, the current resources of the city are not adequate to provide for that full-time position. I have made initial contact with President of the County Commissioners, Pat Haley, about introducing the idea to the County Commissioners for the County and City to enter talks about an agreement to share HR Professional resources between the 2 entities thus reducing cost for both. The goal of that would be to maximize the experience and ability of a veteran professional and do it in a manner that provides the greatest efficiency and value for taxpayer dollars.

To that end, I will be requesting Commissioner Haley officially introduce the topic to the Board of Commissioners and with their support, invite Commissioner Haley to a meeting of the Ad Hoc Committee next week so that we may begin investigating the opportunity and any necessary legislation.

Item 3 refers to actions I would ask the Finance Committee and the Judiciary Committee to consider as measures necessary to immediately address the current year budget deficit as well as future budget issues. With no significant near-term improvement in the economic conditions significantly affecting tax revenues, I think these measures are

necessary to provide for the health, safety and welfare of our citizens. If these actions are taken, the amount saved in next year's budget cycle would be at or over 30% of the current budget deficit.

There is an additional item I would propose that the City and County investigate working on. It is the cost of Employee Benefits for the employees of both entities. The current year city plan demonstrated just under a 10% increase in maximum cost to the city. With the current year insurance plan for the City representing 6.5% of the complete city expenditure budget of \$36.9 million, and continued potential growth, it is an area of expense that could provide opportunities for at a minimum the slowing of the increase and potentially the reduction of expense in taxpayer funds. I have similarly spoken with the President of the Commissioners about presenting the idea to the Board of Commissioners and again, if there is support, I would invite Commissioner Haley to the Ad Hoc Committee meeting to investigate the potential efficiencies. That investigation would need to identify if the process can be legally accomplished, the Benefit Needs of our respective employees can be met and there is ability to reduce the expenditure of taxpayer dollars.

In all of these suggestions, I have tried to incorporate the ideas that have been shared, the understanding of the significant fiscal realities we as a city face and the provision of the minimum impact to city employees. The recommendations for eliminating the indicated Administrative positions is a move that I think will right-size the city Administration for our city's foreseeable future. I would also note that these suggestions help protect the city's ability to maintain the current level of positions such as patrol officers, firemen, EMT's and taxi drivers.

There is one final request I will make and it is a return to my call for the full-time employees of the city to consider moving to partner with Council in the effort to save the jobs of all of those who serve our citizens. That partnership could be accomplished with efforts to actively participate in a voluntary furlough program that reduces the cost of city operations. An analysis of the payroll structure of the city indicates that if all employees supported by the General Fund directly or through transfer to their budgets, were to move to a 35-hour work week, the city could save approximately \$500,000. That amount represents over 38% of the current budget deficit. By partnering with Council through commitment to a plan of that nature, the need for significant reductions of positions to balance the budget to revenue could be minimized. I will also note that any of the positions that are safety-related or necessary to provide the service would have to be evaluated for any ability to participate in that program.

I ask that the Judiciary Committee meet next week with the goal of bringing legislation to the next regular Council meeting. I will schedule a meeting of the Ad Hoc Committee next week as well and if the Commissioners are supportive, will invite Commissioner Pat Haley to discuss opportunities for the City and County to work together with the goal being lower cost to the taxpayers for the operation of both entities. Thank you.

Paul Hunter: You left the citizens' responsibilities out of this. You know my position on that. The citizens have to join in the contribution to the budget. From that is the property taxes I have told you about considerable times. That's the citizens' way of contributing. You can't play it all off on the city – all the responsibility for belt-tightening. The citizens also – the voters – have to say "I choose to have more or less services." How they will express that is a vote on the property tax. That is a suggestion that I forwarded before, maybe as a last result after you've considered everything else, but still, it should be considered.

President Kirchner; I would agree that we need to take a look at it. If you look at the totals of the percentages, you're only at 65 to 68% of the actual existing deficit. There are still obstacles to overcome. I know that when we originally named the property and income tax committee, one of the charges that we had anticipated they would tackle was the concern of having ideas brought forward in time to put them on the ballot for any tax issues that made sense.

Paul Hunter: But we have an August deadline for ballot issues. If we are going to go that route, we should get it on November's ballot.

President Kirchner: With that committee specifically working on those options, I did not make any recommendations there. I would turn to Councilman Jaehnig and ask if there is any, at this point, expectation of bringing an idea forward to council.

Councilman Jaehnig: We have never been asked to bring with the specific purpose of having a tax to generate a certain amount of income. Without knowing the income that needed to be generated and what either the mayor, the President of Council, or the Finance Committee are looking for, we have not been tasked with making a recommendation for any type of a tax increase. Our task, as I understood it and our goal, was to review all of the different options and be prepared if such a request came to us.

President Kirchner: Actually, one of the things that was included in that original charter document, which you may very clear that you wanted to be a suggestion not a direction, was that you investigate the option of property taxes, the mechanism by which one would be put on the ballot or multiples be put on the ballot, and bring a report back to council of what that process would entail, timing and the revenue that would be generated by various levels of property tax levies.

Councilman Jaehnig: That is correct. You just stated that we would come back with a recommendation of what to do. That I have not been requested. Without additional information of knowing exactly what type of revenues need to be generated or would be requested, it would be very difficult to make a suggestion of which option would be in the city's best interest of that particular problem. So, at this particular point, we are doing the appropriate service of research that would needed if such a request came. It was made very clear at the time by the President of Council that you truly believe that there was no need for a new tax but that you did agree with the fact that it was good to do our homework in advance and be prepared just in case that need arrive. But, that was the explanation that I understood from you when the committee was formed.

President Kirchner: The indication from me, Rob, was that I did not believe that all the budget deficit issues should be solved through new revenue. However...

Councilman Jaehnig: Your exact words, Mr. President, were that you did not feel originally that it was appropriate to be looking at a new tax until we resolve all other budget-cutting options, but that you agreed that I was correct and it would not hurt to do our homework in advance – to be prepared.

President Kirchner: And that is the exact homework that I'm asking if the committee is ready to present – the options.

Councilman Jaehnig: We are ready to present the options, but we have no recommendation because we do not have enough information to give you recommendations.

Paul Hunter: Rob, at a meeting I attended I think the auditor agreed each mil would generate about 240,000 and cost each mil about \$35 a year for the \$100,000 homeowner. Two mils, it's hard to say because they haven't finalized the values. Two mils should bring in about \$500,000. That's based on data.

Councilman Jaehnig: That is correct. And those particular figures are being worked up right now by the County Auditor, Terry Haberhmehl, and we do expect to have those when we meet next week. We have not heard back from him at this point. But, the review at that time was not just tax levies, but potential income tax change and alternative taxes to be reviewed: to see what options may be available to council if it was decided that some type of a revenue, increase in tax...

Paul Hunter: Well we have less than a month to get it on the ballot. That's all I'm saying.

Councilman Jaehnig: To my understanding, at this particular point, nobody asked us to have a proposal set forth to be on the August deadline for the November ballot.

President Kirchner: I believe it was simply making council aware of the mechanics and timing that would be necessary to accomplish it. As I recall, the committee was developed out of your concern that a plan be ready in time.

Councilman Jaehnig: Correct. That the homework be done – finished.

President Kirchner: Will you be reporting to council at the next council meeting?

Councilman Jaehnig: We can. Yes.

President Kirchner: Unless I miss the calendar analysis in my head, that actually would be right up against the deadline to have a ballot issue submitted.

Councilman Jaehnig: To my understanding, nobody on council has made a determination, including the President or the Mayor, that pursuing a tax has been even requested. Are you saying now that we need to pursue a tax?

President Kirchner: I am saying that council needs to understand the timing and process, which was one of the original concerns you had raised and one of the original reasons that committee was developed.

Mayor Riley: I'm really quite surprised by this because you had mentioned, Scott, that this was prepared for presentation two weeks ago. This is the first I've seen of this document. Mr. Auditor, I don't know if you've seen it before. There are some things in here that we have already done – that we are already pursuing. There are some things in here that I can guarantee you, without a doubt, that I would veto in a heartbeat if it were presented by council as an ordinance. I would veto it without doubt. But, I haven't had a chance to look at any of this until just a few moments ago when you passed it out. So, I will look through this. There are some things in here that are not going to happen.

Mike Mandelstein: Most of you know me or know of me. I live at 1006 W. Locust Street. I'll get right to the point. Everyone's known for quite some time that this day was coming upon us. I've spoken to most of you in this forum and privately. I've explained the concept of the lifeboat in human nature. You've still got money left. You're asking employees to sacrifice who haven't had raises in some time. We're asking, on short schedule, for a possible tax levy that, well Wilbur, take it back to the hangar, it ain't gonna fly. The bottom line is, instead of trying to figure out how to get more money out of shrinking population of businesses and citizens, why don't we try selling the city. Where I come from and all the math I've ever learned, when I suddenly lose a large chunk of revenue, I start looking around to replace it. And I don't look around to replace it by increasing the prices that I have in place to gather revenue. I start looking for new revenue. That doesn't mean running around trying to find people that might bring jobs to town and possibly give them a little corporate welfare as an inducement, especially on numbers that as yet I have not had satisfying. I am referring to the TIF proposal for the jump hangar. Now, up until this evening, I've heard several different numbers and I'm not so sure those numbers are entirely accurate. I missed a call from a state senator who didn't really in the message he left me indicate that there was going to be 259 jobs come into this airpark. Everyone seems to pin their hope on the airpark and ignore some of the employers that are here who may want to bring more people into the area but they're kind of holding their breath waiting to see what they're going to do here. More taxes. Yeah...that's going to work real well. That's really going to bring in people. Instead of worrying so much about bringing in business people, why don't we worry about bringing in property owners. Or, as they say in some franchises, fans to fill the seats. What a novel idea. The soda tax...I've read about that. That won't work. Selling the landfill...you're two years minimum from getting any money out of that, and you just sat here and pretty much said we're going to spend some money to get more money out of it. I'll tell you this much, if you think that that landfill's only worth, say 30...40...50 million dollars, you're all at best, not even at worst, criminally incompetent. Anybody who has done any homework, and it doesn't require much more than a year and a half in

the first grade of arithmetic knows what landfills generate, privately held, as well as the consequences when they fall into or are sold into private ownership. So maybe that's a thought we need to put to the side. Now, the cuts you've all heard this evening, yeah, maybe they are necessary, Scott, but I'm thinking they could have been presented in a slightly different way. I'm going to grant you, you've got a great knack for getting right to the heart of it, but you just can't yank people kicking and screaming into something they already know. You have to find a way to persuade them while there is still time. As far as I know, there is still time, because the money that has been collected, the "rainy day fund," city reserve fund, whatever the cash is that Mr. Hollingsworth has been recording dutifully on, there is still some there. There's hope. There's time. But here's a new idea for leadership. Try selling the city to citizens who might want to locate in the area for current employers. Try looking around to see what current employers who aren't necessarily inside the city limits might be willing to do or concede to quid pro quo within the bounds of ethics and ordinances. Now, I have watched, I have listened, and yes, Mr. Stuckert, through circumstances not of my choosing, I chose to stay away from here for the last three meetings. I'm not cooled off. If anything, I'm even more frustrated than I was at the last meeting here, that last meeting in May. Mr. Kirchner, you may be a great engineer, you may be great at balancing, but at times like this, crisis times, there's always an unequal distribution of talent to get things done and there are always people that are going to have to do go ahead and do more than their share to get things done. That is how this country got built. If everything was completely equal, all things equal, I wouldn't be standing up here. Well, things aren't equal. Sometimes people have to task a little bit more to their plate because they know they can do it, they're the best person for the job, they've got the most experience, and shuffling around names to get different results, if anything, sets the progress back. In the six weeks since I picked up a copy of the paperwork you handed out showing the new committee assignments, I haven't seen a whole lot here or read a whole lot other than meetings about taxes and tax levies. I haven't seen any real leadership hear. This is the kind of stuff I expect out of Columbus and out of Washington D.C. You all have private connections, local connections to the community. You also have networks. Instead of sitting here trying to figure out, can we squeeze this tax in or can we, in fact, rush a tax levy through, why don't we think about selling the blasted city to people. Once upon a time, this was one of the, what was that called, best little towns to live in. Have we lost our way in that length of time? Have we completely forgotten all that just because somebody decided to take their freight and go somewhere else. Oh, yeah, it's a big deal. It's a big hit, economic and all, but at the end of the day, they're gone. They're not coming back, and I don't know who is. I really don't care because, in my mind, if I thought this was such an awful place to live in, I probably would have gone ahead and moved out. If there's anybody in here or in the sound of my voice or in the printed word you're taking down Mr. Huffenberger who thinks this is a horrible town to live in, then pack up and leave. And for the ones who don't think it's such a bad place to live in, getting your happy @sses out of the seats and go promote it – one person at a time or one company at a time. Because if you can put taxpayers back in the city limits, you can solve a lot of this problem and you've still got, what, a year and a half before you're at the deficit budget issue, assuming all things stay equal. Well, they're not going to stay equal. These are b!t©h*n' times and they're going to call for some b!t©h*n' leadership. If you don't have it here...

President Kirchner: [Hammers gavel] I'm going to ask you to watch your language. I encourage you to express your opinion. I will only ask that you watch your language.

Mike Mandelstein: These are difficult times that call for extraordinary leadership, and Mr. Kirchner, I don't see extraordinary leadership from that chair. You're handy with a gavel but not much else. You want to balance things; balance your diet. Stop shuffling people around and then having arguments after we have supposedly put all the contentiousness away. Because it's still there. I sensed it when I walked into the room. I sensed in all the committee meetings that I read about and all the council minute meetings that were published thus far. Sir, you ain't getting it done. In the words of a famous football coach of Ohio State, later the Cleveland Browns, and the first coach of the Cincinnati Bengals, I believe, young man, you need to seek your life's work elsewhere. That's all I've got to say. Thank you and good evening.

President Kirchner: Anyone else?

Councilman Stuckert: I'll say something. I'm going to take issue with this nonsense about people not trying to sell our city. We've got a lot of things we have to talk out and we don't all agree on things. Apparently, that's upsetting too. But, we have all kinds of people right up here, Councilman Jaehnig, everybody here is out selling this city every day. We've got young people working here for next to nothing selling this city. And we've got national personalities selling this city. We love this city as much as you do, sir, and we're not moving anywhere. We'll figure out how to do it. I don't think you coming in and seeking to trash the president or anybody else that you want to pick on in this council will make a bit of difference. It's not helpful at all. We'll get ourselves together. The mayor says there are things he's not going to accept. We'll come back and forth. We'll work things out. That's what we have to do. You know, we have been to have this deficit addressed for we're working on three solid years working on four years. For you information, if that carryover money is gone, we have worse problems than you could ever imagine because of the job that it will take and cuts that will have to be made to balance that budget by law would just absolutely decimate this city. That is why we're all working right now. These guys are meeting in the tax committee. They don't want to do that. Nobody wants to look for taxes. I think we all deep down know that our citizens are not going to be receptive to taxes. The whole idea we've been pushing the president of Council for six months now because we want to come up with something that would be a meaningful demonstration that we are tightening our budget. We'll address this further when we bring stuff to council. Tightening the budget in the city is absolutely mandatory regardless of whatever else happens, and we'll do that. We're not going... I don't see this council sitting here and hacking each other up. We all have the same objectives, and the city will recover in due time. We have problems that are tied to things well beyond the control of the citizens of Wilmington – well beyond the control of Columbus – even beyond the control of the people in Washington. We're all in this together and we're going to have to figure it out. One of the ideas that I would receive the least would be the idea of going to ahead and not really do anything now because we still got carryover. We have to protect that. I could go on and on. We'll address all of this. The citizens of this city know what's going on. Everybody has not only not gotten raises for a long time, there's people living on less. We'll do it together. I'm confident of it. We'll do it without tearing each other up. That's all I've got to say.

Mike Mandelstein: Mr. Stuckert, the bottom line is, you haven't said too much different now than you said six weeks ago. As far as what we can and can't do, we're only limited by our own fears or lack of hope. I have no fear and I have great hope that something will come along – several somethings. But, at the end of the day, every once in a while, somebody needs to get a needle somewhere just to get refocused and that is my intent. Refocus and remember this: just because you can come up with a tax levy and people will understand it, doesn't mean they're going to sit there and pass it. Human nature, being what it is, as long as there is a dime left in that reserve fund, it's human nature for people to hold on. So, at the end of the day, when that money runs out, then you might get somebody's attention. All I'm saying at this point is, you need to be prepared for that – not start rushing things through just because there's a deadline to get it on a November ballot. As far as the money being left, I know it's a finite amount. I understand that concept real well. I did spend a year and a half in first grade arithmetic. The money will run out. But what needs to be understood is, people who haven't had raises are reluctant to go ahead and either take furloughs or further cuts of some kind when they haven't had raises and they still see money there. I understand the concept, but you have to understand human nature. As that money dwindles, you probably will get people to more thoroughly focus on the fact that yes, your running out of money. That's usually how it works when the money amount gets smaller. So, you can prep, you can get ready to put a tax proposal on for police protection, for fire protection, but not at the pace that Mr. Hunter suggested. I think you're a little bit further out than that. Rushing to put anything on the ballot right now, given the state of the city's citizens is probably going to be a waste of the dwindling resources you have. Because the last I heard, ballot...

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Councilman Stuckert: I'm just saying, I don't think that there has been anything said up here tonight that even suggests that we're going to put a levy on in November. We've talked about preparation. That's what he's talking about. I don't know a person up here

that's ready to say, "Let's put a levy on the ballot." That's all your getting – the discussions that you're suggesting we have.

President Kirchner: Mike, I would offer, I believe that everyone up here, no matter what our political differences, everyone up here sitting up here and everyone of you sitting in that audience believes in this town and wants to be here and cares about it and sells it every day because we care about it, because we believe in it. I think that the service that these gentlemen give shows their devotion to the city, no matter what political differences we may have on how to get to the solution. The proposal that I made tonight did not include a tax because I believe that we need to live within our means. It was Mr. Hunter's suggestion that a tax be considered and that the citizens, and I do agree always with the citizens having their say, that it be considered. It was simply a question of where we were at on understanding the mechanics of it. These proposals are simply about lowering the costs of operating the city. That is all I brought forward. They're just ideas. They are ideas that these elected gentlemen, the voice of the people, get to consider and bring forward if they so choose. The public is welcome to be at that meeting or those meetings as we discuss the idea. But some ideas have to be presented because the money does run out.

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.

A motion was made by Wells to adjourn.
President of Council declared the meeting adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, July 19, 2012, at 7:30 p.m. with President Scott Kirchner presiding.

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

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

Council gave the Pledge of Allegiance to the flag.

President of Council

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, July 5, as received.

Motion passed.

Minutes approved as received.

President Kirchner: The only other item that I would like to address under my portion of the agenda this evening is an announcement of a public hearing, the first of two, that will be held here during the regular Council meeting August 2, 2012, Thursday evening at 7:30 p.m., on electric aggregation. The city is working to move forward on electric aggregation. Gary, if we could get that word out in the News Journal so folks know that we're very interested in any input they have. They can come and learn more about it. We would appreciate it. But we are announcing the first public hearing of two. The second will be at the following regular City Council meeting. That's everything for my portion of the agenda. Mr. Mayor?

Paul Hunter: Will that also be in the paper tomorrow? Saturday?

President Kirchner: Actually, we're working on the notice. It will probably go in on Tuesday and Tuesday.

Mayor – Mayor Riley: Thank you. The first thing on my agenda is a few years ago, we had a great idea, and I can't remember whether it started with Chris Schock or started with Lori Williams. I'll give you both full credit for it. It was a wonderful idea, bringing some young people, some young minds, a lot of energy into the community. At this time, I'll turn this over the Chris Schock to introduce our new community fellows.

Chris Schock: Thank you. Thank you, Mr. Mayor and Council people. We are very proud obviously of the Planning Commission and Energize Clinton County to welcome the 2012 Clinton Community Fellows. As you know, the Fellows Program has existed since 2009 and is our proactive way to engage young professionals while also assisting small businesses. And each of them work closely, intimately, with a group of small businesses and organizations in the county to allow them to be more competitive and more efficient and bring their insight and their opinions and valuable expertise to them. They all come from various different backgrounds. I'll let them introduce it. At the same time, it allows them to see Wilmington and Clinton County from a different perspective, from a perspective as a professional and as someone who is contributing, you know, to the discourse going on in economic development and other issues, which is obviously very important to root young people with those opportunities. We're very proud. Over the years, many of our fellows have been offered full-time positions with different firms, some of the firms they've worked with and others. It's been hailed as a model, as many of you know, with various awards and accolades from national media and other organizations, and we're very proud of that. So I'll let the fellows stand and come on up, introduce themselves, their background, and describe a little bit about the work they're doing.

Molly Linkous: Hi. I'm Molly Linkous. I grew up here in Wilmington. I go to Wittenburg University. I'm working with Cape May with the new Masterpiece Living Wellness Program they're implementing. And I'm also working with the Farmers'

Market through the Farmers' Bureau to advertise their ability to take credit, debit, and food stamps.

Edmund Besong: Hi. My name is Edmund Besong. I'm a student at Wilmington College. I grew up in Cameroon, West Africa, and in Paris. My family is from Cameroon, West Africa. And I'm working with CIFT with Rob. I'm helping him doing research on the incubator project, and we'll be applying for a grant from USDA. I'm also working with New Sabina Industries. I'm helping them redo their health insurance costs. Well, we have a program that encourages employees to participate, and by doing that, the insurance costs will go down. So, I've been acting as the liaison between the employees and management. I'm also working with National Bank and Trust right across the street. I'm at the head office. I'm helping them create their social media presence.

Daniel Gordon: Hi. My name's Daniel Gordon. I'm actually from Los Angeles. I go to Haverford College outside of Philadelphia. And I'm kind of in a little bit of a different situation from the rest of the fellows. My funding comes not from this community, but from my college to be here. I'm working with Branstrator Farm just a little bit down the road. We just redid their website, which was really exciting, so you should all check that out. And we're working on increasing his agritourism abilities, getting people to the farm for other reasons. I'm also working directly with Energize Clinton County on a partnership we have with the University of Dayton on a cool new energy efficiency computer program, computer game-type thing. So, you should see more about that pretty soon.

Ashleigh Achor: Hi. My name is Ashleigh Achor, and I also grew up in Wilmington. I go to Miami University in Oxford, Ohio. And this summer, I'm working with the Crave Candy and Nut Shop, which just opened around the corner. And I'm working with her on setting up online shopping and doing some promotion events. I'm also working with Adventure Cove Mini Golf, which just reopened on 22/3. And I'm working with her on some marketing, and also some like Facebook updates and just getting the word out that she's reopened and people can go out there and play mini golf. And I'm also working with Lori Williams with Wilmington Parks and Recreation and working on the new brochure and some policy writing, and also setting up their social media online. Thanks.

[Applause]

Chris Schock: Does anyone have any questions for the fellows? Thank you for their warm welcome.

Councilman McKay: Yes. I don't have a question, but I've seen them two or three times now. And I just want to say that they have a lot more poise and are probably a lot more intelligent than I was at that age.

[Laughter]

Councilman McKay: You know, I applaud you. But I applaud what you've done. Thank you.

Mayor Riley: Unless I miscounted, there are at least ten businesses in Wilmington and Clinton County that are going to benefit from your participation this year. And I always hearken back to that very first group of fellows who came through, and when they did the report, if you all get the opportunity to go to the final community report, I was in awe of some of the things that they achieved. So, I'm looking forward to hearing you report someday soon. And thank you all so much for being here. I really appreciate you being part of our community.

Chris Schock: That's great. Yeah. I would just note the final report is set. It's set for August 16th, which is a Thursday, and at 5:30 in the community room right downstairs. So, if you can make it, that would be wonderful. We'll summarize all of their work. And obviously on behalf of Mark and Taylor as well, we thank the city for their continued support of Energize Clinton County and the Planning Commission that allows this

program along with our other efforts to exist and to continue growing. So, thank you very much.

Mayor Riley: Thank you, Chris, appreciate it.

[Applause]

Mayor Riley: The next item on the agenda, several weeks ago, many weeks ago, we established the Blue Ribbon Panel, a group of elected officials that have served this community in excess of 190 years total. And they have diligently met over several months, and tonight we have a report. And I would like to introduce Dr. Steven Stovall and Dr. Angela Mitchell who will present the report tonight.

Angela Mitchell: First of all, I wanted to say thanks for giving us the opportunity to address Council and the community to share the results and the work of the Blue Ribbon Panel. As the Mayor mentioned, the Panel was convened in early June, and the idea was to – the charge was to develop achievable realistic items that the City could implement to help alleviate some of the financial issues that the City is facing in the near future. And it was in part prompted some significant declines in revenue which include earnings, tax collections, the elimination of the state inheritance tax, and decline in investment earnings. So, we're going to share with you the results of the Blue Ribbon Panel, but we first of all wanted to express our appreciation to the Panel. We've probably spent 15 to 20 hours with the group. We really had a good time. And we wanted to thank you personally for your service on the Panel. And also, most of them are here with us this evening. So, we'd like to introduce the panel members. Nick Babb, Fred Ertel, Nick Eveland, David Hockaday, David Hollingsworth, Bob Holmes, Sandy Mongold, David Raizk, and Kevin Snarr. So, thank you so much for your time.

[Applause]

Angela Mitchell: Steve and I were asked to facilitate the group. We're both professors, business professors, at the college. We have spent a good deal of time facilitating focus groups in the past. And so, we really wanted to approach this in a very systematic way. So, we started off with several meetings of brainstorming sessions and several rounds of discussion. And the group didn't always agree on everything. And we were able to develop some consensus around three major items that the panel really chose to highlight as ways to alleviate some of the financial strain. The panel is really guided by two principles. The first principle was to maintain the current level of services to the citizens. So, whether it's from the street department to the water department to safety services, the panel really felt that maintaining the current level of services that the residents now enjoy is something that's important. Also the panel wanted to pick the items that had the greatest potential, the largest impact I guess would probably be a better way to say that, although all the items are worthy of examination. So, for example, one of the items that came up during an initial brainstorming session was to review the city's cell phone plan; are there cost savings that are possible by looking at the cell phone plan? That probably wouldn't have as large of an impact as some of the other items. So, all the items were considered, but the ones that we chose to highlight in the report are the ones that the panel thought had the largest impact. We also – the panel also realized very early on during the initial brainstorming sessions that several of the ideas that were generated were already under consideration or in progress. So, for example, the consolidation of the two fire stations came up very early in the process, and as you'll see in the report that's already in progress, and plans are being made to move that forward. Okay. So, the three items that the panel chose to highlight, and these are in no particular order. They're just in this order because that's how they had ended up in the report. So, the first one is to place an earnings tax increase on the ballot, a half-percent increase. This would allow the citizens to determine if they want to maintain their current level of services. It's estimated that this half-percent increase in the earnings tax would generate about two million in revenue for the city, which is about what it costs to cover the safety services. Also, I forgot to mention during the process, the process was very data driven. The panel evaluated general fund activities from 2006 to present day. They looked at tax collections. They looked at municipal tax rosters from Southwestern Ohio. And one of the things that they found out was that of the municipalities that the panel examined,

over 60 percent of those are at a one percent or higher rate, and some of them are at a much higher rate for an earnings tax. Also, the earning tax increase would impact about 21 percent of the residents because 79 percent of those currently paying the earnings tax live outside of the city limits. The second item, gambling permit and licensing fees. Currently the panel views this as a lost opportunity for the city. Many municipalities collect fees for gambling units that are used within city limits. And the fees are based on the number of machines in a particular location and are assessed on an annual basis. And finally, the last item that the panel wanted to highlight was the option of leasing the landfill. Rather than selling the landfill, this is fairly common in the sanitation industry, to lease a portion of the space of the landfill. This would allow the city to maintain a good bit of control over the usage of that space, and it could be for a short duration rather than selling the landfill outright. So, to conclude, we have some extra copies for the community of the report. We also have copies for all of the council members. The panel generated a fairly lengthy list of ideas, and all those ideas are included in the report. Also included in the report is in the appendix is a very thorough evaluation of the Mayor's activities and what things are under consideration, what things are currently in progress such as the consolidation of the fire stations. The objective of the Panel was not necessarily to dictate what council should do or what the mayor should implement. It was really to suggest options that might negate the need for drastic measures in the future. You know, I think the report really represents the collective wisdom. I think Randy said over 190 years of municipal experience. So, it represents the collective wisdom. There are many ideas in here that could be pursued. Hopefully, the result of the report will be that some progress is made on some of the ideas to help alleviate this anticipated shortfall. So, again, thank you for your time. We appreciate the Blue Ribbon Panel. We really enjoyed facilitating the group.

Mayor Riley: Thank you so much. I appreciate it. And I don't know if any of the councilmen just with this brief report would have any questions about the process or any questions of Dr. Stovall or Dr. Mitchell at this time. But we have some reading to do, and we have some work to do. And some of this does deal with taxes and levies, so, Rob some of this might be of interest to your committee. But again, thank you so much, and thank you to the panel members who have given so much of their time. I certainly appreciate it.

[Applause]

Councilman Stuckert: I have one short question since I haven't read your report, and I don't know if the answer is in there or not, on the gambling fees, did you come up with a figure?

Angela Mitchell: No.

Paul Hunter: Property tax options, were they considered?

Angela Mitchell: Certainly, it's included in the list of ideas, yes.

Paul Hunter: Because two million is a lot, but a couple mils is not a whole lot to raise a half million.

Angela Mitchell: Right. I think the panel members looked at the property tax option as the property owners have been – have had increases, and I think they were looking at something that would have the least – the fewest number of residents that are impacted. So, the 21 percent of residents are going to be impacted by the half-percent tax increase.

Paul Hunter: So, pass it on to the tourists.

Bret Dixon: Now, to clarify that, did you say there's a 21 percent, you know 21 percent of the income tax revenue is generated by city residents?

Angela Mitchell: That's correct.

Bret Dixon: Thank you.

President Kirchner: Dr. Mitchell, I haven't had a chance – obviously, this is the first time we've seen the report this evening. So, I haven't had a chance to read it. I notice that the three major indications given were for increases in revenue. Does the report contain ideas for lowering the structural costs, operation costs of the city or is it mainly focused on revenue?

Steve Stovall: Yeah. There's not – again, I know you haven't had a chance to really review this yet. But other than the fact there's the appendix, all the ideas and several of those were related to cutting costs.

President Kirchner: Okay.

Angela Mitchell: And really increasing efficiency. So, for example, one of the items on the additional list was to further strengthen the relationship between the County and the City, and are there cost savings that could be developed by the County and the City working more closely together.

President Kirchner: The other question that I wanted to ask you, you had indicated that this was a heavy data-driven process, did you develop new data or where did the data originate? Obviously, if you're reviewing the city budgets for the past number of years and expenditures, that came from the City, what other data did you look at? Was that generated from the college side? Was it brought to you by the city?

Angela Mitchell: It was brought to us through several avenues. Marque provided some information on tax collections. David Hollingsworth provided a lot of the general fund activities. The municipal tax rosters came also from the city. So, we didn't generate any data on our own.

President Kirchner: Okay. Very good.

Angela Mitchell: Nor did the college.

President Kirchner: Thank you.

Mayor Riley: Thank you both very very much. I appreciate it. I would also like to note that in the appendix that is multiple pages, but it's a lot of things that the city has been working on that we will continue to pursue. I made some notes on the appendix when I emailed it to Dr. Mitchell. But I want to thank the Service Director and Safety Director and all of the city superintendents and supervisors who really worked hard. We've met several times compiling all of the information that you see in the appendix. Don't think that's mine. It was certainly a team effort by the entire leadership of the city of Wilmington. I want to acknowledge that and thank them for their help too. So, thank you all very much. Very good. Thank you.

President Kirchner: Mr. Auditor.

Auditor – Auditor David Hollingsworth: I have nothing tonight, Mr. President.

President Kirchner: We're hearing the committee reports at this point. Asset, Acquisition and Use.

Asset, Acquisition and Use – Chairperson Bob Mead: Mr. President, we have one item this evening. It's going to be three readings on a resolution declaring surplus property. The transportation company has two taxicabs that are old and they need to be replaced. They will be bringing some new ones in within the week or three or four weeks, and they need to get this permission to sell the surplus property, and that's what this resolution covers. The vehicles are valued at more than \$1,000. So, it requires a resolution authorizing the sale.

A motion was made by Mead and seconded by Wallace to give the first reading only on the resolution Declaring Surplus Property, to Wit: Vehicles Valued at More than \$1000, and Authorizing the Sale of Said Vehicles; and Declaring an Emergency
President of Council asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Wallace to suspend the rules and give the second and third reading on the resolution by title only.

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

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Wallace to pass the resolution as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2291 passed as read.

Councilman Mead: And that's all for the Acquisition and Use Committee this evening.

President Kirchner: Thank you, Bob. Finance Committee.

Finance Committee – Chairperson Mead: The Finance Committee has no report this evening.

President Kirchner: Water Committee.

Water Committee – Chairperson Wallace: No report, Mr. President.

President Kirchner: Streets Committee.

Streets Committee – Chairperson McKay: No report, Mr. President.

President Kirchner: Solid Waste/Recycling.

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

President Kirchner: Wastewater/Sewer Committee.

Wastewater/Sewer Committee – Chairperson Stuckert: Mr. President, we have one item tonight that we received in committee. And this is a resolution that will authorize the Director of Public Service to advertise the bid for services to the wastewater treatment system. And we want to declare them first. This is needed to be put into effect as soon as possible due to the fact that some of the activity, et cetera needs to be done during warm weather. So, I'm going to move for three readings on a resolution authorizing the Director of Public Service to bid for services for the wastewater treatment system and declare an emergency, please.

President Kirchner: Would you like to move for the first reading?

Councilman Stuckert: First reading first on that, yes.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the resolution Authorizing the Director of Public Service to Bid for Services to the Wastewater Treatment System, and Declaring an Emergency.

President asked for discussion.

Councilman Jaehnig: I'm sorry, I was not able to make that particular meeting. What are these contracts for?

Councilman Stuckert: They are contracts that are routinely done to handle general utility construction services. Some of the activities that you I'm sure heard about last year about

the installation of sanitary sewer lining, and maintenance contracts for pipe testing, grouting, those type things all of which I think we've had in committee, you know, in the past. This is a routine thing. It's not a new item other than they have to do this each year.

Councilman Jaehnig: Thank you.

President asked for further discussion.

Seeing none, President called for a vote.

Motion passed.

Director of law read resolution by title only.

A motion was made by Stuckert and seconded by Wells to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig; Wells, yes.

Director of law read resolution by title only.

A motion was made by Stuckert and seconded by Wells to pass the resolution as read.

Roll call: Wallace; yes, Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President of Council declared Res. No. 2292 passed as read.

Councilman Stuckert: Mr. President, we have no further items.

President Kirchner: Very good. Thank you, Loren. Judiciary Committee.

Judiciary Committee – Chairperson Stuckert: Mr. President, we have one item tonight, and it's an item that's been forwarded from the Judiciary Committee unanimously. However, in reading the ordinance document that was put with our agenda, we've discovered a need to amend that ordinance before we make our motion. If you are reading it in Section 1 to have an effective date of August 2nd, that's not correct. That should read at the earliest extent allowed by law.

A motion was made by Stuckert and seconded by Wells to amend the Ordinance to change the effective date as stated above.

President of Council asked for discussion.

Seeing none, President called for a vote.

Motion passed.

Councilman Stuckert: Okay. Mr. President, with that amendment, I would move as again it's an item that we've had extensive discussion on in committee with a lot of people present, and actually at another committee meeting we had later, it was unanimously decided to forward this legislation to the full Council. And so, I'm going to move for a first reading on an ordinance to abolish the positions of Assistant Police Chief, Code Enforcement Official/Engineer, Human Resources Director/Workplace Safety Coordinator and Maintenance and Repair Superintendent and declaring an emergency, please.

President Kirchner: Would you like to give the reason for the emergency?

Councilman Stuckert: Yes, sir. This has to do with our, again, our budget shortfall, which we've had for two years, and we're into our third year. As we've examined every move that we could possibly make, and in this move, this particular item in particular, anything we do in this regard is – we're not going to realize the full benefits of until as late as the budget year 2015. Under those circumstances, we feel that these items once decided upon should be put into force as soon as possible. Therefore, an emergency or we have a crisis situation with our budget. The items that we tasked to attempt to resolve that crisis should be done as an emergency.

President Kirchner: Very good.

A motion was made by Stuckert and seconded by Mead for the first reading on an ordinance To Abolish the Positions of Assistant Police Chief, Code Enforcement

Official/Engineer, Human Resources Director/Workplace Safety Coordinator, and Maintenance and Repair Superintendent, and Declaring an Emergency, As Amended. President of Council asked for discussion.

President Kirchner: Councilman Jaehnig.

Councilman Jaehnig: The proposal put together by President, first of all, Scott, I'd like to thank you for actually putting the proposal out. It is – the budget situation that we're in is a very difficult situation, and we do need to be looking at every opportunity. While I do not agree with everything that may be in that proposal, I do agree that everything needs to be discussed. The concern that I have is in the proposal that was put forward by the President. Now, the proposed option in regards to HR services had to do with the merging or combining of services with the county. At this particular time, I'm kind of amazed that we would move forward with such a piece of legislation without knowing whether the County has an interest in or is able to merge HR services with us. I would think that that would be a pretty important thing to check out before eliminating the position. On top of that, in the Judiciary proposal, it doesn't mention that in any way of reviewing it. In fact, in the very first Judiciary Committee meeting, a request was made by Councilman Siebenaller to do a little bit more research on the effects of these cuts. At the end of that meeting, it was decided to give time to do that. The instructions at the end of that meeting was Councilman Stuckert turned to Mr. Siebenaller and said, I guess you have a lot of homework to do. What confuses me is as the former chair of that particular committee, a chairman's responsibility is to go out and get the answers to the questions that the committee members have. At no time was there any discussion when they came into a second Judiciary meeting about what the answers were to the questions that Councilman Siebenaller brought to a forefront. Councilman Stuckert clearly stated that there has been absolutely no review of the effects of cutting these particular positions. That concerns me greatly. The question that I have, and I don't believe that there's anybody in the room that has this answer, making this particular move, how much money are we saving whether it be now or in 2015.

Councilman Stuckert: My answer to that would be another question.

Councilman Jaehnig: No. I would like an answer to the question.

Councilman Stuckert: My answer is another question.

Councilman Jaehnig: Go ahead.

Councilman Stuckert: My answer is what review and what study was done when these positions were created to determine the difference between how much we would save when they were created. Otherwise, the positions were created in 2004, 2005. The – importantly to analyze the full effect of that. And at this point in time, I would assume that there was an analysis at the beginning.

Councilman Jaehnig: The reason that you stated that it's time to cut these particular positions was for budgetary purposes. I beg to differ with the fact that actually making these positions will save the City a dime. And the reason I state that, first of all, the question was asked in the very first Judiciary Committee, while with the Code Enforcement/Engineer's position, I'll take credit for the fact that was ever formed, and that was a mistake that that position was ever formed. I have no problem with the elimination or the abolishment of that particular designation. But in regards to the Assistant Police Chief's position, the question was asked if we eliminate this position and was to determine whether it be two years, ten years or 20 years down the road that position is needed again, is there a cost to get that position certified? As a civil service government in this particular city, the job categories have to go through a certification process to be put on the books. There is a cost to that. At no time was there an answer in regards to what that cost would be. However, I do know that there's absolutely zero cost to have that on the books and have it unfilled. On top of that, there may be other options. Maybe Council has the ability to freeze that position so it can't be filled without Council's approval. But abolishing it seems to be a rash decision at this particular point. In regards to the HR Manager's position, I wonder what kind of savings there could

possibly be. Obviously, currently, you can still receive 99 weeks of unemployment at about approximately 60 percent of the pay. So, we're still going to be paying that. We will not have an HR Director on hand to deal with HR situations, which means we're going to be picking up the phone and calling the lawyer more often at \$450 to \$650 per hour. That is going to eat up a lot of those savings real quick. Also, I do know that having an HR Manager on staff with the city affects our insurance for the city. If we do not have an HR Manager, our insurance rates to insure the city will go up. That is not a guess. That is a fact. How much? We have not investigated or looked into that. I think it's important to find that out. By losing our Safety Manager or our Safety Director for employee safety, I know that affects our OSHA rating at that particular point, which then also affects our insurance again thus causing the possible opportunity for insurance rates to go up again. I'm not saying that these positions should stay or not, but I think we should do our homework and make sure that we can answer these questions before we make a rash decision. In regards to the M&R Supervisor, in looking at the number of hours that he's working every week and the fact that any out in the middle of the night call that needs to come in, the majority of the time, Denny takes that call, okay. So, have we done a cost analysis by eliminating his position, but by adding, you know, anywhere from ten to 20 hours of overtime on to our staff that currently exists, are we really saving money at that particular point? To cap things off, even if we abolish those particular positions, those two individuals that fill those positions currently do not lose their jobs because by state law in a civil service community, they will have the opportunity to bump somebody else. So, the person that ends up losing their job is the guy at the bottom of the barrel, the exact person that you talked about protecting and making sure they don't lose their job. So, I really kind of wonder if we've really done our homework. You have publicly stated twice now that you have looked into this, and you have none of these answers. I think it's irresponsible to move forward at that particular point. I just – there's no way that I could support this bill as it's currently presented.

Councilman Stuckert: So noted. I would make a comment here. As a committee and as someone who's been around here for a year, if I could get -- if we could our information in committee as rapidly as we got it to our Blue Ribbon Committee, I would say we probably could do a lot of analyzing. But as you well know, that is a very difficult job in this position.

Councilman Jaehnig: No. I've never had a problem getting what I asked for.

Councilman Stuckert: Well, I'm sure you haven't, sir. But I have. Okay? The other point that I would make is at no time are we assuming that these functions that you're talking about will go untended, undone just as they were attended and done prior. Perhaps you could answer a question. Was there a human resources person on staff prior to the creation of this Human Resources Director?

Councilman Jaehnig: Yeah. Actually, I can answer that question. That's correct, there was not a person at that particular time. The state laws and the federal laws have changed so drastically since that time, the need for an HR Manager is much more important than it ever has been in the past. And on the report that I pulled off the Internet, the value of an HR Manager and the reasons to have one simply in regards to negotiating compensation and dealing with all of that has a value to it, handling all of the benefits for the employees. You talk about protecting the employees, except you're going to take the one person who actually works on their needs every single day, and their entire job is to help the employees. They're responsible for the safety of the work place. And when there isn't something safe, that's the person that is responsible for making sure that it is safe. Liability. Our liability goes up without an HR person. Without an HR person, it's a proven fact that 35 percent chance increase that you're going to be sued by an employee if you do not have an HR Manager. Training and development, most of that happens by the HR Manager and he keeps track of when the training has to be completed and that all certifications are filed in time. On top of that, he makes – and goes through and checks for employee satisfaction on the job because unhappy employees are less productive, and they're going to get less done, and their stress levels then rise which means then we have more medical claims, and their benefit costs go up because we are a self-insured city. On top of that, recruitment, the HR Director is responsible for finding new employment. Again, we are a civil service community. That means that we have to

test all of our employees. We have to have somebody certified to be able to go through the entire process of that. And then compliance; we can get in a lot of trouble if we're not in compliance, whether it be with OSHA, whether it be with the state auditor's department or the human resources for the state. So, there's a lot of things that the HR position does that was not required before we had them.

Councilman Stuckert: Number one, was it undone?

Councilman Jaehnig: What's that?

Councilman Stuckert: Was it not done?

Councilman Jaehnig: It was not a state or federal requirement, a lot of these.

Councilman Stuckert: Was it performed? Was that function performed in the city of Wilmington?

Councilman Jaehnig: A perfect example is FMLA, Family Medical Leave Act did not exist before. Now it generates a massive amount of paper work, more paper work than you could possibly imagine.

Councilman Stuckert: And there's no one that is – as it remains that could learn to do that.

Councilman Jaehnig: There is nobody employed by the city right now that has the training to properly do that.

Councilman Stuckert: And it would just be impossible to train somebody at a lower –

Councilman Jaehnig: For somebody who works in education, it disappoints me that you don't understand how important that certification identification is.

Councilman Stuckert: Put downs are just becoming overwhelming. Could you just – could we just have a conversation without –

Councilman Jaehnig: I am having a conversation.

Councilman Stuckert: You know, I understand you're disappointed. You don't have to keep adding to the list that makes you disappointed.

Councilman Jaehnig: Well, but you're not listening to what I have to say.

Councilman Stuckert: I am listening to what you say. I have a committee that has been listening to what you say.

Councilman Jaehnig: No, because they're not allowed to talk in the committee. So, the committee has –

Councilman Stuckert: You haven't talked to anybody.

Councilman Stuckert: And you have broadcast stuff throughout – all over the place. But the point I'm saying is these have been considered. Now, all that you said is going to mean nothing if we don't solve this budget problem because those people aren't going to have stress, they won't have jobs. We're talking – what figure are we talking about here in terms of the savings, Mr. President?

President Kirchner: When fully recognized, with one caveat, and that was the lack of inclusion of benefits cost on the Superintendent because of the possibility of moving that individual into another position such as the Service Director's position, you're talking – when fully recognized, \$397,548.09 of actual cost in those four positions. So, the costs have actually been calculated. And just for the record to explain to everybody why the recognition of those savings could take to the year 2015. Current insurance for the city

obligates the city to the cost of insurance until March 31st of next year. You will not see the cost of those benefits. The commitment was already made for one year. Beyond that, you have the potential, as Councilman Jaehnig pointed, out of unemployment insurance for an unknown period of time depending on how Congress acts moving forward, but the potential of unemployment costs associated with removing these positions. So, it could be 2015 before you can recognize the complete savings associated with the need to eliminate such positions.

Councilman Jaehnig: But that does not address the costs of covering what those positions used to do.

Councilman Jaehnig: Well, if I could offer a couple more things. Mr. Chairman, it's your floor. I would take one exception – exception to one thing that Councilman Jaehnig said, and that was that we would be removing the only person whose focus is administering employee benefits. That is incorrect. We do have a secretary in the HR Department who actually was the entire department prior to the creation of this job. That, indicating the HR Director was the only individual that was serving those needs, would be incorrect. I would also add that when the HR Director position was created, it did not include the Safety Coordinator position, which was being done by others. That was added to the position of HR Director, along with changing – raising the classification of the position and getting a significant raise for that position on those duties. So, the Safety Coordinator wasn't even part of the original HR Director position when it was created. It was added later. But –

Councilman Wallace: Mr. President, if I may add to this. I want to piggyback what Councilman Jaehnig was saying in the fact that I think actually your proposal makes some sense in the fact we're trying to combine some positions and that type of thing. It's actually the second proposal that was thrown to Council in the last couple months – something that we can consider. We can talk about and see if we can come up with some ways to get ourselves into more compliance in our budget. And I think everybody up here knows we've got some problems we've got to try to deal with. And we've got to move forward. The problem I'm having is that this proposal happened two weeks ago, probably the most serious thing that's been thrown at us for quite a while, and we're jumping at this thing in a knee jerk reaction. But we all know – we all believe we need to get moving and get moving quickly. Yet I don't think that we've thoroughly discussed this situation. I think we're going into it halfcocked. And I just know that whatever business we've all been in that when we do something without having all the information necessary to make a good decision, it usually comes out bad. And I think that's the way I believe that this is going to happen. I think that this one is going to cost us more money than we ever think about saving. So, I believe it's even twice – it's beyond what we're spending today and that much more. Just to the things that I can envision that's going to bounce back at us, and that's why I have a hard time believing – to support this whole resolution right now just because I think it's going to cost us more. I think we handled it wrong. I think – I don't even like the way we're organized right now with our committee meetings because like you said we can't talk in these committee meetings right now. I listen to facts, and I want to discuss them and I'm not allowed to. And that's a whole separate issue, which we don't want to bring up here. But I think that – I just have a hard time supporting this for a couple reasons. I believe that our services to our people will be lessened any way you look at it. And even though we say we want to try to keep that, we're not going to do it, and it's going to be less. I think our services to our employees will be less, and I just have a hard time with this one right now.

Councilman Stuckert: Well, seeing that we're doing a lot of "I thinks," and you know, I think we're going to – it's going to cost us more money and I don't – and I think that nearly \$400,000 is going to be a hard one to come up to, especially you know, let's again go back to the fact that we're talking about functions that were done differently before. These were added during times we had more money. That's the logic of it. When I look at the organizational chart, I see a Service Director who is responsible and oversees a Superintendent who oversees two crew chiefs on two crews. Now, that is at some form level or another one, two, three, four administrative positions in one shape or another. That's four administrative positions. So, don't, you know, it's –no one needs suggest to me that taking this action is going to cost us more. I would suggest that those two crews

with a Service Director can oversee that. We can manage that. And we've had two years, full years, of saying we can't do it. We're into our third year. And this committee just doesn't believe that. Now, granted there hasn't been this in-depth analysis that all of the sudden we're interested in. And I would suggest that it wasn't – that that analysis wasn't there when those positions were created either. And so, it's the view of this committee that we have to act. I've been here since last July. There's never been anything this comprehensive or at this point has been this significant that's even been proposed by a committee. And it's a first time. And it has to happen. And if – again, as we said at the time, if the administration can take this and rework it and come back with a savings of something that will save 500,000 or even the same amount of money, then we've got something to work with. But this proposal will work. And I do not – I cannot, based on what I've seen, subscribe to the draconian outcomes that are being portrayed here. I think this is over dramatizing it and it's just another kind reaction, “Oh, we can't do this. Oh, we're going too fast.” Too fast should not resonate with anyone. We are not going anywhere near as fast as we could. We – if these proposals that we have before us on the Blue Ribbon Committee, if you know, in order to raise taxes, you've got to have people's permission. If they don't give you the permission, and we don't see our way to do this with the landfill, we're going to run out of carryover. Now, this is happening all around us. It's happening in Hillsboro. It's happening in every state of the union. And there are places that are taking action and consolidating positions and learning to do functions by people taking on additional functions. And I know these people on the staff of this city are perfectly capable of learning to do whatever a position – whatever function they've got to perform. They're perfectly capable of doing it. We don't have any one person that is just completely indispensable and if we pull that lynch pin the whole thing falls apart. I don't buy that. So, that's why I remain resolute, and I believe as a committee we remain resolute in putting this forward.

Councilman Jaehnig: You know, the one question I have, you talked about, you know, that we have to take action quickly. Yet one of the things that was put forward that was actually a revenue generator for the city that has been sitting and languishing because we need to do more research on is fees for permitting of games of skill, which is sitting in your committee. I started – I brought it everybody's committee. We got the approval of the Mayor. We got the approval of the City Treasurer. We got the approval of the Law Director that that proposal was good and ready to go. Yet I continually heard from you and the President of the Council that there's more to look into. Okay, fine, there's more to look into. I can live with that. Yet, when we bring something such as – as your own words just now – something as large as this, that nothing like this size has been brought before Council before since you've been here, and you bring something that large to the table and we're not even willing to take time to actually check the numbers. Yet another piece of legislation that actually brings revenue into the city has now been sitting on the table for three months or four months.

Councilman Stuckert: And what is the amount of that revenue according to your own calculations?

Councilman Jaehnig: It doesn't matter.

Councilman Stuckert: Oh, it doesn't, okay. But anyway, I'll give you one thing, I'll give you my own personal reason why I – some of the things that we're taking under consideration, and there were others on the committee that haven't been resolved. So, it isn't just me. But I –

Councilman Jaehnig: I know, I don't have a problem with looking for more information.

Councilman Stuckert: Can I please talk without being interrupted?

Councilman Jaehnig: Sorry, my apology.

Councilman Stuckert: We're talking about gambling first and foremost. The state of Ohio has put a moratorium on this until end of next year. I personally would not vote to have gambling in our downtown area or anywhere else in the city for that matter, but particularly in our historic downtown under any circumstances. And I have said that I do

not want to do anything, take any action, that could preclude us from being able to ban this gaming activity if the state finally acts and we have that privilege of being able to do it. Now, I asked the Law Director for a written opinion on that, and I did get a written opinion back. It's still not clear to me that we're saying unequivocally that we cannot damage any future position we would have on abolishing that by going ahead and licensing it. And I have to have that for me to act. I, you know, I'm not at the point where – and as I recall, the amount of money that we've talked about on machines and based on something that was done up in Jeffersonville and all that stuff, this really has – it is not related to this. And we can get into that, this kind of stuff later on. But I mean, there's a lot of reasons for it. It isn't quite as simple as me sitting here and not taking revenue and – on the one hand and bringing something else out on the other hand. This is – let's deal with this resolution as it's been discussed. We had three hours of discussion last week, and we had a committee meeting since then. And this is what we brought forth. So, you know, you can keep asking questions as long as you want to. At the end of the time, we're going – I'm going to move for the resolution.

Mayor Riley: I have a comment. Before Council proceeds with this really very, very important vote, and this is maybe one of the largest votes, the most important votes that I have seen Council passed in some time. Loren, you mentioned the meeting a week ago where we sat in here and we talked about this issue specifically. And you made the following comment, and I was so surprised to hear you say it that I had actually had it transcribed so I could make sure that I didn't hear you wrong. I wanted to make sure I had your words. And this is exactly what you said, and I will quote, "I will say this, since 2010, of all the jobs that have been secured by people since 2010, 70 percent of them have been secured by people over the age of 55. We have a whole demographic of people coming out of college or else new to the workforce, et cetera, who are going unemployed. I happen to believe that there's a possibility that just as we have had a lot of young people come in here with ideas, we have a lot of young people out there that would be willing to work at wages that we could sustain." We have a lot of young people out there that would be willing to work at wages we sustain. Young people. And just shortly after that, you asked for a proposal – you asked for a motion to eliminate two employees who were over the age of 60, over the age of 60 years old. I was shocked to hear that because the Equal Employment Opportunity, it is not a suggestion, it is a law. Equal Employment Opportunity is a law. You cannot discriminate against people based on their ages. And as the law states, the law forbids discrimination when it comes to any aspect of employment including hiring, firing, pay, job assignments, promotion, layoffs, training, fringe benefits and any other term of employment. That is under the age discrimination and work situations. What you're proposing tonight, what you're asking this Council to vote on is a violation of state and federal law.

Councilman Wells: Let me ask a question. I want to ask him a question. Did you not say that the older people could bump the younger people?

Mayor Riley: No.

Councilman Wells: I thought I heard that said.

Mayor Riley: If you heard it said, it didn't come from the Mayor that's for sure.

Councilman Stuckert: Let me ask a question, Mr. Mayor. Tell me what people I move to get rid of? What people –

Mayor Riley: You guys want to stand up? We've got Denny Gherman and we've got Danny Mongold, two very faithful employees whose names were mentioned in the proposal that came from our President. And that is – who you are talking about moving is the Director of Human Resources and the Superintendent of our streets. There they are, both over 70 years old.

Councilman Stuckert: Our committee is talking about positions.

Mayor Riley: Positions held by people over the age of 60 right after you stated that we have a lot of people over the age of 55. You have set us up for a lawsuit that, trust me,

we will lose. And the lawsuit – the lawsuit that these gentlemen can file on age discrimination is not going to be just a few hundred dollars. You’re talking about hundreds and hundreds of thousands of dollars that they will be able to sue us for and win based on age discrimination. And it goes back to what you stated as far as people over the age of 55, “70 percent of them have been secured by people over the age of 55. We have a whole demographic of people going to college, et cetera, et cetera. We have a lot of young people out there who be willing to work at wages that could be sustained.” Now, do you think for a moment that Danny Mongold doesn't realize this? I mean, if you look at his responsibilities, one of his first responsibilities is labor law compliance as follows: Equal Employment Opportunity Commission, discrimination laws, Americans with Disability, Family Leave Act. I’ve got about eight pages of things that Danny Mongold does for the city. Why say that he saves – a good HR Director will pay for themselves time and time again throughout a year. I’m not just whistling Dixie. I mean this is the truth. And if you try to eliminate these people, you are violating state and federal law. State and federal – now, Brian, I’m not an attorney, but am I on fairly stable ground here?

Law Director Brian Shidaker: I’m not going to sit here and say that you’re violating state or federal law because... I can tell you what the law is. And the employees would have to take action on the employer, which is the city. Once they take action, and it’s in the court process, it would ultimately be up to a judge or jury to determine whether or not this Council has violated state or federal law. So, I’m not going to go as far as saying that yes you are violating state or federal law. I can be more than happy to advise you on what the law is. I’m not a labor attorney, but I have fairly good understanding of labor law. And I’d be happy to provide you with the law. There is a concern, and there’s always the potential for lawsuits any time you take an adverse action on an employee as an employer. So, I’d be happy to share the law with Council. I won’t say whether or not it is in fact age discrimination because that’s ultimately up to a judge or a jury in the end. So, but I’d be more than happy the provide –

Councilman Stuckert: Well, and that would be, you know, there’s been a connection made here that didn't exist. The Mayor is suggesting that I’ve made that statement about demographics in connection with those two positions. Not true at all. It was in – it was when I was going through a whole bunch of things that are occurring around the country in different positions, different towns. And so, I was talking about a general subject. And I think it probably had more to do with my statement about wanting to have continual conversation with city employees about the furlough program. And I don't think it had – well, I know for a fact that it had absolutely no connection to the two individuals you had stand up. I am deliberately, in my own mind set, I am talking about positions. I know what the proposal said. That isn't what we – that isn't what we acted on. At no time were people mentioned in that committee meeting. At no time were people dealt with. We’re talking about the structure of the city and the people that are in that structure. And their ages have nothing to do with what we’re talking about. So, I think you’re making a connection that did not exist, and it’s just another attempt to say we can't do it.

Mayor Riley: You made the connection, Loren. You made the connection in your statement. I mean, if –

Councilman Stuckert: You can connect the two statements.

Mayor Riley: When you look at Equal Employment Opportunity, I mean if you had said we have way too many guys working in this city, we could probably get women to work cheaper, and so we get rid of two men. I mean, basically that is a violation also of the Equal Opportunity. You were just talking about people over the age of 55, and we’ve got two guys that are over the age of 60. Yes, sure, if you had said that we have way too many blacks working in the city of Wilmington, and we could get white people to work cheaper, that is a violation of Equal Opportunity. There are laws in this country that protect people against discrimination. And what you said in your statement a week ago today, and what you’re proposing for Council to vote on tonight is a violation of state and federal law. Trust me, it will come back to bite us.

Councilman Stuckert: Especially because you're putting up there and putting it out there and encouraging it.

Mayor Riley: You said it.

President Kirchner: Mr. Chairman.

Councilman Stuckert: But go ahead, Mr. President.

President Kirchner: I want to make some clarifications. The proposal that I gave specifically referred to eliminating positions, structural positions. And I want to be very clear on this, it did not talk about eliminating individuals. It talked about eliminating positions.

Service Director Reinsmith: It did.

[Simultaneous speakers from audience]: It did.

President Kirchner: Excuse me. I have the floor.

[Simultaneous comments from audience]

President Kirchner: I have the floor. Sir, I have the floor.

Service Director Reinsmith: Yeah, but you don't have the truth.

President Kirchner: I have the floor. [Hammers gavel] Mr. Reinsmith, you will yield the floor. I noted in that proposal out of respect for the fact that it affected human beings, who they were, and the fact that it was not in any way, shape, or form something that anybody on this Council wished to have to do. But the bottom line is that because we have failed to act to curtail deficit spending, the money is running out. And the proposal was specific to positions to change the structural operating costs of this city. Two of those positions, two individual positions, are unfilled. Two of them had individuals in them. And I simply noted the fact that they would be affected and how by the proposal about the positions. Now, the other thing that I do want to answer and clarify, I have in my packet tonight a letter from the County Commissioners indicating that they are willing to sit down and examine any possibility of working together in a mutually beneficial way of sharing services. So, the process is moving forward. I will also note that my proposal was made with several understandings. One, we ran with a mayoral candidate on our team who is going to be a full-time Mayor, who had been the supervisor of a department, an entire department, at a publicly held hospital who had years of leadership experience at the county political level. It was an understanding that we had leadership here that could address HR because they were here. We have the structure to do it. The idea of working with an HR professional from the county level was simply to make sure we could keep up on any of the necessary updates to state law and requirements. So, the proposal contained a lot of this information. The County is ready to sit down. County Commissioner Pat Haley is here and Pat, if you would have a word.

Commissioner Pat Haley: Sure. Thank you, Mr. President. My name is Patrick Haley. I live at 185 Woods Edge Court, Wilmington. If I may, I do want to clarify any misconceptions. President of City Council did telephone me about a month ago as President of the Board of County Commissioners and asked if we would be interested in discussing consolidation of city and county services. I advised the President that three Commissioners are willing to meet with any elected official or any citizen of the county. The President asked specifically if the county and city could consolidate medical insurance and human resource functions. I advised the President at that time I did not know the legal ramifications involved, but the question could be posed before the full Board of Commissioners and legal counsel if the meeting were scheduled. It's important to note that the city and county are separate entities and each is governed by different sections of the Ohio Revised Code. However, the county is always willing to entertain discussions with the city in the spirit of cooperation. And that's why I'm here tonight.

However, there had been no ongoing talks nor discussions other than the preliminary telephone calls requesting a meeting with the Commissioners. And Mr. President, you did advise of a letter and three Commissioners did ask County Administrator, Mr. Brooker, to write a letter. And if I may, "Clinton County appreciates the current fiscal dynamics taking place within the city of Wilmington. As such, the county is happy to entertain discussions with the city regarding the consolidations of services between Clinton County and the City of Wilmington. When the City of Wilmington has a single point of contact or you decide that you do want to meet with us, we will be glad to do that. But we do need to know the topics and the direction that the city wants to go." And so, I felt like there's probably a little bit of confusion, that all that's occurred has been a telephone call, and we have spoken to other entities about consolidations of services. But it would have to be a full County Commissioner session with three individuals who would discuss it with representatives of the city or village or townships. So, I just wanted to make that point and clarify the positions of the County Commissioners. Thank you.

Councilman McKay: Pat, if I can just ask, so as President Kirchner characterized discussions, actually there have been no substantial discussions and basically just a phone call and a very generic letter sent to Council.

Commissioner Patrick Haley: I think because of the discussions you're having, we've been wanting to wait to see how those discussions come out. We're open as we would be to anybody, to discuss any subject. But no, there have been no meetings. There have been discussions as far as would be willing to meet. And the letter pretty much speaks for itself.

Councilman McKay: Thank you.

Commissioner Patrick Haley: Yes, sir.

Paul Fear: Your HR Director has been on board now, what, two months?

Commissioner Patrick Haley: About four, I think.

President Kirchner: Thank you, Pat.

Commissioner Patrick Haley: I appreciate it very much. Thank you.

President Kirchner: In the proposal, the statement that was made was that I had contacted the President of County Commissioners about his willingness simply to take the idea forward to see if the County Commissioners were willing to speak about it. There were no other specifics talked about.

Councilman McKay: May I make a comment? Several people have talked tonight, and I followed Mr. Jaehnig and Mr. Wallace's discussion and approve of the things that they both said. And I'll make, you know, this pretty short. I did at one point ask – and I don't want to put Bryan Siebenaller on the spot, but Bryan, you did go and talk to city folks. Did you have any difficulty getting the information you needed?

Councilman Siebenaller: No.

Councilman McKay: Thank you.

Councilman Siebenaller: May I add to that though?

Councilman McKay: Oh, absolutely. Yeah, I'll finish when you're done.

Councilman Siebenaller: In my discussions with people I felt would agree with me and probably very much disagree with me over the last several days, as I said, I think it was Tuesday night, the biggest thing to me is the money's running out and this is something that we can do to reduce our deficit and I feel very strongly about working in that direction. So, the majority of my thinking just basically wraps right around that. There was nothing else presented to me as far as costs or deficit reduction.

Councilman McKay: Well, Chairman Stuckert indicated that you had difficulty getting information. So, you're a freshman Councilman, and I just wondered, you know, if you had difficulty getting information. To wrap this up, I think this concept is ill-conceived, ill-timed, not completely or properly researched as has been indicated by this discussion tonight, and really would not make a significant impact. Even though President Kirchner has indicated some figures, I think there's a lot of other net figures that would make this change – the impact of it much less. If I were President/Chief Executive Officer of a company that had this many employees, probably the last thing I would do is get rid of my human resources executive. And lastly, this is the Chief Executive of our city's decision. This is not Council's decision. Council can vote on ideas, but our Mayor is the person that is in charge of our personnel. And we're trying to corner our Mayor with discussions which are really not appropriate at this time couched in the language that our city's going to save money by this action, which in essence would start a process I'm afraid that would send our city completely in the wrong direction and send a lot of information out to the surrounding country that we can't discuss things and make decisions among ourselves. I really would ask in light of everything we've discussed tonight, Chairman Stuckert, that you reconsider bringing this forward tonight.

Councilman Stuckert: So noted.

Councilman McKay: Thank you.

Mayor Riley: I would like to make one other comment, if I may. What Larry Reinsmith was just saying is absolutely true, and President of Council I think misinformed us when he said that he didn't mention names in his proposal. This is the proposal that we received.

President Kirchner: I did not make that statement, Mr. Mayor. That is a complete mischaracterization.

Mayor Riley: You said you didn't mention names.

President Kirchner: What I said was I proposed abolishing positions. I indicated I clearly talked about the human beings that would be affected by the decisions on those positions. That is exactly what I said.

Mayor Riley: The elimination – this is page three, paragraph two, line four. The elimination of that position, talking about the HR Director/Safety Coordinator, the elimination of that position would cause the individual currently serving in the position, Danny Mongold, to be unemployed.

Unknown Speaker: That sounds like a name.

Mayor Riley: That sounds like a name. That sounds like a directed name. And this is what this discussion is revolving around tonight. You take that and couple it with your comments about having people over the age of 55 and we need to have jobs open for young people, and you also take the Equal Opportunity Employment law, which specifically says you cannot discriminate based on race, color, religion, sex, disability, age, genetics, if you pass this tonight, we are setting ourselves up for a lawsuit. We are violating state and federal law exactly the way it's been proposed. I think what Councilman McKay has stated is very reasonable. Let's just cool our jets a little bit, put this to bed, and think about it a little bit further. There are other things that we can do. Tonight you've gotten – there are over 90 recommendations in the packet that the Blue Ribbon Panel passed out tonight. We've got a lot of stuff that we can look at. We've got a lot of work to do, and we have to work together on this. But to start off with something that you know is so divisive that it's going to divide Council and it's also going to set us up again for a lawsuit. And I don't know what Equal Opportunity Employment lawsuits are going for nowadays, but I know from what I've heard they start in the range of about \$250,000 and that's just the penalty part of it. I don't know why we're doing this. And I don't know why we're picking these two individuals specifically. I just don't understand it.

Councilman Stuckert: I'm not picking individuals, period.

President Kirchner: Mr. Chairman?

Councilman Stuckert: Number two, I want to make a little statement here. You want to know why this is happening, Mr. Mayor, you sat back here and at the end of the year three of us up here – three of us up here said we did not want to pass a budget that was in deficit. You said, oh, don't worry about that budget, that's just numbers on paper. That will not be the budget that we end up with. We went ahead and voted against it. Four people voted to pass the budget, that we have a 2012 budget that was passed by a divided Council. Now, you did not hear the three of us going on and on and on about how those four guys are dividing the Council. Didn't hear that. Didn't hear it from you, didn't hear it from us, didn't hear it from anybody. Now, all of the sudden, you've got four people on Council that want to take decisive action. We've wanted to for a long time. We waited. We had Finance Committee meetings. We've waited. We didn't come out with any of these ideas, waiting on ideas to come from the Administration. There has not been ideas from the Administration that's going to significantly alter the path that we're on. That's been coming. So, we have decided to do an act. You've already indicated you're going to veto it. But ever since we've done this act, I believe that we've been under amazing attack. And I'd like to finish. And now you've taken one statement I made at one point, three hour meeting, you took one statement I made in one part and hooked it up with something I didn't say because I didn't mention any people and you got me in danger of a lawsuit. Is this what happens when Council takes responsibility and acts – and acts like a Council, like someone is at the table equally here? Nobody's trying to take over the Administration. We are – you may be the CEO, but we're the Board of Directors.

Mayor Riley: No, you're not. That's not the way it works. Separate, totally separate. It is not President and CEO and Board of Directors. That is not the way it works.

[Simultaneous inaudible comments]

Mayor Riley: It is a full separation of powers.

Councilman Stuckert: Okay. And I agree. I absolutely agree. And I honestly think that what we've gotten into in this town is a number of years of Councils that just wanted to get along and the Administration made decisions and they brought them to Council and Council went along with them. They did not have these kinds of challenges. This is a different day. It's a different Council. We want to be – we feel that we are responsible to constituents. And I'll tell you, I don't want any accounting or anything like that. I'm perfectly willing to put our stand here and future stands, this is not the end, to put future stands that we make on the record as you can put what you're going to do on the record and let's let the voters decide. If this is not what people want, if they don't care anymore than you do about whether we're running one point million dollar deficits year after year and drawing our carryover down, if they don't care, they'll vote me right out because I'm acting inappropriate. I'm not acting in accordance with their wishes. I'm not convinced that we cannot, you know, we cannot reorganize as a city, pull ourselves together, put our heads together and provide the services to the people that we are committed to do and live within our means. Now, we've talked about these tax increases. I've got to point something out. We keep talking about tax increases in the context of the general fund. The people of this city – you know how much money gets spent to run this city? It's somewhere in the neighborhood of \$36 million, \$36 million. If you divide that by 12,000 citizens, that's babies and everything, that's \$3,000 a person. And I'm going to suggest to this Council and to the public of Wilmington that that's enough money to run this city. We have to reorganize some things. We have to rearrange some things so that our general fund works. But we're not asking them to add \$250 to their \$100,000 house or whatever. We're talking the margins. I don't think anybody ever pays any attention to the margins and that we're saying we're adding that to their share of \$36 million. And we've got to be able to run this city with the money that we've got, and we've got to get started trying it. And you know, if you veto the bill, veto the bill, but come back with something. I'm perfectly happy if you come back with something better than we

proposed. I'd be all for it. I'd be all over it. You'd get the vote just like that. Come back with some savings, concrete savings, that we can take off that deficit. That's what we want. And so, are there other comments –

Councilman Wells: I would like to say that this deficit budget has been around for a while, and we've not done anything to eliminate the deficit. It just keeps going on and on. And I'm smart enough to know what's coming. And you know, Mr. Mayor, you've shown no leadership at all in eliminating this deficit. I thought that when we changed the Administration, we would do better. But we haven't. Now, wait a minute, we've got to do something. To just sit around and make believe all the time that it's never going to come, it's coming. And we need to do something. And we've not heard anything.

Councilman McKay: I thought we had a pretty good report tonight.

Councilman Wells: I don't think so. It's just like Loren said, raising taxes –

Councilman McKay: That wasn't the only thing that was proposed.

Mayor Riley: There were 80-some proposals –

Councilman Wells: I haven't read it yet. I haven't read it yet.

[Simultaneous inaudible comments]

President Kirchner: Perhaps you had a pre-copy, but I haven't had time to read it and the activity that's been going on since I –

[Simultaneous inaudible comments]

David Hollingsworth: Can I say one thing? Not a one of you have come to me, and I'm the City Auditor, and asked for any financial information. You may have contacted Mary Kay, but she works for me. If you've had trouble getting information, if it's financial information, I would suggest you come to me. I've had no problem in providing financial information to anybody that's asked for it in due time. I mean, we all – I think most of us have full time jobs outside of being elected officials. So, it may not have been the next day when somebody asked for information, but I will get to it. And when you throw out a number of \$36 million, that's misleading because what makes up that \$36 million? I'm not saying the number's wrong. But you're talking about enterprise funds. You're talking about funds that are generated by grants that are for specific, you know, revenue that comes in for specific purposes. So, to throw out a number to the general public of \$36 million I think is irresponsible and misleading without explaining to them what makes up that \$36 million. And I'm not speaking against what you're proposing or for it. But I think there's a lot of information that's being thrown around and nobody has come to the source. I've had people tell me that people have made mention that the information that comes out of our office is propaganda. Our financial statements are audited every year. And we have received a clean opinion. So, we've got independent accountants looking at our financial information, certifying that those numbers are correct within reasonable parameters. So, if you need information or you don't have information, ask me. I'll provide it to you. But when you start throwing out numbers, that's misleading without explaining where those numbers come from because I can guarantee you the general public sitting out here, they have no idea how fund accounting works, and I'm beginning to wonder if you understand how fund accounting works.

[Applause]

Mayor Riley: I have one more to respond to Don. Early this year, it was January or February, I had heard from a large company who specializes in landfill and solid waste. They had said that our landfill, that they would consider it worth \$40 million. And at that point, I realized that if we could sell the landfill for \$40 million, and in my research I had found out that – at one time I had heard that we were the smallest municipality that had a landfill. Then I found out that we were the only municipality in Ohio that owns a landfill. And I think there's a real good reason for that. The landfill is very complex, a

lot of EPA issues. We actually lose money on the landfill, but we make money by collecting trash. I presented the idea to you and to this Council months ago that we need to consider selling the landfill. \$40 million could help get us through this economic recession. \$40 million could last us for years and years and years to take care of the city, to keep us going. That was a good idea, and I still think it was a good idea. But your response has always been save the landfill. We've got to save the landfill. I've heard that from you several times. Last Thursday, I asked three times, not once, but three times, Don, if you had the choice between saving the landfill and saving the city, which would you choose. And you never answered the questions. I think the people in your ward would really like to know if you have the choice between saving the landfill and saving the city, getting \$40 million in here to save this city, which would you choose?

Councilman Wells: The hospital is in my ward too. And your answer to everything is to sell something.

Mayor Riley: We are broke, my friend.

Councilman Wells: That's right.

Mayor Riley: We are broke. People like to compare government to household incomes. You know, tighten your belt, spend less, do less. We have done that. Then it gets to the point where you need to start selling your assets. You might sell that second car. You might then have to consider selling grandma's jewelry. That landfill out there is valuable. That's grandma's jewelry. If we –

Councilman Wells: If I live out in Warren Knolls, I wouldn't want to have a Rumpke dump right next to me.

Unknown Speaker: Thank you very much.

Councilman Wells: I would not want that. I wouldn't want Wilmington to be –

Mayor Riley: You've already got a landfill right next to you.

Unknown Speaker: But it's not a mountain.

Councilman Wells: It's not a mountain of garbage.

Mayor Riley: You already have a landfill and a wastewater treatment plant right there on Nelson Avenue.

Councilman Wells: That's right.

Mayor Riley: My question is if we have something that is worth \$40 million and could help bail this city out – and by the way, the hospital wasn't sold to generate revenue, the hospital sold because the Board came to us and pointed out that the hospital was going to be bankrupt in five years. And to sell it now, to sell it when we did was the idea. That didn't come from the County Commissioners. That idea came from the hospital Board of Trustees. They presented that to us. And I am somewhat offended that you – what you just said, that I just want to sell stuff because that was not my idea. That idea came from the Board of County Commissioners. And it wasn't done to make money. It was done – we had to choose between having a county hospital or having a hospital in our county. And we chose to have a hospital in our county. So, that is not comparing apples to apples, and I think you know that, but okay.

Councilman Wells: Well, if we had had some leadership to run the hospital properly, we would still have it.

Mayor Riley: Would you choose between selling the landfill or – saving the landfill or saving the city?

Councilman Wells: It's not – that's not the choice.

Councilman Stuckert: Would you choose between reorganizing the internal part of the administration and saving the city, would you choose to reorganize to save the city?

Mayor Riley: We've already done – we've already taken steps to do some reorganization. We have shut some things down. We are moving things together. We're consolidating services out on Nelson Road. There are –

Councilman Stuckert: That is not what I said.

Mayor Riley: Yes, you did.

Councilman Stuckert: I said would you consider reorganizing the positions that we've talked about here if that would save the city?

Mayor Riley: We are looking at reorganizing positions. That's what I just said. We are doing that.

[Simultaneous inaudible comments]

Mayor Riley: When you look through the Blue Ribbon summary report, you'll see that a lot of that is taking place already. I can't ask permission from the Council every time I decide to do something that's administrative. We've been making progress. We have been doing things all along. So –

President Kirchner: Mr. Chairman, I do have a few things that I would like to address. Just to make sure that we keep accurate information out there, Councilman McKay had indicated that this is completely a mayoral area of decision-making. And I would like to point out that to create a position at the city requires legislation from its legislative body. To fund a position at the city requires legislation from its legislative body. To abolish a position at the city requires legislation from its legislative body and to defund or reverse appropriate from that position requires legislative action from its legislative body. The indication that what was proposed is anything but a legislative responsibility is incorrect. And the representation that this decision is not Council's to be able to abolish positions is incorrect, and I do not want to leave that misinformation out there for the public to be confused by.

Councilman McKay: I appreciate that –

President Kirchner: And I would also offer to the Auditor, Mr. Auditor, in conversations earlier this year, analysis of finances, I came to you with the request, "Can we find a way to present the line by line item by item expenditures out of individual lines?" I've asked that multiple times. I have even sent an email. I have never received an answer to that question of the capability for this Council to be able to see that information without having to print copies for all of them of every expenditure. And that was the question. You indicated that all is we have to do is ask. I've asked multiple times, sometimes verbally, one time that I know of through an email, and have never received an answer to that request. So, I will say that I have had experience where I have not gotten information that I have asked for in our ability to be able to provide Council the ability to analyze the finances of the city. That's my experience.

David Hollingsworth: I give you a report on a regular basis that analyzes the general fund with the revenue. If you want to see every invoice that passes through my office, the information's over there. You can come in my conference room that's open, you can sit down and you can go through any invoice you want to go through. But I have on a regular basis, have I not, provided you folks with a report on the general fund.

President Kirchner: We do receive that. And I didn't indicate that we hadn't. What I indicated was that I had asked for the ability to more detail –

David Hollingsworth: Well, what detail...?

President Kirchner: It was just me moving on the chair, by the way, if that's what you're laughing at, Jonathan. What I indicated was the ability to look at individual expenditures down inside the line items because some of the line items are –

David Hollingsworth: Those reports are generated every month. You can go down and sit in the conference room and go through anything you want.

President Kirchner: Individual physical copies; correct?

David Hollingsworth: Yes.

President Kirchner: And my request was can we find a way to electronically present it to –

David Hollingsworth: Not in an easy way.

President Kirchner: That's what I was getting at was the request to try and lower costs of providing that information during budget work sessions. That was simply where I was, and I did not get a response to it. That's simply my experience. Mr. Mayor, I will say that to me you asked the question if you could save the city or save the landfill, which will you save? And I will tell you that I believe it is an absurd question. It is absolutely absurd. If you could save the city from bankruptcy by eliminating these four positions, would you do that? And that's a real question because that is where we are headed. When the money is gone and the expenses are there, it is bankruptcy that we will head towards.

Mayor Riley: I wouldn't – you asked me a good question. I wouldn't do that because it is a violation of the law. What you're asking Council to do tonight is a violation of the law by specifically eliminating two people who are over the age of 60, that is a violation of the law, and you're setting yourselves up for a horrible exposure from a legal point of view. And I think that that's just the wrong thing to do. This whole fiasco tonight has been misguided. It's an ill-conceived idea and it's also an illegal idea. But I think we've had plenty of conversation.

President Kirchner: I was not through with the floor.

Mayor Riley: Oh, you've still got it.

President Kirchner: I have heard multiple times ill-conceived, uninvestigated, ill-timed about this idea. And I will ask all of you that have said it who have been here through all of these deficit budgets, when will the next deficit budget get the exact same reaction from you? This city is headed for a zero account balance, and that means that all positions have to worry about existing, being able to be compensated, and every citizen has to worry about whether or not we can afford to make payroll for their policemen, their firefighters, their EMTs. At some point, and gentlemen, we've held multiple work sessions where ideas could come out. I'm glad the Mayor was so forthcoming to his Blue Ribbon Panel with all that he's doing, but none of that was shared in the budget work sessions with this Council, which are the only constitutional representatives of the people, not an appointed Blue Ribbon Panel. If you gentlemen think this idea is so ill-conceived, bring forward another idea that saves \$400,000. We will consider it. But so far, all as I've heard is revenue, revenue, revenue. That's what you want to focus on. I don't think that's what the people can afford. And I think they need us to sharpen our pencils, our minds, and work together to live within the means that we have. That's why I brought this proposal forward about positions, not people over 60. Mr. Mayor, no matter what your interpretation is, it was simply about changing the operational structure of the administration of this city, specific positions. And I will gladly and have provided to the News Journal the entire proposal that the Mayor would like to take something out of context in.

Councilman Jaehnig: Mr. President.

President Kirchner: It's still Chairman Stuckert's floor.

Councilman Jaehnig: The question that you asked in regards to saving the city or saving the four positions, I would have no problem in getting rid of these four positions to save the city. That's not my issue. I don't have an issue with that at all. The only thing that I ask is that we do our due diligence and our homework to show that for a fact we are saving money. That was my point. That's what I explained and laid out. None of those concerns that I put forward have been answered by the administration, by the President, or by Council. They haven't even been asked until the point that I brought them up. The reason they haven't been asked is because the majority of those questions are only known by people that have worked in HR. The reason, whether it's intentional or unintentional... Do I truly believe that Councilman Stuckert intentionally wants to get rid of old people and bring in young people to save the city money? No, I don't believe he intentionally meant that. Unfortunately, in the law, what his intentions were and what he said are two different things. And we've seen jury after jury in lawsuit after lawsuit go based on what was said instead of what was meant. And in HR specifically, that's one of the things that they consistently drive home. I've been through over 250 hours of HR training in the 20 years that I did HR with Conway. And it is an unbelievably complex thing. And whether again, intended or not, while I do not believe that you are looking to specifically get rid of those specific individuals, and that you were trying to show compassion for the fact that those would be the individuals affected, the fact that you put those in the same document is a violation, whether it's intended or not.

President Kirchner: From a legal standpoint, your legal opinion is that that is a violation of law is what you're indicating, Councilman Jaehnig?

Councilman Jaehnig: I don't tell you – from an HR point of view –

President Kirchner: I wrote it originally completely cleansed of any names and read it and realized that it completely ignored the human factor of the people that would be affected. Just calling them individuals was a rude and insensitive acknowledgement of the fact that individuals would be affected by the proposed change to positions and the structure of the city. There it is for everyone to read and I will encourage the News Journal to print it exactly as you were provided it the night it was given, emailed to you. I will encourage the News Journal to put the entire thing out for the public to determine for themselves because the public has the ability to form their own opinion of what they think was or wasn't said, was or wasn't meant instead of listening to a perhaps tainted analysis of what was intended.

Councilman Jaehnig: I said your intentions were not to do that. I specifically stated that I do not believe that your intentions were to do that. Let me ask a question. Have you ever gone through or been an HR person?

President Kirchner: I have done some HR training. I have not held an HR position. I'm an engineer.

Councilman Jaehnig: Okay.

Councilman McKay: Rob, Can I ask – and this will take just two minutes. We've been at this almost two hours. We've got more of them to do. But our Law Director, who is a legal opinion, discussed this earlier tonight, and I'm not sure exactly what he said. And I'm not sure that he can well advise us completely, but can you repeat that, Mr. Law Director, how you characterized your opinion?

Law Director Brian Shidaker: As Councilman Jaehnig stated, labor law is incredibly complex. If we are sued, the city is sued by employees who have adversely been affected by Council's decision, I would be held with the responsibility of representing the city in a lawsuit along with the insurance carrier for the city. So, I'm not going to sit here and state whether or not I feel like we would win or lose in a lawsuit. If you ask me do I believe we will be sued, my answer would be yes, I believe we would be sued.

Councilman McKay: I think that that pretty much answers all this rhetoric that maybe we ought to sit on this at least one more meeting to make sure we have proper legal

information before we go forward. Now, if you choose not to do that, Councilman Stuckert – well, I’m not going to –

Councilman Stuckert: I’ll add it to the list of things that you’re disappointed with.

[Simultaneous inaudible comments]

Councilman Siebenaller: Can I ask the Law Director a question? Based on what you just said that we would probably be sued, does that have to do with comments made or content of the ordinance?

Law Director Brian Shidaker: Both.

Councilman McKay: It’s just a bad idea to go forward tonight.

President Kirchner: Mr. Law Director, is it true that any employee that has left our employ this year could sue us for any claim they chose to?

Law Director Brian Shidaker: Yes.

President Kirchner: Basically anyone can sue for anything. It’s whether or not they can prove it in a court of law that matters.

Councilman McKay: That’s why we have Human Resources and that’s why we try not to set ourselves up for situations where we’d be sued. If we go forward with this, it would be ludicrous because we’ve already been given an opinion by our Law Director that this is a mistake.

President Kirchner: Actually, that is incorrect. That is incorrect because I asked the Law Director specifically that question before this evening’s meeting whether or not there was anything in this action structurally that on its face violated law. And the indication was no, there is not anything on its face. And he did share with me the exact same thing, it doesn’t mean you won’t be sued. The bottom line is that I think that it’s time for this Council and this administration to bring leadership to this city to get the budget in control. And I would love to have seen this much resistance to deficit budgets and challenges to overspending throughout the years that we’ve done this. But the bottom line is the can has been kicked down to this end of the road, and this Council I think needs to act to bring responsibility and accountability back to public office. If we don’t balance our budget here in Wilmington, where will it ever be balanced?

Councilman McKay: I’m ashamed. All we’ve heard is rhetoric tonight, especially from you, Mr. President.

President Kirchner: I believe you have a presentation of legislation that isn’t rhetoric. It’s actually a decision. It’s an action. It’s a responsible approach to putting an idea forward. It’s not rhetoric, Councilman McKay. It is legislation.

Councilman McKay: I’m not talking about the legislation. I’m talking about you.

President Kirchner: Duly noted, Councilman.

Councilman Stuckert: Mr. President, I think we’ve discussed enough. With your permission, I’d like to make a motion.

Clerk of Council Brenda Woods: We have a motion and a second already on the floor.

President Kirchner: We do. That’s what started this discussion.

Councilman Wells: It’s already been seconded.

President Kirchner: It has already been –

Councilman Stuckert: That was on the amended.

President Kirchner: No. It was for the first reading. It was for the first reading. At this point, I will ask all in favor of the first reading of this legislation, say aye.

Councilman McKay: Call for a roll call.

President Kirchner: Roll call, please.

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

Director of Law read the ordinance by title only.

Councilman Stuckert requested that the second reading be placed on the agenda for the next council meeting.

President Kirchner: Very good, a second reading. Anything else, Councilman Stuckert?

Councilman Stuckert: Mr. President, I have nothing else.

President Kirchner: That's good. Safety Committee.

Safety Committee – Chairperson Wells: Mr. President, tonight I have three readings on a resolution authorizing the Mayor to sign an agreement regarding the payment of fees for transportation services or police escort services related to mental health crisis interventions and declaring an emergency.

A motion was made by Wells and seconded by McKay to give the first reading only on the resolution Authorizing the mayor to Sign an Agreement Regarding the Payment of Fees for Transportation Services or Police Escort Services Related to Mental Health Crisis Interventions, and Declaring an Emergency.

President of Council called for discussion.

President Kirchner: Duane, did you want to say anything about this?

Duane Weyand: If you've got a question, I'll answer it.

President Kirchner: Does anybody have a question?

Seeing none, President called for a vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by McKay to pass the resolution as read.

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

Motion passed.

President of Council declared Resolution No. 2293 passed as read.

President Kirchner: Anything else?

Councilman Wells: That's all, Mr. President.

President Kirchner: Thank you, Don. Downtown Revitalization Committee.

Downtown Revitalization Committee – Convener McKay: I'd like Steve to talk about a party we're going to have Friday night.

Steve Brown: Third Friday, this Friday, RetroVibes from Cincinnati is coming in the rear parking lot, music seven to 11. Everyone's invited for fun.

[Laughter]

Councilman McKay: Sounds like a fun. That's all I have, Mr. President.

President Kirchner: We will try and only bring fun, Steve. We promise. And if this isn't fun, tell me what is. Thank you, Mark. Parks and Recreation Committee.

Parks and Recreation Committee – Convener Jaehnig: I have no legislation, but a quick report from the Parks Board. They wanted to give a shout-out to the folks that participated in the Passport to Fishing program this past Saturday. They had over 40 plus kids that participated. The Park Service as Ashleigh Achor talked a little bit earlier has a Facebook page now, and you can go on that page and see some of the pictures and some of the things that they've been doing. And soccer registration will be beginning very soon out there. Also, this is the last night, if you hurry and race home, this is the last night that the Escape is still available on govdeals.com. So, you might get yourself a steal. So, please race home and bid high. And then, a special thank you goes out to John Stanforth and the staff at Grow Food Grow Hope for all of their help during the playground restoration out at the Denver Park. Thank you, Mr. President.

President Kirchner: I would offer one point of clarification. Knowing that we have a piece of property called the Escape, and we have a vehicle known as the Escape, let's be clear that is –

Councilman Jaehnig: I don't know, whatever's going to get the highest price right now for the Parks.

President Kirchner: The gov.deals does not have the Escape establishment on auction tonight. Thank you, Rob. Income and Levy Tax Committee.

Income and Levy Tax Committee – Chairperson Jaehnig: We did have a committee meeting tonight, and we are in the final stages of information gathering, and we do fully expect to be reporting back out to Council at the August 2nd regularly scheduled Council meeting.

President Kirchner: Very good. Mr. Service Director.

Service Director Reinsmith: No report, Mr. President.

President Kirchner: Thank you. Mr. Safety Director.

Safety Director Burton: No report tonight.

A motion was made by Wells and seconded by Mead to accept the Auditor-Treasurer's Report – June 2012, and the Treasurer's Office Statement of Earned Interest – First 6 months of 2012, as received.

Motion passed.

Reports accepted as presented.

Councilman Jaehnig: Can I have a question, please. I wanted to ask the Treasurer how the interest revenues were compared to past years.

Treasurer Paul Fear: They're down from previous years because the interest rates are down. We have just reinvested at some higher rates that are getting a yield of like .78, .87 for an average yield right now on the portfolio of .4 as to previous year it was .26. So, we expect – it's down for the first six months. We expect in the second half of the year to be up.

President Kirchner: Thank you very much.

President Kirchner: At this point in the meeting, we will open the meeting to the public. I would like to say that it's actually enjoyable to see the entire audience section filled. We do have on the books a rule about the length of time spoken, which I do not care to use. If all of you are here to speak though, in the interest of giving everyone an opportunity, we would ask discretion with the amount of time. Could I have a show of hands of how many folks would like to speak up here at the podium publicly? I have seen two. So, we will not be putting – perhaps three. We will not be putting a time limit on. I will ask everyone to be respectful in case others do. If you would like to speak before the Council, come up to the podium, please state your name and address for the record.

Terry Habermehl: My name is Terry Habermehl, and I live at 806 Crestview Avenue in Wilmington, and I just will be brief. I would like to say, Mr. Mayor, if you would be very cautious in proceeding with the landfill only in the respect that I live two blocks from it, and I don't really want to drive out of my neighborhood and see a Rumpke mountain every day. And I will also say that I agree with you 100 percent that HR is one of the last positions you should cut. The County Commissioners actually discussed the possibility of eliminating the HR position when our previous administrator left, and Commissioner Haley can probably do it better than I can, but I know as a result of the fact that they were elected officials telling the Commissioners how important they thought that position was, they hired a new director. And I thank you for your time. It's been most educational.

[Laughter]

Delmas King, Jr.: Delmas King, Jr., 45 Lee Lane here in Wilmington, Ohio. And just a few ideas, thoughts is that when these positions are abolished, if services has to be contracted out, then the cost of these services is one thing. And the other thing is trying to fill these positions through other names for them than what's been in the past I think would be deceitful to the people here in Wilmington. And the other thing is that looking ahead a little bit to new businesses coming into the area that if they look up our infrastructure and see that half of it or a third of it has been abolished, what's this going to do to them as far as expanding in the area and wanting to grow in the area. They may look down on us and say, well, you know, they don't have the infrastructure that we actually need to be able to support our business. Small businesses may come and go, but a large company is going to look at the infrastructure, how strong it is. And just upon some of the remarks that's been made here tonight, I see raised that things could be cut, worked out other than abolishing these positions, and save money to the taxpayers and to the community. I know things has to be cut to get the expense down. But there's other ways to do it than abolishing positions because you're doing away with those positions. And companies that's wanting to expand and grow are going to look at that and coming into a community. And that's my – just my food for thought. There ought to be other ways to do it. And after the comments tonight here, it seemed like there are other ways that it could move forward. Thank you.

President Kirchner: Thank you, Delmas.

William Liermann: William Liermann, 1069 Linhof Road. For several years, had a chance to sit up there on the gallery and be a Councilman. I just wanted a point of clarification because I did happen to hear a couple of different references resolution versus ordinance. I want to be perfectly clear, and I think the people in the public need to know too, it was acting on an ordinance and not a resolution; is that correct?

Law Director Brian Shidaker: That's correct.

William Lierman: Okay. The only question I have it seems somewhat ambiguous when it says earliest date allowed between law. Is it that you can't determine the date or is that – that's the clarification. That's what I'm asking.

President Kirchner: The reason was that after the Committee voted to move it forward, the legislation was created by pulling the last piece of legislation – this is my understanding of what occurred – that had position abolishment in it. In that language, there was a specific date given. The thought was at the time it was typed in this would complete August 2nd. But the knowledge of whether or not this passes on a known date and has that in the legislation is not possible for us to know at this time. The reason the language was changed was to reflect the fact that there are any number of things that could not make it pass on that date, including a lack of passage by Council, including a need for an additional reading, a delay for some reason in a regular meeting. The language was changed at the Law Director's review to indicate what he felt legally was appropriate.

William Lierman: Okay. And the reason I ask is because when you passed the last budget, was that just a bi-annual budget? Was that a two-year budget or just a one year?

President Kirchner: It was a one-year budget.

William Lierman: I just wanted that clarified, and I wanted to make sure that everybody knew it was a resolution or whether it was an ordinance.

Duane Weyand: I brought this up last Thursday, and I'll ask again. Has anybody has a chance to job shadow any of the employees that's affected out of this? I know Rob has. If you're looking for savings, I have no problem with doing away with the Assistant Chief's position. At the end of the year, it's not going to be funded anyway. You know, we need officers on the road. And I understand the concept of lowering cost for administration. We've been picking up the responsibilities of code enforcement through the police department by using officers, our parking enforcement restructured some stuff. So, you know, I'm cool with it more or less. But I'll tell you from experience of working here pre Danny Mongold is that a lot of the departments have a tendency to run on their own. When you have departments running on their own, you have issues that's come up. I know in the police department, we've had a pretty significant lawsuits that we had to settle out of court, a prime example of why having HR is very significant. So, you're going to find yourself paying more in the long run. I'll also say that having Denny around, he's instrumental in coming out all hours of the night, bringing sand, saves you a lot of money. He's also a friend of the business people. I go to a lot of meetings, and I've seen his presence. Here's a guy that comes out on weekends, gets the barricades for downtown, gets them picked up, and makes all this stuff happen, and he's on a salary. So, at the end of the day between Danny, Denny, myself, and many others, we're doing a lot to save by being salaried employees and working overtime [inaudible]. So I know for myself, you know, I don't work less than 90 hours in a pay period, and I don't want to. You know, I'm here to good what's good for the best. I'm here to make the fire department wonderful, and I'm here to work for the people that are in my department. And I know all the rest of them do the same. But I'll also tell you that every department in here needs HR. There's a lot of stuff that we deal with the police department. We have currently two collective bargaining agreements that we have here. There's also one for the fire department. There's a lot of stuff that goes on that is intent, what is the intent of this specific language, okay. And on that stuff, you have to go back to your notes or go back to the meetings that happened [inaudible] okay. And so, by losing your HR person, you're going to lose what is the intent, okay. And in the long run, [inaudible over coughing] more money? Possibly. But merging with another HR department that hasn't sat through collective bargaining agreements or the negotiations, they have no idea what the intent is. They don't even understand what our contract is. So, there's a lot of things I think you need to look at and research before you progress on this. Like I said, you want to cut two positions, that's great. You're going to save yourselves \$160,000. I don't know what the benefits equal. So, there's a good significant chunk. But I'd ask you go sit in Mongold's office and job shadow. Just see how many of us come in there and bend his ear about different things that we're experiencing through employee issues. We are an employee-driven department, employee-driven city. And so, there's employee issues that happen every day. And many of them when we actually tested for the chief – I'm sorry – for the patrol officer's position, he was inundated with calls from places like, you know, are we an Equal Employment Opportunity place. You know, we had to go through and find out, you know, what are we doing to market

ourselves and to actually get out there so that we're reaching minorities. Who has time for that? The other thing is what happens when we take that position away and we're all left with doing risk management. Okay? I don't have time for risk management, you know. I'm busy right now. I'm dispatching. I do prisoner transports. I'm lucky if I have time to do Chief of Police work. Okay? So, you need to ask yourself, risk management, what's that cost you? What's the savings to you? Okay? So, as you take that away, you think well [inaudible] enough, we'll find someone else that's qualified. You know, the people we have qualified are people we have left to carry the water within the city is dwindling. So, I ask you, you know, to job shadow. See what's going on. You know, don't just sit up there and make decisions, making poor decisions. Come ride with us. Come sit in my office. Come look at my line items. And I said this the last time, you know, we've talked about having finance committee meetings, I've been to numerous finance committee meetings where I've sat here and twiddled my thumbs and nobody asked a single question because we was too busy hashing out other issues. If you're a chair of each specific department, come sit with them. Go line by line item and see what are you spending, how are you spending it. Challenge me. I would love to be challenged. I could show you I rub pennies together all day and turn them into nickels because that's what I am tasked to do. Okay? So, come ride with us. Come job shadow. Do what you've got to do to make an informed decision. I'm Duane Weyand, and I approve this message.

[Laughter & Applause]

Nick Eveland: Mr. Mayor and Mr. President, my name is Nick Eveland. I live at 853 North Lincoln Street here in Wilmington. I want to first tell you what fun it was to serve on the Mayor's Blue Ribbon Committee, and to renew some old friendships and enjoy some good times with some very dedicated people who have served the city well over a number of years, and it was great and I really appreciated it. And you guys did a great job, couldn't imagine anything going better. But a couple of things came out of that meeting, several things. And one of them was, you know, we don't like taxes any more than anybody else does. We don't see a great joy in anybody's mind about trying to raise taxes. And I understand your concern about trying to hold the line on expenditures. I understand that very clearly. But one of the things that came out of the committee and the reason for our recommendation to take to the voters the idea of a half-percent tax increase is that A) it would get you not only past your problem right now, but it would get you down the road a little bit farther without having to kick the can. You could address the issue. So, I understand your reluctance to even consider a tax. However, Mr. President, I've heard you tonight several times say trust in the voters. The voters will speak. Listen to the voters. I heard the same thing from Mr. Stuckert. Councilman Stuckert said "If the voters don't like me, vote me out." What I'm encouraging you to do tonight, I believe hopefully on behalf of the committee, and if anybody takes umbrage at this, please speak up. What we're asking you to do is put it to the voters. You don't have to approve of doing it. You don't even have to endorse it. But if the citizens of this community want to maintain the level of services that they have now, and I believe most of them are very happy with the level of services they have now, give them a chance to vote on it. That's the only thing, you know, I've had issues in my life that have been voted up, and I've had issues that have been voted down. But I've never questioned the wisdom of the voters. And I think if you give them that chance, they'll make the right decision. So, I would encourage you to do that. Secondly, the other thing I'm unclear on is you've got about a one and a half million dollar problem with the general fund. I understand that. I don't understand, though, how abolishing these four positions, only two of which are filled, could possibly result in a four to \$500,000 savings by the year 2015 when, in fact, if I'm hearing right, nobody's really gotten hard numbers from the auditor. David, is that correct?

Auditor David Hollingsworth: No one has come to me.

Nick Eveland: You've taken the task tonight to move it along to the next level. You'll have your second reading at the next meeting. But I would strongly encourage all of you to get real hard numbers. When you're talking about abolishing people's positions and people's lives, and compromising potentially the services that our citizens are getting, I think you need to have all the facts before you. That's all I have. Thank you,

Mr. President.

President Kirchner: Thank you, Mayor Eveland. I would offer –

[Applause]

President Kirchner: To Mayor Eveland's point, and I want to be sure that the public knows, the numbers presented and especially – are directly out of city documents. These are exact costs, exact salaries, exact amounts of benefit costs, of Medicare costs directly out of our budget. There is no conjecture here. There is no we haven't looked at it. These are actual numbers. I just didn't have to go ask the Auditor for them. I had gotten the documents elsewhere. But these are actual numbers. There are no made up numbers here. They can all be verified right back through the documents that note the salaries of our current positions, the budget for our line items, and the actual expenditures necessary under things like PERS, Medicare. They're all right there. These are actual numbers. So, I don't want anyone thinking that these numbers aren't specific, accurate and real.

Nick Eveland: Mr. President, I'm not saying that you were wrong in your numbers. All I'm saying is that we have an elected Auditor who I, you know, just as a concerned citizen, I'd like to have the Auditor verify those numbers and see if everything is there, not that what you have is wrong.

President Kirchner: You have a copy of it.

Nick Eveland: But if everything is considered in that.

Auditor David Hollingsworth: Can I make just one quick comment? I think the piece that's missing, I think – nobody has come up with what the additional cost is going to be by not having those folks here. I mean, it's real easy to come up with the hard numbers on what their salary and what their benefits are. That's not hard to do. But I think the missing component is what is it going to cost the city by having to go to outside counsel or outside consultants to address the HR issues that come up. I think that's the part that's missing. So, I think that to say that the city is going to save "X" amount of dollars, you're only looking at half the picture in my estimation. Am I correct? I mean –

Councilman Stuckert: Well, the only objection I would make to that is you're basing it on the assumption that when that position is eliminated, there's nothing that can be done. And we're talking about people pulling together and doing all kinds of things.

Auditor David Hollingsworth: Well, no, what I'm saying is you've got issues that are going to come up that are specific to someone that has to have experience in HR, and in the labor laws that apply. And I don't think you've got anyone else in-house that has that experience. Now, you say can you train someone. Well, there's going to be a cost associated with that training. And if you train someone in HR, I would assume under our civil service, it's going to qualify them probably for a higher salary or more compensation.

Councilman Stuckert: Well, what I'm getting at also I would think from my viewpoint, if this analysis is that critical and the administration is that interested in finding out where things can be done that every job would have been analyzed by now, and we would already have information on what would happen if we eliminated this job, if we had to do – what could we do. I would think all that would already be done. It would be a matter of giving it to Council when we consider this. None of it's been done. And yet, now we bring forth a proposal two – over two years into deficit budgets, and now we're almost criminal because we're trying to do this without –

Auditor David Hollingsworth: Let me just make one quick –

Councilman Stuckert: – without doing the job that I think you guys should have already done.

Auditor David Hollingsworth: No. I don't think it's my position to determine –

Councilman Stuckert: I'm not saying you directly.

Auditor David Hollingsworth: Well, no. But I don't think it's my position to determine how many police officers we need on the street, okay, patrolling the streets. That's not my decision. I don't think that's the determination that should come out of my office.

Councilman Stuckert: Right.

Auditor David Hollingsworth: I can tell you the cost associated with that police officer. And I think that's – I've said this before, I think that's – I think what we need to take a look at is what services do the citizens want, and how many people is it going to take to fill those positions to provide that service. Then what's the cost associated with that. And then, what kind of revenue do we need to cover those costs. And I've said this before, the city, we don't sell anything, we don't make anything. We provide services to the citizens. And I assume they expect a reasonable service for the tax dollars that they're paying. What is that reasonable level of service, and what kind of revenues is it going to take to provide that. And I think that's all Mayor Eveland, the comment that he made, and I'm not saying you need a half a percent tax increase. That just came out of the committee meeting. But if there is a tax increase that we feel that's needed to provide these basic services, let the voters decide that. You're not forcing it on them. Let them have their voice.

Nick Eveland: Mr. President, that was exactly what I was trying to say, David. And thank you very much. I appreciate you clarifying that. The other thing I'd say, though, is that what I heard tonight in the meeting was – from the Law Director was that while he couldn't forecast the outcome of a lawsuit, he pretty well thinks that there probably would be one if you abolish those positions. I'd encourage you to take the cost of outside counsel the cost of that lawsuit off of your \$400,000 savings, and you can find out from Brian what that is.

President Kirchner: Duly noted, Mr. Mayor. I will say this because I've heard a lot tonight about why eliminating these positions would cost the city more. Let me give you the reality of the budget. If we make the revenue this year we are expecting and we spend the money we planned, we cannot do the same thing next year because we will have less than we need to do the exact same thing next year assuming that our revenue stays as high as it is expected to this year. And we don't even yet know if that will happen. What I will tell you is when you get to zero, I suspect every employee here whose paycheck doesn't come or benefits aren't paid for will file a lawsuit. So, it's a deal with it now and responsibly or deal with it later. But folks will always be able to sue and probably always can. I mean it's not something we can avoid. But the responsibility to balance this budget has stayed with this Council from the beginning. And I think that these gentlemen are courageous in bringing it forward. I think it's a responsibility that our citizens have had to do, not by choice, but have had to do. Many have lost not just some income, but have lost all income. They have lost their homes. They have lost their healthcare. And the idea that we go to them and tell them we want more, not to try and live within our means, to me that is not the leadership that they voted us in here to bring. The voters did speak. They spoke last fall, and they voted this Council into office, and they wanted them to balance this budget and to live within our means is what I believe. And if that is incorrect, and Councilman Stuckert is correct, they will vote us right out this coming year, and they will vote in people that will continue deficit spending and raising taxes. That's what I believe.

Nick Eveland: And with all due respect, Mr. President, you've got a budget that you've got to balance anyway. The state law says you've got to balance it. The question is how you go about doing it, and whether you take an action tonight that I frankly, you know, I heard ill-conceived, I heard ill-timed, you know. Be that the case or not, I don't think you've got the facts. I don't think you know what it's going to cost you to eliminate those positions. Until you do, then I think I'd hold off on your vote. That's all I'm saying.

President Kirchner: Duly noted. And thank you for the input, Mr. Mayor. We do appreciate you coming up, and we appreciate your support of the Mayor's Blue Ribbon Panel to give him advice –

Nick Eveland: – and I don't wish –

President Kirchner: You've been up here. You know how it is. You know, I'm just glad you're being nice and smiling while you say it.

Councilman Stuckert: I want to make a couple points, and among the other things that I said that didn't get mentioned tonight is I was consulting, and that's where this percentage came out that was used. But I mean, I was consulting a report that was included in a place called the National League of Cities. It has 19,000 cities in there. And among the other things that were said in there is that 72 percent of those cities have reduced their workforce. And this is something that's going on all over the place. Now, that's the end of that. I want to make a comment of more of a personal note. There's been a lot of going back and forth here. We have divided government. We have executive, we have a legislative. That's how it's supposed to be. But I do not want it to go unsaid or implied in any other way other than when I came back to this town a number of years ago, I became familiar with a lot of – virtually everybody that's on the Blue Ribbon Committee and everybody else. And when it comes to a Danny Mongold or a Sandy Mongold or a Fred Ertel or a Randy Riley or any of these people, I have always held them in the highest esteem in my own mind, and I still do. And I hope that that can still be recognized by them certainly because I care how they feel. These are people that I think are honorable. But in the world of decision-making in government, you have to be willing to go to the mat with your best friend over ideas. And that's all we're trying to do. Oh, I've not been around long enough to deliver it in a polished manner that some are. But that's all I'm doing. I'm delivering ideas. And I, you know, what we end up deciding on those taxes, I do not know. But I know this much, when I take the Council hat off and I go back and I sit in my house and I visualize somebody coming to me and saying I need more money, more revenue, and they have not – they have not cut anything in their existing force and they are sitting there with additions that were made in times that were financially more prosperous, and I – and the 36 million I understand is enterprise zones and the bottom line is other than you take the grants out, we all pay those. So, it isn't about whether I understand what an enterprise zone is, it's what comes out of my pocket. And that extra money I've got to make that decision on. And I just don't have a lot of confidence that given that choice, we're going to end up with more revenue. And I would love it if we could work together and do all the analysis so we – with the complete confidence in everybody here, eliminate some positions and know that we would generally save money. But to now lay that lack of analysis at the feet of a committee of Council I don't think is fair, because if it was that important that we have screwed up so bad because we didn't do that first, then it should have been done by now. It should have been an item that would be brought to us.

Mayor Riley: And it wasn't because it was not a good idea. We've done this analysis. We are running this city on a bare bones budget. Ask any of the Superintendents, any of the supervisors. They have cut and cut and cut. And we've said that numerous times, but no one's listening. We need to look at revenue. It is not just a spending problem. It is a revenue problem. We need to look at that.

Auditor David Hollingsworth: Well, Loren, you kind of directed your fingers toward me. Nobody – well, until tonight, I mean the positions that were going to be eliminated have even changed from what Scott mentioned in his letter to the legislation that's here tonight. And you know, without somebody coming to me and saying here are the positions that we want to eliminate, and Scott probably has correct information on the weight side, but nobody has sat down with anyone, Mayor or otherwise, what is it going to cost if we eliminate these positions to still provide these services whether we do it internally with someone else taking their spot and absorbing those duties, if that's even practical or what's it going to cost if we have to go to outside sources. That's all I'm saying. And until tonight, I had no idea what positions you're even talking about eliminating.

Councilman Stuckert: Well, before tonight –

Auditor David Hollingsworth: Well, no. Has anybody brought that to me?

Councilman Stuckert: But you were aware of what we did last Thursday?

Auditor David Hollingsworth: The positions have changed, have they not?

President Kirchner: No. Actually, the four positions recommended –

Auditor David Hollingsworth: Well, it was Larry –

President Kirchner: That's incorrect. That's incorrect.

Auditor David Hollingsworth: Well, here's all I'm saying is nobody has come to my office or collectively, okay, and said here's what we would like to do, let's analyze this, you know, what are these salaries and then what's it going to cost.

Councilman Stuckert: I'd like to see an analysis on every single position in the administrative branch of government, every single position.

Auditor David Hollingsworth: Well, what I'm saying is –

Councilman Stuckert: Can you provide that?

Auditor David Hollingsworth: I don't think you're understanding what I'm saying. I'm saying you don't know what the cost is. Follow me.

Councilman Stuckert: Can you provide it?

Auditor David Hollingsworth: No. I have no idea what it's going to cost –

Councilman Stuckert: Then we shouldn't do it because we don't know what the cost –

Auditor David Hollingsworth: I'm not – I have not said that you don't do it. I said collectively you need to get the people together that know what it's going to take to provide those HR services, whether that's the Mayor or whoever's going to be in that position. What's it going to cost us to go outside and contract those? Does that make sense?

Councilman Stuckert: It makes sense. But it doesn't make sense when you tell me I have to come in here and do it because I will be honest with you, I am a fulltime school teacher. I'm going to be going back to school pretty soon. I don't have that kind of time to do that.

Auditor David Hollingsworth: Well, I'm a fulltime CPA.

Councilman Stuckert: – I'm saying to you as a Councilman do it. Do it. Do what you want me to ask you to do.

Auditor David Hollingsworth: Well, all I'm saying is you probably want to do that before you bring the legislation forward. That's all I'm saying. You're kind of putting the cart before the horse.

President Kirchner: I will offer to Council and to the Auditor an answer to that. I did try and have these discussions with the Mayor specifically about abolishment of these positions, a realignment of the duties, and the Mayor unequivocally and very directly said to me, you will not talk to me about that, that is an administrative right. And I left it alone. The Mayor made it very clear that we were not to get into his area of responsibility. I did attempt to have the conversation though, and he did not wish to have it with me.

Mayor Riley: That is absolutely not true anymore than what you said a while ago about Larry Reinsmith's position. I just reread what you presented to us two weeks ago, and you're talking about me getting rid of Larry Reinsmith and putting Denny in Larry's position. It very clearly says that.

President Kirchner: He indicated that we were looking at getting rid of Larry Reinsmith's position. That is not what was recommended. The Service Director's position is required by the ORC, and cannot be gotten rid of. Councilman Hockaday?

David Hockaday: David Hockaday, 348 West Main Street. And again, as I've been before Council on numerous times, I'm hesitant to speak because I've sat in your chair. But Loren, to your question, civil service can give you that information. Every one of the civil service jobs are weighted and they have a value and they fit into a pay scale. So, if you're looking about changing a job function, it has to go back to civil service, it's re-rated and you can see what the dollars increase will be. The little number you see on the side that somebody was talking about, what's a 22 or what's a 15 or what's a 17, that's the pay scale they fit into. That's the job valued at the job. The only other difficulty that I have here is I was before Council probably about five months ago when we started down this path, and it was about reductions, and everybody's working on reductions. But if you'll remember what I said, you can't cut your way out of this budget deficit. You will eventually have to look at some other kind of revenue. I'm not going to tell you how that revenue is, whether it's the earnings tax, whether it's a levy or what it is. But if you look beyond 2012, and you ask the Auditor when you're going to run out of money and funding on what you want to do as a normal course of business, you're going to be out of money before the end of 2013 in the discussions I've had with the Auditor. And if that is true, all of your cutting is not going to solve your problem. Sooner or later, you're going to have to do what nobody wants to do, and that's ask for a revenue stream increase. How you do that, that's why we voted you in there. I'm not going to criticize you for it, but I can tell you you cannot cut your way out of this problem. Thank you.

[Applause]

President Kirchner: Mr. Law Director, I would like to ask for a point of clarification because this matter came up the other night in conversation. Mr. Hockaday has just indicated that the Civil Service Board determines the classification level of the jobs.

Law Director Brian Shidaker: Correct.

President Kirchner: And I believe that you the other night indicated that Council sets the classification level.

Law Director Brian Shidaker: Civil Service, they do – the first question was correct. Then it comes before the Council and the Council votes on it. And they – the Council – if the Council agrees with the Civil Service Commission, then that's the number. If they don't agree with it, they can vote it down.

Mayor Riley: It goes back to Civil Service.

Law Director Brian Shidaker: It goes back to Civil Service.

President Kirchner: Okay.

Law Director Brian Shidaker: With the final – the Council has the final word.

President Kirchner: Just wanted to clarify. If you'd step to the podium, name and address, please.

Daniel Gordon: Daniel Gordon. I live on Wilmington College's campus. I don't know my exact address.

[Laughter]

Daniel Gordon: 2601 33rd Street, Santa Monica, California. So, I won't give my views on, you know, cutting jobs versus raising revenues and stuff like that because everyone has their own view and – every city is running out of money. Everybody has a deficit. Everybody is cutting their work force. You said there are, you know, these thousands of cities that have joined together and are all needing to do this. Are there any of them that have cut these exact positions that you've talked to or seen what the ramifications are because taking one police officer off the street after doing an evaluation of whether or not you need that person is different from a position like the Director of Human Resources. And so, I was wondering are there any examples that you can cite or that you've looked at of this happening in another city of similar size or a different size and working?

Councilman Stuckert: The answer to that question from that report, I didn't get any of those things specifically. But I have been – I've talked to people even at our state level here who are recommending over and over that we think outside the box and think about shared internal services all over the place, county, townships, other towns. I mean, this is something – this is an idea that is being proclaimed very loudly from the state houses and places like that. We have an example just a few miles down the road where we have a city, Hillsboro, which is a city that there is a move to consolidate the fire department for that city with I believe with Paint Creek, be a township or the equivalent of a township, something like that, and merging those two together. That's unheard of, unthought of in years past. So, there's a lot of out of the box type thinking and suggesting going on. And to be honest, we have not had the analysis as the Auditor has said. All that stuff has not gone on. It's not been a practice here. I'm just saying that I don't know why it would end up being, you know, such a bad thing that we haven't done it because I think we're in – not in the best position to do it. But the reason – there was logic that we applied that oddly enough has been voiced to me out in the public, and that was you have a position that did not exist until how many years ago?

President Kirchner: 2005 was the HR Director.

Councilman Stuckert: And I've heard of any number of positions that were, you know, were added or changed somehow in that period of time, and I've had a lot of people say why are those positions still there, why wouldn't that be something – we're going raise our taxes before we go back to doing what we were doing before 2005. They made a lot of points on why you would or wouldn't do that because there was logic in all this. I think that the point that I emphasize is we made it known coming in that we want to first of all address our budget and, you know, that just was not happening in a formal way on both sides of the agenda. So, yeah, I think your questions – well, but there were no specific cases. I did not do a case study on two or three different places, and they said yeah, you can do without Human Resources Director. I didn't get that at all. But to add a little bit further, the reason we were focusing on the administrative end of it was – we think that the first cost reduction has to come from the administrative level. And every dime that we save at the administrative level is a position down here on the street that we don't have to end up eliminating, maybe two or three positions. That's where we get the idea of we don't – we want the services, the fireman that comes to your door, we want him there. The policeman that comes to your door, we want him there. The maintenance guy on the street, we want him there. We want these guys up here to figure out how to do all their administrative duties in a consolidated sort of way. That's the thing –

Daniel Gordon: I think that a few things. First, in response to that, I think that that's an interesting way to look at it, but it kind of ignores the reason that administrations exist. It's a link. There's a link between administration and the services that citizens see every day. So, eliminating things at the top, you know, if you're at it from the top down point of view –

Councilman Stuckert: Consolidating.

Daniel Gordon: -- a lot of you view things, when you cut something off at the top or consolidate it, which the due diligence it appears hasn't really been done, then all these things at the bottom start to fall apart. You know, you said earlier we're having a lot of what ifs. Until you eliminate those what ifs, I think it's irresponsible as a governing body

to enact something where you can have all these what ifs and we don't see a satisfactory response to them. The last thing is that something Councilman Jaehnig brought up at the beginning was the due diligence, you know, have we looked at how much more this is going to cost because that's your whole point is that this is going to save the city money. And you have several people sitting here next to you saying it's not even going to do that. And so, before the due – and irresponsible, "Well, we didn't do it when we hired the jobs." Well, I don't think that's, you know... That was the wrong thing then, and it would be a wrong thing now. So, I don't think that's a satisfactory response to the people here that we did it wrong then, so you know, we'll do it wrong again, I think it should start being done right now, and I have, you know, I have my personal problems with jobs being cut instead of landfills being sold. But beyond that, if you want to look at it just financially, you know, do the work and come back here at the next meeting with something that says this is going to save us more money than it's going to cost us. And the services at the lower level we've seen from looking at other cities or talking to people that really know about this won't be affected by it. So, thank you.

Councilman Stuckert: I appreciate it, appreciate your input –

[Applause]

Councilman Stuckert: I can only say though that if it turns out that none of these positions are going to be eliminated, and if we don't have voters voting themselves a new tax, and the landfill has to be dealt with by a vote also, if that's what we get we will go back to where we were in 2010 with four fireman and all the other intermediary firemen were let go, the men on the street. So, we know that happens, and that happened – and we know that will happen at some point if we – if the voters don't feel like, you know, raising their income tax. Their income is down. That's why our revenue is down. Their property is worth less that it was last year. That's why our property tax revenues are declining. And so, think about the logic of going to a tax paying person and say I know your income is down, but since your income is down, you're not giving me as much money as I need, I'm going to have to raise the percentage on you.

Daniel Gordon: Well, I only wish that the landfill situation, which as we've seen it is apparently worth \$40 million and it was recommended through this report that you guys just received, was addressed with the same urgency as this half a million dollar issue that appears to completely have split everything, and as I understand it with the veto wouldn't even get through any way.

Councilman Stuckert: Well, we have some opinions out there that say if it's a bad idea to be the only municipality in the state that has its own landfill inside its own borders, the only idea that would be worse than that would be turn it into a commercial landfill with the mountain. That's, you know, so I mean we have gotten some feedback on that.

Daniel Gordon: I appreciate the postponement of it so you guys can take a look at all the work that was done on leasing it and 80 something other things that –

Councilman Wells: Can I ask you a question?

Daniel Gordon: Of course.

Councilman Wells: Would you buy a house next to the Rumpke dump? Would you move to Wilmington –

Daniel Gordon: I think we're talking about a Rumpke dump versus, you know, two people's lives that we're affecting by taking them out of work. And yes, I would. And if we had to design a thing –

Councilman Wells: Are you sure?

Daniel Gordon: – so that some of the 40 million dollars that were earned could put you in another house that was a little further from a Rumpke dump, we'd be – we could buy you a million dollar house, we'd be left with \$20 million. And from what I understand it,

the deficit is less than two million dollars. So, that could keep you going for a pretty long time.

[Applause]

Terry Habermehl: As someone whose property value will go down 20 to 30 to 40 percent as soon as that dump is sold, I have an issue with that. Have you seen the dump going to Columbus?

Daniel Gordon: No.

Terry Habermehl: Have you seen the Rumpke mountain down in Georgetown?

Daniel Gordon: No.

Terry Habermehl: Then I would take a drive down 68 South for about an hour before you tell these gentlemen they should sell the landfill before they cut jobs. And I'm not saying cut jobs or don't cut jobs. If you ask me if I'd rather pay a half percent more in income tax than to sell the landfill, absolutely I would.

Mayor Riley: It's already a landfill.

Terry Habermehl: It is, but it's not a mountain –

Mayor Riley: It is growing every single day. It is a landfill.

Terry Habermehl: And when we start trucking every other city in the region's trash to our dump, it's going to grow a lot faster.

President Kirchner: I will say there is one thing that occurred to me as I've listened to this whole thing, a few years back when we sent home 11 intermittent firefighters and four full-time firefighters and laid off a number of other staff, none of the due diligence talked about here was done, and the conversation this long never existed. The rubber stamp came out, and we just supported the Mayor and what he wanted. And for those of you back there in the supervisor roles that are here applauding tonight, you weren't here arguing that we can't let the firefighters go. That's the choice that we have to face. It is time for tough decisions. We do not want to send the firefighters and the police officers home the way it was previously done to try and save money. This is about responsible service to our citizens with their tax dollars. And if we had spent half this time debating whether or not to send all those firefighters home, perhaps we wouldn't have done it so quickly. But we did that in an instant. That wasn't –

Daniel Gordon: Don't make the same mistake again.

Unknown Speaker: That's right.

President Kirchner: I believe we are not.

David Hockaday: That is not accurate. There was a lot of due diligence done. And the fact that the 14 intermittents had to go was because the union would not step aside with two full-time people. They demanded that the 14 intermittents go first, and then they would consider their union members. There was a lot of due diligence and a lot of other things done. I wasn't on a committee at that time, but I participated in some of the conversation. So, what you just illustrated is not quite right, and it was never put in the paper what exactly took place. So, I think tonight maybe that's what took place. So, I'm just saying when you say the firefighters had to go, the intermittents had to go first because of the union position, and that's why they went first. And then we could get to the real savings because the total money saved with the intermittents was nowhere close to the two firefighters that were let go. That was the best decision.

President Kirchner: Well, there were actually four firefighters, full-time firefighters let go, David.

David Hockaday: I'm just telling two were –

President Kirchner: I'm talking about the due diligence to understand whether or not people got slower service from the firefighters, whether or not people didn't have a response when they needed it. The due diligence of that safety service being there. I mean, that's the thing we've talked about tonight are the costs we can't predict. What were the costs of letting all of those individuals go? House fires that didn't have 11 intermittents that could show up and support a full-time force and perhaps save a structure, all of those things play into it. But at the time, you know, I'll make another point, this Council took as I recall it was a 15 percent or was it ten percent, ten percent cut, ten percent pay cut. We lost those positions. But I don't recall a single administrator taking a pay cut. I don't recall us removing some of those additional administrative positions that we had just created, Code Enforcement Engineer, HR Director, Assistant Police Chief, all of those created from the time 2005 forward. And if you go to 2004, you get the Executive Administrative Assistant that was created. Bottom line is this city operates on the taxpayers' dollars, and it is their needs that we are here to serve, and we've got to that as cost effectively as we can. Getting to bankruptcy is not what we need to do. That's what I think.

Councilman Wallace: Mr. President.

David Hockaday: [Inaudible] bankruptcy. You'll have a state official come in and dictate what you need to do as a municipal city.

President Kirchner: And I think all of us up here, we're elected to avoid that and to take that responsibility. And I agree.

David Hockaday: And as I told you before, I don't relish or belittle the position you guys are in, but I'm also saying you just can't do it all by cutting – you know that as well as I do.

Councilman Wallace: Mr. President.

President Kirchner: Yes.

Councilman Wallace: I move we adjourn.

President Kirchner: So we are adjourned.

ATTEST:

President of Council

Clerk

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 much 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

Wilmington City Council met on Thursday, August 16, 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. APPROVE THE MINUTES OF THE AUGUST 2, 2012, REGULAR MEETING.

President Kirchner: The first item on the agenda this evening is the approval of the meeting minutes from the August 2, 2012 regular meeting of Council. I know Councilman Wells had indicated that he had found a correction.

Councilman Wells: Two.

President Kirchner: Two.

Councilman Wells: The first one in the call to order, they have me marked as absent but I was here. And the second spot, on page 22, where it says multiple speakers – inaudible for transcription, then it says Councilman Wells, I did not say that. That’s not me. There’s two spots where it says Councilman Wells. I don’t know who said that for sure.

President Kirchner: I believe, if recollection serves me right, that those may have been attributed to Councilman Stuckert. Councilman Stuckert, can you review those?

Councilman Stuckert: I don’t recognize them either.

President Kirchner: I believe we’ve reached the perplexing spot where “I don’t know” did it.

Councilman Wallace: I though these were words from the floor, not from a Council person.

Councilman Stuckert: Probably from the floor.

Councilman McKay: It was from the floor.

Paul Hunter: What are the words?

President Kirchner: It says, “We already have a motion on the floor. Let’s get on with it.” Then it says, “Dick Unger: I would make one more note, and that is...” Then he’s cut off. It says, “Councilman Wells: Time is wasting here. They had three and a half years, and still wasting away. Let’s move along.” I did not say that.

Councilman McKay: I think it was Mr. Unger who made all those remarks.

Paul Hunter: He’s not here, so we’ll give them to him.

[Laughter and banter]

President Kirchner: Okay. So, would you like to put those corrections forward in the form of a motion?

A motion was made by Wells and seconded by Mead that the minutes of the last regular meeting, August 2, be amended as stated above.

Motion passed.

Minutes amended.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, August 2, as amended.

Motion passed.

Minutes approved as amended.

B. SECOND PUBLIC HEARING ON ELECTRIC POWER AGGREGATION PLAN OF OPERATION AND GOVERNANCE

President Kirchner: The second item on the agenda tonight is the second public hearing on electric power aggregation plan of operation and governance.

President Kirchner opened the public hearing on electric aggregation.

President Kirchner: Tonight we do not have Bill Bradish available to be here, but I don't know if anyone in the public came to ask any specific questions about electric aggregation, have any input regarding aggregation, but I would welcome you at this point to step up to the podium, state your name and address for the record, and we would enjoy hearing what you have to say or try to answer your questions. Okay, seeing no takers, let me just give a little bit of information regarding where the process goes after the second public hearing. This is from Bill Bradish of Palmer Energy, who will be working with the County Commissioners and the city – choosing their aggregator. And the indication is that around – and these are approximate dates. They do depend on interaction with the state, the county, and action from the County Commissioners. But around September 1, the county approves the governance plan and prepares an application for certification. The same is submitted to PUCO. Also, on the first, a RFP will be sent to suppliers, a request for proposal regarding electric aggregation. September 20, Wilmington City Council will pass a resolution ceding the authority to the county to do that aggregation. September 21 is when RFPs are expected to be submitted. October 1 is the estimated date of receiving certification from the PUCO for the County Commissioners. Also on October 1, the hope is to be able to select a supplier from the analysis done on the RFPs. October 1 through December 31, the suppliers will prepare the opt-out materials, file opt-out with PUCO, send opt-out packages, prepare database for enrollment, a seven-day rescission period after enrollment, and then the estimate is that in January, citizens will be able to begin saving on electric power. The note that he did put at the bottom is that this is an aggressive timetable, and it should be noted, but it will be what they are working for because of the significant impact it can make to our community in a positive economic way. That's all the material I have on electric aggregation. And if we have no questions from Council and from the public, I will close the public hearing at this point.

President Kirchner closed the public hearing on electric aggregation.

C. KAY FISHER – OHIO HISTORIC MARKER – THUNDERSTORM PROJECT

President Kirchner: The final item that have on my agenda is Kay Fisher from our Historical Society, who will speak about the Ohio Historic Marker Thunderstorm Project. So, Kay, come on up. Thank you for being here tonight.

Kay Fisher: If you've read the Wilmington News Journal this past couple weeks, you're probably now more familiar with Thunderstorm Project that was done by the Clinton County Air Corps Station in 1947. At that time, it was an old weather station, and one of the projects was to measure thunderstorms, which caused the most problems for pilots was when they ran into thunderstorms. So, this took place at our Air Base between May and September 1947. Bikini Island atomic bomb testing was the only thing that had priority over this project. So, I've given you some brochures that outline the project and

the significance. This was brought to my attention by two of our meteorologists, Michael Kurtz and Scott Hickman, and they were interested in the program. Lori Kersey Williams was added because the proposed site was the Lytle Creek Greenway and she's on the League of Conservation there. And since the Wilmington College owns that, they are another sort of partner in this. And I just wanted to invite you all Wednesday on the 22nd at 7:00. We're going to have a presentation, and the meteorologists are going to talk about the weather station today and what groundbreaking advancements happened at the Clinton County Air Force Base that are used today by meteorologists. And so, I invite you all to come. Part of our goal is we're trying to raise funds to get an Ohio Historic Marker for this event. All of the committee members come from four societies. And so, we're looking for a couple grants. Currently, we've already got \$150 of individual pledges, but we're raising this money to get a marker for this event.

Councilman Jaehnig: Kay, how much do you need?

Kay Fisher: It will be approximately \$3,000. The marker is about \$2300. They've changed the prices, but we also have to have it towed. It will come to park and we'll have it towed and installed. So, we're thinking ballpark, \$3000. And we're hoping to get grants that may cover that first 1,000. We haven't heard and we don't know, but that's what our hopes are.

Councilman Wallace: How big will this marker be, Kay?

Kay Fisher: Pardon?

Councilman Wallace: How big, the size of the marker?

[Laughter]

Kay Fisher: About this wide [indicating], about that high [indicating] in the shape of Ohio, and then it's on these poles.

Councilman Stuckert: It's going to be big, Mike.

Kay Fisher: It's about that big. We do have seven Ohio Historic Markers in Clinton County, and if we get this, it will be the eighth one.

President Kirchner: Thank you, Kay.

[Applause]

President Kirchner: Okay. That is the final official item on my agenda. The other thing that I did receive in my packet that I wanted to let everybody know about that coming up this Saturday, August 18, is the Fourth Annual Celebrity Waiter Event to benefit the American Red Cross. It will be held at Generations Pizzeria, and I know that the Mayor is on deck to try and get back in time. He has a wonderful commitment.

Mayor Riley: I'm going to do a wedding that evening...one of our police officers, as a matter of fact.

President Kirchner: He's going to do a wedding that evening, one of the police officers as a matter of fact. And I will actually be on the cleanup shift from 8:30 to 9:30. So, we encourage everybody to come out to Generations, have some great food and support a great great charity. Other than that, I have nothing. Mr. Mayor.

Mayor

Mayor Riley: Well, it's been a busy day again. In fact, at 6:30 this evening, I had the privilege of going out to Wilmington College and standing in front of the Boyd Auditorium to 400-plus smiling frightened faces of Wilmington College freshmen who are in. I asked them how many of you are not from Wilmington, and all but a few hands went up. So, we have a lot of people that are going to be new to our community. And I had the opportunity to welcome them to Wilmington and let them know that for the next

four years, hopefully more, they're going to be residents of this town, and if there's anything that we can do to help them out, we want – I said, you know, "Stop in the office. Call city hall if you have any questions." So, if you see young people walking around, and I know they will be, for the next several days, please stop and welcome them, introduce them. The college is such a huge part of our community, so make these freshmen feel welcome. That was a fun thing. Also, at 4:30 this evening, we had a presentation of the Fellows Programs. This is the third year that we've had the Fellows Program, and had a presentation in the Community Room. Wonderful projects that they've had. We had five fellows that had at least three projects each, I believe. So, they've been all over Clinton County helping out. Wonderful program. In fact, I'll ask Chris Schock to say a little bit more about it in just a second. I would like for Chris and Anna, if you would come on up, because we had another really interesting thing going on about a week or two ago. You all know that we have a lot of young professionals in our community, people who have called Wilmington home. At one point in their lives, they graduated, they went to college, they came back or like these freshmen that I just spoke to, they came to college and thank goodness, they stayed. They fell in love with the community. So, we had a meeting at the Clinton Memorial Hospital at the Boyd Cancer Center in the community room there, and I believe we had about 25 or 30 young professionals who are excited about living in Wilmington. They bring such energy. If you would, you know, come up and just say a few words about that program. And if you'd like to touch on the fellows, I would love for you to do that as well.

Chris Schock: Thank you, Council Members, and the Mayor and good evening, everyone. With me tonight is Anna Wiederhold who is a doctoral student at Ohio University. And as Randy had mentioned in our efforts to continue to engage young professionals, this evening we had our finale, if you will, of the Fellows Program, which is very successful. And thank you to many of you who were there for their presentation and their continued work. Also, our effort will continue through a partnership with OU to develop a strategy and methodology to engage young professionals in a more strategic way going forward over the next couple of months and into next year. It bears well with the Planning Commission's efforts to update the City of Wilmington's comprehensive plan next year, which is on our work plan, which was last updated in 1978. So that's a process that we'll be going through. And with Anna's help and her professors at OU, we'll be working to engage young professionals in a kind of objective and scientific methodology to get information about what they feel is important for the future of Wilmington and be able to incorporate that into the planning process and going forward. You want to add anything?

Anna Wiederhold: I would just say I'm getting my PhD in communication studies, specifically in organizational communication. And so, what my advisor and I do is we study and organize public discussions. And so, when I attended the young professionals' discussion, and Chris talked about wanting to continue and do things like this in the future, and I said, "Well, that's what I study." So, I feel like I could help there. And so, what we're hoping is that we can have a more representative sample, that we can have a more purpose-driven methodology going forward, that it can answer some real pressing problems that the young people in Wilmington are experiencing right now. And so, we're looking forward to community development.

Chris Schock: And so, I thank the Mayor for corralling this first meeting and working to set off this process. So, we'll continue over the next many months and into next year, and look forward to working with them. Are there any questions for us?

Councilman Jaehnig: Could you just take a second and talk about, you know, why the importance, some of the statistics that Mark and Taylor have shared over the last few weeks, you know, on why the focus on young professionals?

Chris Schock: Well, sure. I think – and we shared these statistics this evening at the Fellows Finale. But you know, it has been noted that between 2000 and 2010, for example within the under-45 age group, the county has lost about eight percent of the population in that sector in what we would consider a younger group. And we also gained eight percent in the above-45 sector. So, you know that the community is aging. That's not necessarily a bad thing, but you know, there is a generation that will need to

become taxpayers and active citizens in the community and, you know, contribute to that. So, it's important that we focus on, you know, balancing that and making sure the community has young professionals living and working in the community. Another statistic that is of concern is that the amount of our bachelors-educated young professionals 25 or older is about half of the state average, which isn't a positive number, as you can imagine. So, the Fellows Program is our proactive way to try to address that statistic, one that we've known for quite a while. And we do it, you know, as best we can by strategically placing fellows with certain businesses that we think they can bond with and hopefully find opportunities for in the future, and root them more into the community. So, that's also a concern. We would like to try to address that and to increase the amount of those people. So, I think that underpins those statistics and those concerns underpin that piece of our strategy related to young professionals. Of course, we have a couple different programs that address other issues like local business and energy and other things. But that underpins the logic, if you will, of why we focus on young professionals and have these programs that we do. And I would thank the Council and everyone for their continued support of the programs and the effort obviously, because it really does mean a lot to the program participants and to the businesses who receive those businesses who receive the aid and the assistance.

Councilman Jaehnig: Thank you.

Mayor Riley: Thank you. Thank you, Chris. Thank you, Anna. The program that we had – the meeting that we had out at the hospital was very exciting. I had no idea how many people would show up. We invited quite a list of young professionals. We had quite a few show up. I believe we ended up with about six tables with about five people at each table, We gave them, you know, discussion assignments, and then there was a reporting out at the end of it. At some point, when we get all of that information tabulated and written down, I will bring that back to Council so that you can get some idea of what the young professionals had to say. The last thing I have is I would like to address Council on the ordinance that they're going to be discussing here in just a few minutes. You're going to soon be voting on the third reading of a very important ordinance. And the reason for this ordinance was first presented by Scott Kirchner on July 5th as part of his budget proposal to the City of Wilmington. And it was to assure, and I'm quoting here, "that living within the city's means as we weather these economic times is something that we must assure," and I end the quote. I share Council's concern about the deficit spending. When the 2012 budget was approved, that projected a \$1.3 million deficit, basically spending \$1.3 million of our carryover. I stated that this might be the budget that we start with, but it will not be the budget that we end with. This Administration has worked throughout the year to be fiscally responsible, to be responsible stewards of the taxpayers and citizens' money. I'm pleased to point out that according to the Auditor's most recent report, and this is the report that I received just about a week ago from the Auditor. It's year-end July. So, it's seven months of data. But according to that report, we have not been spending carryover. In fact, we have added to the city's carryover. According to this report, we have added \$304,798 to the city's carryover. We are not deficit spending. We are doing our jobs. At this point, we do not need to eliminate vital positions within the city. Now, this does not mean that the crisis is behind us. This Administration will continue to be vigilant from a fiscal management point of view. The amount of carryover we have is just enough. If the economy continues to get worse, we may need to have a reduction in forces or a layoff. If that becomes necessary, I will desperately need to have our HR Director in his office working to assure that the procedures we follow are followed exactly. If we do layoffs wrong, we open ourselves to unnecessary liability. Also, I met with the Clinton County Commissioners yesterday morning. They have no desire to take over the responsibilities of our HR management. They acknowledged that if they did, they would have to hire someone who is well-versed in civil service employment law. Now, trust me, think about this, they are not – and I was a County Commissioner, so I can tell you this as a fact – they are not going to do that for free. It would end up costing us more. Having the HR Director of the county also directing the city human resources is not an option. We have already reduced our workforce considerably this year. Early this year in January, when the W-2 forms were sent out, we sent out 247 W-2 forms to people who had worked in the city of Wilmington in 2011. The last payroll in July, we issued checks to 212 employees. Now, we know of about ten employees who worked here in 2012, but are now gone. It looks

like we will issue approximately 222 W-2 forms in January of next year. That is an overall reduction of 25 employees. We are doing our job. The two positions that are mentioned in the ordinance that are not currently filled do not have to be eliminated. They are costing us nothing, and will continue to cost us nothing. I have no intention to fill them. And by the way, we do have a position on the books entitled "Deputy Fire Chief." That position was established years ago and has never ever been filled. We have never had a Deputy Fire Chief, but having the title on our books costs us absolutely nothing. Now, God willing, when the recession ends, when manufacturing jobs are developed in Wilmington and the city starts to grow, we may need an Assistant Police Chief again. If that happens, it will be the responsibility of this City Council to approve the funding of that position before anyone can be hired to fill it. And if the position is eliminated, it will cost the city close to \$2,000 to reestablish it. We will need to establish an entirely new job description, get the job description graded and rated in Columbus and then approved by the local Civil Service Commission. However, it doesn't cost us a dime to keep words on paper. We are doing our jobs. I need Danny Mongold now more than ever. We will be starting contract negotiations with three different bargaining units very soon. We may still be facing the need to have a reduction in forces. I read in the Wilmington News Journal, and also found on the page 13 of the minutes that were just approved that Scott suggested that we may not need an HR Director because, and I'm quoting, "Now we have a full-time Mayor and a full-time Mayor who had experience in managing a department out at the hospital, and obviously meeting as a former County Commissioner." Well, first of all, I am not a full-time Mayor. I may be in the office practically every day, practically all day every day, but I was elected to be a part-time Mayor. I just happen to love this city and am willing to work a lot. Secondly, during my management career, I hired, fired, and disciplined a whole lot of employees, but never without first checking with our Human Resources Director. They are the experts, not me, nor will I ever be an HR Director. Danny's job is significant and more than just human resources. His job was just expanded by me this year. He was not our Risk Management Coordinator last year. I added that responsibility in January. In fact, the list of things that Danny works on every day is huge. We have various issues and problems arising daily, daily that require Danny's attention. I need Danny Mongold now more than ever. Now, the majority of citizen complaints I receive on a routine basis generally involved traffic lights, potholes, grass, weeds. The services provided by our Maintenance and Repair Services, our Streets Department, are directed by Denny Gherman. Denny is truly one of the finest civil servants I have ever met. If there is a fire anywhere in the city, anywhere in the city, you'll find Denny there setting up barricades, directing traffic and working for the city. If there's a motor vehicle crash or a police incident anywhere in the city, you'll find Denny there setting up barricades, directing traffic, working tirelessly for the city any time 24 hours a day. In fact, this past Sunday afternoon, I called the Maintenance shop to leave a message for Denny about weeds and grass that needed to be mowed. I was planning on leaving the message, but I wasn't surprised when Denny answered the phone. There had been a problem with a street signal, and Denny came in to fix it. Denny Gherman is one of the finest people and most valuable employees this city has ever had. If we're going to continue to make Wilmington the best place in Ohio to call home, the best place that we can possibly make it, I need Denny Gherman. The entire community needs Denny Gherman and I am proud that he works for the city. This city needs Denny Gherman. You may have voted to approve this ordinance twice, but that does not mean that you have to vote for it a third time. Knowing that the Mayor will veto it if it passes should not be a consideration for your vote. You need to vote what you think is right. Think about what you're doing. Think about what you have heard. Think about what the citizens are saying. Our carryover is growing. It has grown by over \$300,000 so far this year, not shrinking. Think about what the employees are telling you. When it comes up this evening, I encourage you to vote no on this ordinance. Thank you.

President Kirchner: Thank you, Mr. Mayor.

Auditor

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

Asset, Acquisition and Use.

Chairperson Bob Mead had no report.

Finance Committee

Chairperson Mead: Mr. President, we have four items on the agenda this evening. The first item is three readings on an ordinance making supplemental appropriations. I believe you all have those in your packets, and they were discussed in a recent committee reading.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Councilman Wallace: I have a question. Where does the – for Part A and Part B, where do those dollars come from?

President Kirchner: Andy, would you like to explain where that money came from?

Fire Chief Andy Mason: Which money. I don't have it in front of me.

President Kirchner: It's the grant for the emergency ambulance fund. Is that established there?

Andy Mason: The State of Ohio every year gives us a grant. It's been \$7,000 before, \$6,000, \$6500. This year they gave us the grant. It's just a grant process that we do every year. The second part of that is –

Mayor Riley: Training education.

President Kirchner: It's the – you split it into the two.

Andy Mason: Yeah. It's a State of Ohio Training and Equipment Grant. It sort of works on a reimbursement. They'll give us money, we send them receipts, you know, so that they see where you're spending such. So, we're splitting that out. It was one grant. We're going to split some of it out to go towards training, and some of it has to go towards equipment.

President Kirchner: So, we're going to spend the money, and then they'll replace that with a grant once we give them receipts? Is that's what happening?

Andy Mason: They've sent the money. We have a certain amount of time to get them the receipts. They've sent it, we spend it, and give them the receipts.

Councilman Wallace: Okay. Thank you.

President Kirchner: Thank you, Chief.

Seeing no further discussion, President called for a vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

President of Council declared Ordinance No. 5039 passed as read.

Chairperson Mead: The second item on the agenda looks like a duplicate almost. It's three readings an ordinance making miscellaneous transfers.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

President of Council declared Ordinance No. 5040 passed as read.

Chairperson Mead: Third item on the agenda this evening is going to be three readings on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

A motion was made by Mead and seconded by McKay to give the first reading only on the resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to pass the resolution as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

President of Council declared Resolution No. 2294 passed as read.

Chairperson Mead: The fourth item on the agenda is going to be three readings on a resolution accepting local government assistance formula as provided by the Clinton County Auditor.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the resolution Accepting Local Government Assistance Formula as Provided by the Clinton County Auditor.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by McKay to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

President of Council declared Resolution No. 2294 passed as read.

Chairperson Mead: That's all I have this evening, Mr. President, for finance.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay: No report, Mr. President.

Solid Waste/Recycling - Chairperson Wells: Mr. President, I have one item on the agenda, three readings on a resolution declaring surplus property, to wit: Sanitation

Department vehicles valued at more than \$1,000 and authorizing the sale of such vehicles, and declaring an emergency.

A motion was made by Wells and seconded by Mead to give the first reading only on the resolution Declaring Surplus Property, To Wit: Sanitation Department Vehicles Valued at More than \$1,000, and Authorizing the Sale of Said Vehicles, and Declaring an Emergency.

President asked for discussion.

Councilman Jaehnig: Just for reference, the two vehicles going up for sale, one is a 1989 Dodge Ram D250 4x4, and the second one is a 1994 Ford F-150 4x4. So, these are well-used vehicles.

Councilman Wells: Actually, they're more than well used.

President Kirchner: We do encourage bidding though. They've been well taken care of. They've only driven to church on Sunday.

Seeing no more discussion, President called for vote.

Motion passed.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Jaehnig to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Jaehnig to pass the resolution as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

President of Council declared Resolution No. 2296 passed as read.

Chairperson Wells: That's all I have this evening, Mr. President.

Wastewater/Sewer Committee - Chairperson Stuckert: Mr. President, we have one item. It's an item that was first read at the last Council. It's a resolution that basically accepts some changes that have been made to our Chapter 22 by the EPA. And so, I would move for a second reading on that ordinance amending Chapter 22, Sewer Use Regulations of the codified ordinances.

A motion was made by Stuckert and seconded by Mead to give the second reading only on the Ordinance Amending Chapter 922, Sewer Use Regulations, of the Codified Ordinances.

President asked for discussion.

Seeing none, President called for a vote.

Motion passed.

Director of Law read the ordinance by title only.

Councilman Stuckert requested that third reading be on the Agenda for the next meeting.

Chairperson Stuckert: That's all I have, Mr. President.

Judiciary Committee - Chairperson Stuckert: Mr. President, we have the one item that's been discussed previously.

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

Bill Lierman: I'm just asking for a point of order. I do have a few comments I would like to make in regards to the school reference prior to taking the vote. If I could approach the gallery and and say some things.

President Kirchner: You may. Please state your name and address for the record.

Bill Lierman: You guys know me.

President Kirchner: I do, but the record doesn't.

Bill Lierman: Okay. Bill Lierman, 1069 Linhof Road. Duly elected member of the Wilmington City Board of Education, and also a former member of City Council. I just want to clarify a few things before the vote is taken tonight in regards to the Human Resources position and what we have done with the budgetary situation with the schools. And Loren, I commend you for what you are doing from a Judiciary standpoint in trying to minimize costs. Obviously, you know first-hand what is going on with the schools Brian knows firsthand. We've got Mr. Gigandet here, one of our teachers, also. The situation involving Mr. Blohm and his responsibilities in succeeding Mike Wallace as the Athletic Director. What we did was choose not to find a full-time Athletic Director for at least a period of one year and maybe two years. It's going to be reviewed on a case-by-case basis. No action was taken to do this on a permanent basis. Ed Blohm is the Human Resources Director, if course he has background and expertise in this kind of a situation where he can handle the duties from an administrative point of view and has been working with Mike over the last year. I cite for the record our action was taken by the School Board June 23, 2011, when we accepted Mike's letter of resignation for retirement purposes and we designated Ed to become his successor, trying to minimize costs because obviously shrinking revenues. So, just a point of order, for clarification, I want everybody to clearly understand we have not eliminated the position of Athletic Director. We have chosen not to fund it for the next year or perhaps two years. It will be reviewed on a case-by-case basis. And you're looking at the guy who held up the vote because Ron Sexton wanted it to be unanimous. The other board members were Kevin Snarr, Bill Davis, who's President, Steve Murphy, who's Vice President, J.B. Stamper, and myself. And I said, "You've got to convince me that this is the right thing to do. Obviously, everybody here knows who Donna Seeger is. Donna does a great job for us as the Athletic Department secretary. But we are analyzing every single position from an administrative point of view of the schools: Is this person essential? Is this person not essential? Then what we're doing is – you have to understand also, we've got Curt, who is our Director of Business Operations, Curt Bone. We've got Ed Bloom, and we've got people that can handle some of these responsibilities. Ed, his main forte since he was hired was HR, and I've given you a copy of the job description so everybody can see it. Some of those duties are going to be given out to Kim DeWeese where at New Lebanon Dixie, the district where she was at prior, she handled a lot of the benefits coordination. So, I just want people to understand we have not eliminated that position. We have chosen not to fund it for next year or perhaps two years. We don't know what's going to happen in the future because we're going to have three board members up next year. Next year, Bill Davis' term is up, Steve Murphy's term's up, and J.B. Stamper's. So, I just want everybody to understand we're trying to deal with budgetary deficit just like you are. So, I just want everybody to understand and for the clarification, I guess, the point I'm trying to analyze also is we feel a need for human resources. Now, I'll also take you back in time when we had Phil Warner as Superintendent and Jim Buckner was his administrative assistant, and I was off the board at the time. But J.Q. Taxpayers, Bill Lierman, I would address the board and I said "Why are you choosing to have an HR Director?" What they decided to do was to split up the duties. It formally was Mr. Buckner, but they split the duties up and they had Curt Bone become the Business Manager and they brought in Ed to do the HR. So, they split those duties up. But I was against it. I sit here now a humbled man. I think I was proven wrong. I can see the need for it, okay. All I would ask you is analyze, "Is it essential?" I would give you this comparison. Wilmington City Schools, the number of full-time employees, 284; 16 part-time. Now from what Kim tells me, if a person works the equivalent of five hours in the day, five days a week, that is considered full time. So, we had roughly 300 full-time employees with the schools. I'm not going to vote as long as I am on the school board to eliminate an HR Director. And I just want everybody to understand that's the way I

analyze that situation. Is that position essential? And plus, Mr. Blohm is basically the number two man in our chain of command right underneath the superintendent. So, we see the need on the school standpoint to have an HR Director. Being a former member of the City Council being up here 18, 20-some years ago, I remember then this lady right here, Linda Eichelberger, used to handle a lot of the HR duties. I see we now have an HR Director. And as I said the other night on the blog, and I'll walk away saying the same thing, if I was sitting up there and I had a vote, I would recommend keeping the HR Director. If you want to eliminate some of the other positions, that's fine. My suggestion as I walk away is lay it on the table and reconsider it until the next meeting.

Councilman Stuckert: Bill, could you give us an idea of what kind of savings you were able to target by making the move that you guys made?

Bill Lierman: Obviously, we're combining the duties for Ed and Mike together, and it's all a matter of public record. You can take what Mike's departing salary was, you know, and analyze it from that perspective.

Councilman Stuckert: Do you have any kind of figure you could give us?

Bill Lierman: I believe, you know, exactly what Mike's salary was. I just know that in general terms what – what Ron was trying to do is eliminate positions, plus I would say this on the administrative scale, he was kind of like an Assistant Principal at the high school because we chose a few years ago not to have two full-time Assistant Principals. We only have one. He was next in line as the Athletic Director.

Councilman Stuckert: All right. So, you've been restructuring over there –

Bill Lierman: Exactly.

Councilman Stuckert: – for years, because the revenues going down; right?

Bill Lierman: But I would say this, 2007 when I got back on – it was in August of 2007. 2007, 2008, it was great. I really enjoyed the job. It's becoming more of a challenge because all you're doing right now is eliminating people, cutting positions, and putting more hardship on everybody. You know it firsthand, Brian knows it first hand, Mr. Gigandet does. The schools are suffering, you know. And here again, you know, we're in this thing with you guys too. Analyze where we're coming from. But to me, an HR position is essential. You need to keep the HR position.

Councilman Stuckert: Thank you.

Councilman Wells: Do you know the salary level is for the Human Resource Director?

Bill Lierman: I'm not exactly sure what Ed's salary is. Right now today, he did not get one penny more over what Mike was making. Whatever Ed's salary was last year, and it could be in the \$100,000 range. I'm not exactly sure what his salary is. I can't tell you that for sure as I'm standing up here. But I do know this, he did not get one dollar more of compensation [inaudible].

Councilman Wells: All right. Thank you.

Bill Lierman: – situation here too and I need to see the need to justify having an HR position. And as I said, I'm convinced now it is the right thing to do.

Paul Hunter: Mike was making over 100,000 compensation, 85 salary and 20 percent for possible improvement, fringe benefit.

Councilman Stuckert: So, it would be about what you said then.

President Kirchner: If I could ask, for members of the audience, I would like to ask you to come to the podium and state your name for the record, be recognized for coming up.

And Paul, if you'd like to come up, I just want to make sure that the record knows who made the comments. That's all I ask.

Paul Hunter: She recognizes my voice.

[Laughter]

Councilman McKay: Mr. President?

President Kirchner: Yes.

Councilman McKay: Just briefly, I would just like to reiterate what Mr. Liermann said and to our example of the school system combining positions. This is dissimilar in that we are not getting rid of a human resources person. The schools kept their human resources person. They saw the wisdom in that. So, I do not see that the situation is the same at all even though it does hit the same position – but it's certainly not similar other than by the name of the position.

President Kirchner: At this point, I have a first and a second second for the third reading. Yes, Councilman Mead?

Councilman Mead: Well, I tried to put a thing in the paper, but it didn't seem to get in there. I didn't get involved in the last vigorous Council discussion, so I wanted to make a statement and let people know where I stood since I didn't say anything at that meeting. If you'd indulge me, I'll do so. If you don't mind, I'll stand; It's more comfortable for me. I'm sure everyone knows that times are tough and we have limited amount of money in our general fund. When we all ran for office the last election, we all included in our platform that we would work to balance the budget. By all, I mean seven Councilmen, one President, Mayor and there may have been a couple of other people that joined in. We all were going to work to balance the budget. Now, after several months it seems that four members of Council and the President are still striving for that goal while others seem to have rejected to the idea. Every citizen of Wilmington I have talked to has encouraged me strongly to stay on course and to balance the budget to our income and warned me not to sell the landfill and create a Rumpke mountain in our city limits. I have not talked to anyone who said anything different. The proposal presented by the President of Council embodies ideas and principles put forth by many people including the Mayor, the general public, town meetings, various Council people, Auditor, Treasurer, the Administration, as well as others. They're all ideas that have been heard about and discussed before. There's nothing really new. We've all – now, I'm not saying we've sat down and had an in-depth discussion, but they were all discussed before. It's not just one man's opinion when he presented this proposal. It was a combination of all these things that have been talked about. I know that when you look at these things and you come on one ordinance and there's a lot of concern and infighting about it, remember that 99 percent of what we do works out pretty well. I know there's always a percent here and there, maybe more than that, that are going to have a problem. The Mayor is going to do what he thinks is right for the city. The Councilmen are each going to vote for what they think is right for the city. So, I'm not saying anyone is doing anything wrong. But at this time, I feel we have no choice but to balance the budget to our income. If we do not do that, we are moving the city towards bankruptcy and we don't want that. If some time in the future significantly more money becomes available and the carryover is built up to a satisfactory level, the Council may consider a higher level of spending. But for now, the carryover, the income tax, and the property tax are all that we have in hand, and the Auditor has even advised us that we should keep approximately a quarter of the projected budget in the carryover to start the new year. And I'm hoping that we are able to do that. With the President's proposal, we are attempting to create a situation where we hope to avoid mass layoffs. By returning to the level of government that existed in 2004 and 2005, we feel that the employees will suffer the least amount of discomfort and there will be minimum changes in our services to our citizens. Now, as I said – I know that the Mayor's going to do what he thinks is right. The Councilmen are going to vote for what they think is right. So, with that, I move the question and ask for a roll call vote.

Councilman Jaehnig: Mr. President, may I respond to Mr. Mead?

President Kirchner: Yes.

Councilman Jaehnig: A couple of statements that were made that I'm a little concerned about. One was that there are only four Councilmen that are interested in balancing the budget because I don't believe that that is true. I believe that all seven of us are interested. We may not agree upon the methods to accomplish that, but I don't believe that it's a fair statement to say that there are only four plus the President, also excluding the Mayor that are interested in balancing the budget. Secondly, I'm concerned about the fact that I put a great deal of effort into doing the math at our last Council meeting in which the simple basic math clearly stated that not a single dollar would be saved by this particular ordinance. In fact, beyond not saving a dollar, this particular ordinance would, for a fact, cost the city more money than these proposed savings of \$400,000. Number one, you can't save money that has already been saved. You know, the Mayor has already saved the first two positions and have not filled them. You can't count those again. The HR Director's position, eliminating it will cost us an additional \$37,000. I don't see how that could possibly be in the city's best budgetary interest. And then, the City Services Director, it was clearly stated that we have an issue with regards to light repairs. We haven't addressed how we would solve that situation. And with – in just the first six months of the year, 59 calls on light repairs that he took care of saved us \$59,000 minimum, and that was for the first six months. So, leaving out whether you think the positions are valid or not, just looking at the simple math, are we saving money? I did the math. I believe I'm the only one that took the time to actually do the math and figure it out. I know that I did not take everything into consideration in regards to savings or costs that could occur, but I could not find a dime to save. Thank you.

Councilman Mead: One small comment. As I said earlier, every one of us has positive ideas on what we want to do, and not detracting anything from anyone else's ideas, but Councilman Jaehnig has his opinion, I have my opinion. So, as I said earlier, it's up to each one of the people in this group to cast their vote in the direction that they feel they should. Thank you.

Mayor Riley: It's like I wasn't heard earlier. I pointed out that as of the end of July, seven months in the year, we have not spent any carryover. This Administration has worked diligently to preserve the carryover. We have actually added \$304,798 to the carryover. We are not spending. We are adding to it. We are going in the right direction with the staff we have. And I agree with Rob, I'm a little bit surprised to hear that I'm not interested in balancing the budget when in fact that's what we have done. We are not spending – we are not spending carryover. We are adding to it as of this year. And that's with the staff that we have. So, I don't see where that comes from. According to this, so far this year I've balanced the budget to revenue, actually \$304,798 to the good. And we will continue diligently to do that. So, I don't understand where the comment comes from that, there's only four members of Council that are interested in balancing the budget. I agree with Rob, we're working hard to keep the budget balanced.

Councilman Mead: Randy, good work, Mr. Mayor.

Mayor Riley: Pardon?

Councilman Mead: I commend you for that.

Mayor Riley: Thank you. Thank you.

President Kirchner: Mr. Mayor, as I shared with you when you indicated that day at the Judiciary Committee meeting the other night, Council has yet to see a single identification of where dollar savings has come from, an indication of whether it was a one-time savings or structural changes that are permanent and can be counted on in future budgets, and we have seen zero dollars reverse appropriated from the budget. Until those things occur, that is just a checking account balance that can be spent. We do not have any official savings until you identify clearly where they are, reverse appropriate the money –

Mayor Riley: I'm amazed.

President Kirchner: – and indicate whether or not it can be counted on in future budgets.

Mayor Riley: I would like to hear from the County Auditor who has his hand up.

Terry Habermehl: I just – Terry Habermehl. My only question, Mr. Mayor, is how much of that \$304,000 includes advance for second-half settlement?

Mayor Riley: I'm not sure where exactly all this is. I'm just going from what we have as far as our report from our Auditor.

President Kirchner: Can we ask that you come up to the podium, state your name and address for the record.

Terry Habermehl: Sure, no problem. I have a big mouth.

President Kirchner: It's not about whether or not we can hear you. I just want to do the official record. And again, I will remind everyone in the public, please if you have something to say, come up to the podium, when recognized, state your name and address for the record.

Terry Habermehl: Terry Habermehl, 806 Crestview Avenue, Wilmington. My only concern is that 304,000. And the city on July the 6th took an advance on second half real estate settlement of \$152,000; July 20th, they took another advance of 356 according to my records. So, they took – the city took almost \$600,000 of advances in the month of July. So, if that 304,000 actually includes the advances, then by my math, you're down \$300,000.

Mayor Riley: No, I don't think so.

Terry Habermehl: Well, I...

Mayor Riley: I wish David was here. I wish David was here, but he's –

Terry Habermehl: Maybe not. I'm just –

Mayor Riley: And I did double check the math with David Hollingsworth, and he assured me that yes, in fact, we've done a good job of being very vigilant and he mentioned nothing about –

Terry Habermehl: I comment you. It's not an easy job and I know you're working hard. I'm just saying my concern is if includes that almost \$600,000 –

Councilman Jaehnig: Terry, I believe that these particular numbers that David Hollingsworth worked on were on expenses, not on revenues.

Terry Habermehl: Okay, great, great. Fantastic.

Eric Gherman: My name's Eric Gherman, 625 North Nelson Avenue. I am the son of one of the employees' positions you are wanting to get rid of. One thing, Council, I don't think you realize... like the fire department... You're on the fire department; correct?

Chief Andy Mason: Yes.

Eric Gherman: How many times do you guys have problems with the fuel pumps down at the service garage?

Chief Andy Mason: A lot.

Eric Gherman: How many times has Denny Gherman fixed that problem?

Chief Andy Mason: Every time.

Eric Gherman: That right there is the money you're looking for. I mean, the street calls, the accidents. He goes out and plows snow. I mean, he doesn't even call – like the police department will call and say the streets are icing up. He's all right, no problem. I'm awake because I am disabled and I am unable to work, and I'm usually awake at nights. I never hear him call in any of his employees. He goes and does this on his own time and does not get paid for it. So, figure in the money that, you know, the \$12, \$13 an hour you're paying for one of his employees to come in, and one guy to come in and spending six, seven hours salting the streets when he does it without getting paid. You guys really need to sit down and consider that. There's the money you're wanting to save right there by keeping him.

Mayor Riley: Thank you.

President called for a vote.

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

Director of Law read the ordinance by title only.

A motion was made by Stuckert and seconded by Mead that the ordinance be passed as read.

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

President of Council declared Ordinance passed as read.

President Kirchner: Anything else?

Chairperson Stuckert: Mr. President, that's all we had.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay: Once again, I get to talk about fun things in the midst of all this frivolity. We do have a third Friday event coming up tomorrow evening for all your enjoyment. I believe our bands are going to be Funky G and the Groove Machine. Did I get that right, Steve? And if I didn't mention it the last time, we do have a new purchase of a downtown building that's sort of catty-corner across from the coffee shop, the old AA Bonding building has been purchased and is being remodeled into an art gallery and some other things. So, we look forward to the downtown continuing to blossom. That's all I have, Mr. President.

Parks and Recreation Committee – Chairperson Jaehnig: We have no official report this evening, Mr. President. The parks do however remain very busy and active, and there is still a lot of activities going on in regards to tournaments and they are currently taking I think the registration for soccer.

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

Service Director - Service Director Reinsmith: I think probably everybody's on the scene now that our Manhattan Project is about complete. I talked to the contractor –

[Laughter]

President Kirchner: There's a little bit of comedy there. You ought to clarify.

Service Director Reinsmith: But yeah, I think the contractor, he still needs to finish grading the soil and he's going to take put a crown on it so it doesn't hold water. We're going to seed it and straw. It will be a green space until I guess Council or the Park Committee decide what want to do with it. We had to leave some concrete there because of the culvert that runs underneath it. We didn't want to get into that and destroy that structure because it will be \$100,000 plus if we got into that. So, we may have to utilize that and tie that into a project, maybe a gazebo and a walkway to it or something like

that. I have talked to the proprietor of the joining the property and he said, “Since you tore you building down, my building looks bad.” Well, I said, “I don’t think that’s why it looks bad.”

[Laughter]

Service Director Reinsmith: But, you know, he’s interested in doing some things. And I have advised him maybe possibly talking to Council, explaining to Council or maybe he could do something to the side of that building – possibly a little bit of mural. We talked about maybe some UDAG financing. I gave him a packet, so he can try to put a plan together to beautify that corner. So, and I would like to report that our scales are well underway down at the landfill and they might be in operation by the end of the month like we projected. So the crew that’s in there is working really hard and they’re really humming. I think our next task is probably look as a committee and look at those tonnage rates because that’s what we’re going to be dealing, with the bottom line or whatever. So, that is on schedule. And third, the Mayor and I have talked, and Mike was down at the water plant, you know, we keep losing employees down there. Everybody wants a pay raise and some of them are looking at different areas of going. So, we have a staffing problem. And so, we were working with the Water Plant Superintendent, and we’re going to try to cut back on our hours of operation. And we started that this week. Rather than a 24-hour operation, we’re shutting down at 9:00 at night and starting back up at six in the morning. So, we’re losing that third shift, and we’re going to see how it works. We can do it right now, but probably late October once the water gets down below 40 degrees, it’s hard to do it. It clogs up the filters. That water thickens up once it gets in the low forties. But until then, we can save money with that third shift. Jerry has work up schedules to kind of eliminate some of the overtime on holidays and so, we’re doing what we can there to pinch pennies there at the water plant, see how it works. We’ve got about, you know, we use about a million and a half gallons of water a day, and we have about four and a half, five million gallons above ground stored well. We’ve got a million and a half in our clear well and about three and a half above ground. So, we can – I think we can do it as long as we don’t have major water line breaks. And we’re going to see how it works. We’re just going to keep working it that way.

President Kirchner: Larry, on the site down at Sugartree and South Street, when the finish grade is done, I know that one of the plans that had been discussed about it was the idea of a pavilion for the park system perhaps for music venue or something of that nature. Will that property be able to be built on or will there be additional work that will need to be done due to leaving the foundation the way it is?

Service Director Reinsmith: Well, yeah – I mean, we didn’t want to... Because we had it done for about \$24,000. But they did go in, they broke the walls in the basement, they shattered the basement floors so the water would drain, and they only put really pretty much solid fill back in. I guess if you want to put a pavilion in, you probably [inaudible] I don’t know how soon you’re going to want to do this, but you’re probably have about two or three years of settling that will take place...

President Kirchner: I suspected it may be a number of years before any kind of funds are available unless we would be lucky enough to grant funds. But, I know that when that property was originally purchased last year, the discussion was the idea of a music pavilion as part of the park system perhaps. But I was just curious about whether or not that property...

Service Director Reinsmith: You can do it, yeah –

President Kirchner: Thank you.

Safety Director – Safety Director Russ Burton had no report.

Reports

A motion was made by Wells and seconded by Jaehnig that the Auditor’s Treasurer’s Report for July 2012 and the Hotel Lodging Tax Report for the second quarter of 2012 be accepted as presented.

Motion passed.

Reports are accepted as presented.

Councilman Jaehnig: Mr. President, Mr. Mayor, can I ask that we add a percentage to that hotel tax report that would give us an indication of where it was compared to the previous year just so we have a general idea. We see the numbers each quarter, but it's very difficult to determine, you know, if that particular industry is returning or shrinking without being able to compare the two.

President Kirchner: I think we can go back to previous reports. Terry, is that collected through the Auditor's office?

Terry Habermehl: Yes, it is.

President Kirchner: Do you guys keep a report similar to that where we can compare year over year how the quarters are doing?

Terry Habermehl: We can create a report. I don't know that we do it quarter by quarter. Obviously, [inaudible for transcription] that we could provide.

President Kirchner: Okay. You submit this on a quarterly basis to us though for the current year; Is that correct?

Terry Habermehl: Yeah.

President Kirchner: Okay. We should be able to do it. Brenda, I'll offer that if you can collect all of the previous year reports, it would be an easy spreadsheet to provide as much history as we have in the report. So, let me know, but we'll work on it Councilman Jaehnig.

Councilman Jaehnig: Thank you.

President Kirchner: At this point in the agenda, we have the open to the public part of our meeting. I would ask for any volunteers that would like to come up and speak.

Mayor Riley: I will go first. Paul, if you'll excuse me for just a second. I have before me the ordinance to abolish the position of the Assistant Police Chief, Code Enforcement Official/Engineer, Human Resources Director/Workplace Safety Coordinator, and the Maintenance and Repair Superintendent. As I have stated, I am going to veto this. And I'm not going to wait the ten days or until the next session. I'm going to veto this tonight. The following is directly from the Ohio Revised Code, Section 731.27. Every ordinance or resolution of a legislative authority of a city shall before it goes into effect be presented to the Mayor for approval. The Mayor, if he approves such ordinance or resolution shall sign and return it forthwith to the legislative authority. If he does not approve it, he shall within ten days after its passage or adoption return it with his objections to the legislative authority or if it is not in session to the next regularly scheduled meeting thereof, which objections shall be entered into its journal, excuse me. Well, ten days from now will be Sunday or August 26th. The next regular Council meeting is scheduled for Thursday, September the 6th, three weeks from now. We need not wait that long. Let it be known by the President of the Wilmington City Council, all the members of City Council, the Law Director and the Clerk of Council that I do hereby veto the ordinance To Abolish The positions of Assistant Police Chief, Code Enforcement Official/Engineer, Human Resources Director/Workplace Safety Coordinator, and Maintenance and Repair Superintendent. And here are the reasons. A major responsibility of the Mayor's office is to protect the city...to protect the city. That includes doing everything within my power to prevent the city from being sued. At the Judiciary Committee meeting on July 12, the Committee Chairperson, Loren Stuckert, noted that we have had since 2010, 70 percent of the jobs secured by people over the age of 55 and that "We have a lot of young people out there that would be willing to work at wages that we could sustain." Within minutes, he asked for a motion to eliminate two positions held by employees over the age of 60. I pointed out that in Council in hopes that it would persuade you not to support the ordinance, an action that opens the city up

to civil suits involving age discrimination. I did that to protect the city from age discrimination litigation that would cost us hundreds of thousands of dollars. Secondly, it has been stated repeatedly that we need to cut costs. I agree. We all know that our largest expense is personnel. I would like to point out that for the past year, 2011, the city issued 247 W-2 forms. As of the last pay period in July, we issued 212 checks. I believe that we have approximately ten employees retired or resigned this year. That means that we will be issuing about 222 W-2s this year, a reduction of 25 people. Not bad. Rob Jaehnig did an excellent job at the last City Council meeting showing how the savings projected by making these cuts are really nonexistent. Fourth, as Mayor, I do not nor will I rule out the possibility that layoffs or reduction in forces may be necessary in the future. If we someday have to lay off city employees, it must be done according to the law and to all the Civil Service rules that apply. If that happens, I will need an HR Director more than ever. Fifth, also I met with the County Commissioners yesterday morning. As I suspected, they have absolutely no interest in taking over our HR management. You can put that to rest. Sixth, the majority of citizen complaints I receive on a routine basis involve traffic lights, potholes, grass and weeds. Dealing with these problems is the job of our Maintenance and Repair Department, Our Streets Department, and are directed by Denny Gherman. Denny is one of the finest civil servants I have ever met, and I am proud that he works for the city. The city needs Denny Gherman, and I will not allow his position to be eliminated. And seven, financially we have a long way to go. As I stated earlier, year to date, we have not spent any of the city's carryover money. In fact, we have added over \$300,000 to our carryover. Financially, we do not need to eliminate these positions. And as Rob pointed out last meeting, the net gain would be zero. We do not need to eliminate neither the ones that were filled nor the vacant ones. And for these reasons, I hereby officially veto this ordinance. And I'm signing it now. So, the ordinance will not go into effect.

President Kirchner: Very good. Is that all, Mr. Mayor?

Mayor Riley: That will do it.

President Kirchner: Okay, Paul.

Paul Hunter: Mike, I misspoke. The salary was \$85,000 total...not 85-plus. As the self-appointed eighth councilman...

[Laughter]

President Kirchner: Paul, please state your name and address for the record.

Paul Hunter: 200 Randolph Street. I have been observing city government work for the past 22 years, probably longer than anybody here has been on Council I know. For the majority of that time almost all the votes were 7-0 for any issue that was handed to Council for disposal. The rare no vote was so surprising that all three people in the audience gasped in surprise. 7-0, 7-0, aye, aye, aye. Continuous local economic growth allowed for casual governments with scant attention given to the long-term impact of legislation. Low value added positions were created. Sewer studies leading to unnecessary record fee increases and annexations were made with little attention to details. But times have changed as we all know and the new city government had to deal with the fallout from those halcyon days. Change is hard. It should be hard. But change must come if the city is to stay solvent. While I don't agree with all of the proposals, I applaud the efforts of this Council to find reasonable solutions. Disagreements should lead to compromise and usable solutions found. The recent enthusiastic input from the citizens at the meetings and in the press is democracy at its best. Noisy and messy as it is, that's the way it's supposed to be, not aye, aye, aye. City Government has and is working hard to pare the budget, but the citizens need to chip in as well. I would like to ask the audience for a show of hands in support of paying five dollars per month in new property taxes to keep residential streets plowed, de-iced in the winter and potholes fixed in the spring. Thank you. Too bad we missed the deadline for the tax levy in November.

President Kirchner: Thank you, Paul.

Mayor Riley: Thank you, Paul.

President Kirchner: Do we have anyone else in the audience that would like to speak during the public session? Mr. Hockaday.

David Hockaday: David Hockaday, 348 West Main Street. It won't be on the subjects this evening, but in following up the comment, I did vote no once, and it was a three-page Hockaday vote –

[Laughter]

David Hockaday: Mr. Mayor, you have the full authority. Can you tell me where the [inaudible] agreements are and [inaudible] location of the school stand? We have another conference call on the 22th involving all the parties involved [inaudible] on this. So, we're trying to get some feel where the [inaudible] desire to bonds in October and the clock is ticking. So, if you could give me an update.

Mayor Riley: We met on that ten days ago, and as of today we set them on the Clerk's desk ready to be signed.

David Hockaday: Do we have an idea when that might take place?

Mayor Riley: It's up to the President of Council. It's his signature that's required.

David Hockaday: We would like to get the bonds issued in October. If not, we have a 45-day waiting period, and the reason I know that it will be the second time we've submitted [inaudible]. Thank you.

President Kirchner: David, I am aware of the urgency of the matter, and I am reviewing the documents to propose the written questions that the Law Director has requested due to the nature of the legislation.

David Hockaday: Thank you.

Larry Reinsmith: David, I have a question.

David Hockaday: Yes.

Larry Reinsmith: Do we have a drop dead date [inaudible]? Are we – is there any danger of losing the money from the State? I mean, I know there are a lot of [inaudible] –

David Hockaday: It is my understanding that the State is in the position to move forward. It is my understanding [inaudible] being able to start 45 days from whenever the time period is for the vocational schools. There are costs in issuing the bond, and we understand we won't move forward until we have that clarified that the issuance of the bonds [inaudible].

President Kirchner: None of the questions, David, that I'm working to clarify, they will be on the list that I provide to the Law Director is whether or not the joint vocational school has the ability to act on that letter without the 45-day waiting period. So, we'll see if we can't speed it up some.

David Hockaday: Thank you.

President Kirchner: Anybody else in the audience here for the public – Bill, would you like to take another swing?

Bill Lierman: No, no, no, it's not a swing –

President Kirchner: No, no, no. I didn't mean a swing at us. It's baseball season, my friend.

Bill Lierman: Oh, okay.

President Kirchner: Back up to the plate. Back up to the plate.

Bill Lierman: [Inaudible] just wanted everybody to know the schools [inaudible] interested in the property [inaudible] when I sat up there on City Council, it was several years ago, and there was always an issue about paying the school crossing guards. That being said, I think that we need to incur the cost of paying for school crossing guards at Holmes and Denver so I mean it's going to be, what \$15,000.

Mayor Riley: Sixteen.

Bill Lierman: 16,000. Well – if it's 20, you know, you can't risk losing a lot of, you know, if I'm on the School Board and that happens, it would be hard to live with myself. You know, I regret that every single day. So, school crossing guards, that's just a small part of that. From the school standpoint, we want to see the safety program move forward too because 259 jobs at stake, we need tax revenue. And we see [inaudible] Cliff is in the audience. Anything else you can add, Cliff?

Mayor Riley: I would note that School Board has approved the compensation agreement.

President Kirchner: School Representative Rosenberger, did you want to step up and say anything?

Cliff Rosenberger: Well [inaudible] –

President Kirchner: It's not necessary. It's just unusual that a politician wouldn't have an opportunity to speak.

Cliff Rosenberger: Well, State Representative Cliff Rosenberger. I don't think you need my address. The Governor of the State of Ohio was there in October of last year. And at that time moving forward with the deal to get this project moving. And the longer that we continue to delay, that's 259 jobs that continues to not be created. The cost of this project continues to go up as time continues to delay. The winter months are upon us. It's extremely higher cost of construction as the winter comes on. And I would hope that the city – the school district has been very very very at least from my perspective very appreciative [inaudible] to step forward on this. And I would hope that the city and you all as leaders here in the city will [inaudible] and get this moving forward as fast as possible. Thank you.

President Kirchner: Thank you.

Joe Gigande: Joe Gigande, 105 Kentucky Avenue. I just have two points that I was kind of confused on, and maybe one of you can clarify it, maybe if just one of you could – Mr. Jaehnig, how does eliminating those positions like the HR position I think your argument was that it ultimately ends up costing us more money. I don't really understand that argument. And so, maybe you could clarify that. And then, the second question is just a simple question, are we projected to have the increased carryover or a reduced carryover? Is that still going to be in the positive regardless? Is it going to be increased or reduced by the end of the year –

Councilman Jaehnig: In response to your first question, and unfortunately you weren't here last week. And I'm not positive I brought all of the exact numbers, you know, with me. But in regards to the HR position specifically, since that position was created, the reduction in benefit costs that the city had to outlay has dropped nearly \$85,000 per year compared to before we had an HR Director. And that is due to having a Director who's on top of it every day and working with the different benefit issues and of course in negotiations of benefit coverages and things of that nature.

Joe Gigande: [Inaudible] other city employees?

Councilman Jaehnig: No, the reduction in the cost of the used benefits. We are self-insured. So, every time that an employee needs to see the doctor, has a surgery or something of that nature, then there's a certain amount that's covered, and then the city covers the rest of it. And prior to having an HR Director as a specific position, we had overruns that went beyond what we had normally put away and those were reduced greatly by having an HR position. We also get funds back from the Bureau of Workmans' Compensation for participation in their work safety program. And I believe that – I believe those funds ranged anywhere from eight to \$12,000 that would come into the city and be able to be used, you know, to cover budgetary issues. That's based upon our participation and compliance with Bureau of Workmans' Comp standards and involvement in a monthly safety committee that a lot of cities report to. Then you have the cost of a lawyer. If we do not have an – a person who is trained in HR available to deal with an HR issue, then quite often you're going to have to pick up the phone and call a lawyer. My understanding is the two different sets of lawyers we're currently dealing with run between 450 and \$650 per hour in costs. And so, if you take that and just estimate how many calls HR would have normally handled, take a percentage of that that would require you to possibly call a lawyer, and incur those additional costs. Then you add on top of that the fact that we have three different bargaining units that we have to renegotiate with this year. According to our lawyers in bargaining, having an HR Director saves them on average per meeting two hours of prep time that the HR Director's able to do for them and have prepared for them before a meeting, which again if you go back to the rate that we were paying and times that out, and that's where I got my figures. And those are just four areas that I looked at. There are many areas that could have been reviewed in that area.

Joe Gigande: [Inaudible]

President Kirchner: I can answer your question on that. The projected revenue for the year, we're at \$7.9 million. Our current budget, general fund, spends 9.2. And both those numbers are just rounded for ease of the math, \$1.3 million deficit. Now, I will say that I have been in contact with the County Treasurer's office following up on our delinquent property taxes and also inquiring about any other funds. And it is expected that the city will see in this final year of the inheritance tax a significant amount of money in the neighborhood of half million to three quarters of a million dollars. So, with a \$1.3 million deficit, looking at half a million to three quarters of a million dollars of additional revenue unexpected and unprojected because our projections have always put that value at zero in the inheritance tax. It was not predictable. It was not plannable. And I will say it will not happen again. It ends this year. So, there is a one-time influx of funds that will come in to help cover a portion of the deficit for this year. The city entered the year with approximately a \$2.5 million carryover, which based on our budget is right at one quarter of our operating budget and the current policy of the city although always open for consideration if that is the appropriate amount or not, but is – the appropriate amount for one quarter of our operational costs. Depending on what the amount is that comes in from the inheritance tax, you will see a deficit by budget to income anywhere from .8 to .5 deficit, which would be reducing the carryover. Now, that's based on the current appropriated budget to the projected income. And as I shared earlier with no indicated reverse appropriations, for the Mayor no identification of where the cost savings are coming from, whether or not they are permanent one-time structural changes, long term that can be budgeted, we can't identify anything further from a Council standpoint, and we hope to get clarification from the Mayor shortly.

Joe Gigande: Okay. Thank you.

Mayor Riley: Some of the clarification that Scott's asking for is just about impossible to do. We do our very best in management. And as I said, I've been in management for 40 years. You always do your best to try to project your budget based on trends, based on what you know is going to happen. But it's almost – well, it is impossible to budget for all contingencies and to prepare for every contingency. We have no idea what's going to happen in the city of Wilmington tonight, tomorrow, next month or next year. God willing, you know, we will not have a disaster, tornado, blizzard, another employer leaving. One of my prayers every day when my feet hit the floor is that we have jobs coming in, that we have some economic development, which would relieve our budget

woes considerably. But trying to predict and trying to give specifics, it's almost like asking an announcer to call a football game before the kickoff. You just don't know what's going to happen. So, we do the best we can, and I – I don't like the fact that sometimes in management, you have to be the reactionary, but quite often in management you're reactionary. We do our best to plan, but there are just no absolute guarantees. But thank you.

Mary Miller: Mary Miller, 986 Xenia Avenue. I've been kind of debating whether I wanted to say something. I've been writhing in my seat, clapping, squirming, going back and forth. I'm half tempted to play 20 questions with you guys. But I feel like I'm a moderately to above average informed citizen. And I almost find it insulting that over five times people would ask questions and you answer with I don't know. I'm coming to every meeting that is open to the public that I'm available to, and I'm going to be coming with informed questions, and I want informed answers. I don't know that number when you're talking about people's jobs, you're talking about my taxes, and you don't know the answer. Unacceptable. I want you to get creative, make the cuts and know your information. You [inaudible] but you don't even know your numbers. I'm an informed citizen, and I'll be coming to these meetings expecting answers. It's just like you've been playing word games all night with each other, and nothing got resolved. Secondly, finally, Mr. Mayor Riley, I voted for you [inaudible]. I'm a conservative. So, automatically you had my vote, but then I went to your debate and left kind of scratching my head. It was a great debate. But I'd like you to keep in mind something you quoted before and I read – the quote in the paper was we're going to have to start doing less with less. And I don't see it.

Mayor Riley: We are doing –

Mary Miller: I don't see you making the hard decisions. So, you – the easy ones, yeah. And I think this is getting – why are all four jobs up at once? Why can't you address each one individually because I have some controversial opinions against some of these positions. But this Gherman gentleman, one I know his son personally, great gentleman. I could be – if he's in this room, I don't even know. So, it's obviously not personal for [inaudible] because I don't even know whose here. But why is he on the same page as – why is he getting put into the same group as a position that isn't even filled? He's a real person, and we have an empty position. Why are they together?

President Kirchner: I can answer –

Mary Miller: That would be great.

President Kirchner: The proposal was to abolish specific positions in the administrative structure to try and lower costs of our administrative overhead.

Mary Miller: Okay.

President Kirchner: In the specifics of the M&R Superintendent, in looking at the management structure, you had Mayor, Service Director, M&R Superintendent and crew leaders, four levels of leadership. As you indicated, difficult decisions need to be made.

Mary Miller: Absolutely.

President Kirchner: None of the decisions on eliminating – abolishing positions has to do with any kind of performance or who is in the position. It was simply looking at positions that could save the city money, keep us from having to send home policeman or fireman or the street workers that repair the potholes and salt the streets and plow the snow, the idea being that we wanted to try and keep the service providers. If the other three positions, they did not exist prior to 2005. They have been added. And the idea was to try and reduce the city administration back down to the size it had been previously and maintain as full a services as we could, and that proposal was the one that I put forward on the structural changes to the city administration trying to minimize the loss of service people on the streets.

Mary Miller: I appreciate your answer, and I appreciate more that you had one. I don't know things is getting old.

Mayor Riley: And I pointed out tonight and previously that we are 25 employees less than we were last year.

Mary Miller: Yeah, but – 25 employees more than we should have been.

Mayor Riley: And that is through attrition. That is without firing and without layoffs. Did you get my letter, Mary?

Mary Miller: No. I did leave a voicemail, but –

Mayor Riley: You left a voicemail, but you didn't leave a phone number. And so –

Mary Miller: It cut off. I was rambling.

[Laughter]

Mayor Riley: So, I did send you a letter, but I thought it was on Thorn Avenue. That was what the voter registration was an address –

Mary Miller: No.

Mayor Riley: Okay. Well, somebody on Thorn Avenue is wondering why they got a letter from the Mayor. But I'll give you a copy of it if you'll give me your address.

Mary Miller: Appreciate it.

Mayor Riley: I'll get you a copy of that. I did try to get with you.

Mary Miller: Appreciate you guys.

Mayor Riley: Thank you.

President Kirchner: Brett.

Brett Dixon: I'd like to address Council just briefly. My name is Brett Dixon. I live at 193 Mitchell Road. I live in the county, but I'm also a commercial property owner so I pay taxes. And I want to say first thing is, you know, I worked with the county now I think [inaudible] about the last 14 months, and it's been very challenging and we've been learning a lot. And hopefully, you know, whatever we have, we'll be able share it with you [inaudible] sometimes we don't hear what's going on, but we talk about that on the phone on a [inaudible] basis. I want to tell you something, you know, this week I had an opportunity to be in the city building to be a part of the service you provide. I'll just say that. And, you know, [inaudible] very much, and it reminded me of why I like Wilmington and why [inaudible] and I came back to Wilmington [inaudible]. And I just want to tell you it was a great atmosphere. The people in the city, they're very kind to me. Just nice to have people know your name. It just really assured me as to why I live in Wilmington. And I know your job is very hard, and I appreciate what you do. What I want to talk to you about though today is [inaudible] and I want to make sure [inaudible] in a diligent and a prudent manner. And I bring this up because I've been involved in this process on many levels. And one of the things we're all trying to do is make sure on behalf of the county and on behalf of the state is that we are eliminating new roadblocks and make this thing work, and roadblocks in the sense that [inaudible] to be addressed. And can I tell you I'm an expert in the entire process? No. But I can tell you when red flags come up when they say is this being done. And it's really [inaudible] tell you [inaudible] several months ago. And the major concern they had is to have the groundbreaking at that time [inaudible]. And so, the drop dead date I think really is November. And I think the reason that drop dead date is November is because of the construction costs. They don't pour concrete certain times of the read. I'm sharing with you this so you understand some of the conversations I've had [inaudible] to advise

people during this process. Part of that process we learned is there [inaudible] and I was under the impression initially that the notifications process started [inaudible] to a point. My understanding now that is true with the exception [inaudible], and I would implore Council whatever you have to do to make sure that notification is released. The notification starts the process. It does not guarantee the [inaudible]. I appreciate the Council President – Council President Kirchner's due diligence. I have spoken with him and he is making sure [inaudible]. But I implore you not to delay. [Inaudible] and all that being said, time is – the clock is ticking. For example, there was a comment in the paper, I believe the financing was delayed in the state and the same role I'm doing now, we contact the state of Ohio [inaudible] everything looks like it's on track. So, again, we just want to make this thing work because we sit here and make these decisions, most of us have jobs. And so [inaudible] not only to the company that I'm trying to support here in Clinton County, but also to the people that are seeking those jobs. And I appreciate your time to make those comments.

President Kirchner: Thank you, Bret. I would offer some clarifying information.

Councilman Mead: Make one quick comment.

President Kirchner: Go ahead, Bob.

Councilman Mead: I just want to thank everyone here. It was mentioned earlier this evening what this process is, the democratic process. And I – the Council people is working hard. The Mayor is working hard. President of the Council is working hard especially [inaudible] public for being up here. You know, there's ten or 12,000 in Wilmington, and how many people come to Council meetings and how many of those get personally involved in giving us their comments. And I don't care if they hate me or love me, I just love to see people come up and make their comments. I think that's the greatest thing we have in this country, and I don't want you to stop. I want you to keep coming up here with more people. Give us hell if you have to. Come on up, and I thank you for doing it.

Councilman Stuckert: I second that one.

Linda Eichelberger: Linda Eichelberger, 426 Mayfair Drive. For about 30 years, I sat in the office, the Mayor's office, and I think you guys are making one of the biggest mistakes you have ever done is eliminating the Denny Gherman's job. I don't think there's a day that went by in the Mayor's office that I didn't receive five – five to eight calls concerning a problem on the street, a problem with a traffic light. And here you are eliminating a guy's job that makes \$71,000 a year or a little over, and you're telling me you're justified. He's already made 59 calls out for traffic lights. And I know when I was in the Mayor's office, that's \$1,000 a call that we had to sit and wait on somebody to come from Dayton to fix the light and we had to send in traffic – a police officer [inaudible] Denny Gherman out [inaudible] here when I first started. Now, you explain to me how you are saving any money by eliminating this position.

President Kirchner: Linda, I'll take that question. Denny Gherman wasn't trained to work on those stop lights when he originally got here necessarily, and we could have multiple people in the department to be trained to have the level of technicianability to work on those lights. The idea is to remove a level of management in the chain, and it's simply to try and keep as many of those workers as we can working on our streets, working in the snow plows in the winter, keeping the streets safe for the citizens, keeping them clear so that safety vehicles can get to the emergencies that they need to be at. I believe that there are other people at the city that could be trained to work on those very lights.

Linda Eichelberger: And you will be paying them overtime to come in to cover those lights because Denny does it all on his own. He doesn't call somebody in. So, you tell me how much you're going to save, 59 calls calling someone in at time and a half to fix the lights.

President Kirchner: I'll have to look at numbers, Linda. We'll have to see who gets qualified and what classification they're at. But I also have to ask why have we had so many instances of light failures. As an engineer, I would be asking the question –

Linda Eichelberger: Because they're old.

President Kirchner: – do we have reliable systems, or perhaps what we need to do is look at replacing some of those systems. If they're old and that's the reason the failing, then perhaps we need to look at updating some of those systems.

Linda Eichelberger: At the cost of a traffic light? Do you know what the cost of a traffic light is?

President Kirchner: It depends on whether you install it from nonexistent to new.

Linda Eichelberger: You're not answering my question?

President Kirchner: \$100,000 –

Linda Eichelberger: \$100,000 –

President Kirchner: – at an intersection with no stop light. That's what I said.

Linda Eichelberger: \$100,000 –

President Kirchner: That's correct. What I don't know is whether or not the existing lights could be upgraded in the control panels they have. And those are additional questions that I think we would need to ask.

Linda Eichelberger: Well, haven't you asked yourselves that before you eliminate a position?

President Kirchner: In my case, Linda, I will tell you that with us in the middle of the third year of deficit spending and the carryover running out, the luxury of being able to ask all of the detailed questions down into understanding who would be available, what their rate would be, investigating the engineering behind whether or not we could replace some of those faulty lights that keep failing, the time to be able to get down to those levels is getting to the point where now the decision is to make structural changes to the city or risk losing the service personnel that are on the front line of service. This is not a comment on whether or not Denny Gherman has been and continues to be an excellent city servant. I have personally talked to Denny and let him know that I believe that his service to the city has been nothing less than stellar. But the bottom line is that we have to make decisions about where the limited funds we have get spent.

Linda Eichelberger: Well, let me just tell you why don't you go back to 2004 era where we had two people in M&R that was paid in Denny's department out of M&R, two in sewer and two in water, and we had a superintendent and a mechanic and Denny controlled them all. And we used them to work on a water break, a sewer break or whatever went on because you can't do it with two people when you have a water break or a sewer. You have to have sense.

President Kirchner: I agree with –

Linda Eichelberger: And now you have increased the department [inaudible] records I asked for. You now have eight people plus a crew of superintendent and a mechanic. There's your first cut.

Mayor Riley: Linda, we're actually working to go back to what you just described.

Linda Eichelberger: [Inaudible]

Mayor Riley: Yeah, we are. We are. And Denny is key in making all these things happen. And to answer Scott's question about whether there's any traffic failures, a lot of it from what my conversations with Denny is because of all of the renewing that we had on old 73 –

Linda Eichelberger: That's correct.

Mayor Riley: -- and that takes a lot of time to get things back up and running. That's been a long operation. But thank goodness we have someone like Denny who knows what he's doing and can answer those questions without going to Dayton to bring in somebody –

Linda Eichelberger: That's correct.

Mayor Riley: – that like you said is \$1,000 a pop. That's one of the reasons that Denny Gherman has got to stay with the city as long as he wants.

President Kirchner: Linda, I won't disagree with the idea that reductions need to be made somewhere. And to be honest with you, my analysis was done with the org charts in my hand –

Linda Eichelberger: With what chart?

President Kirchner: The organization charts. And every position in there has been justified by every department head as absolutely necessary all the way through these deficit budgets. Now, we held two or three financial work sessions where ideas such as this one the Mayor is indicating is now floating could have been brought forward. This Council waited six months for that kind of restructuring to come from the Mayor. But at this point in the year with the 2013 budget coming on, if we don't make structural changes we can take into that budget, and you're familiar with the budgeting process –

Linda Eichelberger: Definitely.

President Kirchner: – we've got to get to where we can balance the budget to our revenue and live within the means of the city. And I have said all along and I will continue to say that I do not think my proposal is the only idea. I do not think that there is any reason this Council would not consider other structural changes to the personnel in this city. But the bottom line is that we have to consider some structural changes to the personnel in this city. Now, you know Council is not involved in the day-to-day operations of this city. It is not their area to be involved in. It is legislative. And the Mayor has shared that there is a separation of powers. Day-to-day operation falls directly under him. We are happy to hear any ideas that he would like to bring forward about restructuring any other positions that make sense because they don't add enough value to spend the taxpayers' dollars on in deficit spending. This isn't the only proposal that could be out there. But I will tell you that it was the only proposal given to Council to act on. If the Mayor has other proposals, he just simply needs to bring them forward so that we can understand the impact of the budget and plan for the city to live within its means because we must do it.

Linda Eichelberger: Well, the HR Director was always done in the Mayor's office and not a problem.

President Kirchner: Agreed.

Linda Eichelberger: And people's salaries keep increasing and responsibilities keep increasing. But that's not one where Denny Gherman is concerned. His job is 24 hours a day seven days a week, and I don't care whether I was at home, at work or wherever because people [inaudible] called at home too. I would pick up the phone and call Denny Gherman, and he would go out right away and fix the lights, and fix the pothole, and fix whatever had to be fixed. And you – it figures that [inaudible] 59 times this year, that's \$59,000. Now you tell me how much you're saving by eliminating his position.

President Kirchner: I can tell you the numbers in the budget for his salary and his benefits. The question is whether or not we would have enough people trained in the city to be able to do what he does. And then, we get into the next discussion, which we've already had, about paying overtime, what classification. I understand, Linda. I get it. As I've said, if the Mayor would like to present an alternate proposal that will save the kind of money we need to in order to balance the budget, it is not my opinion that this position must go. It is my position that the budget must be balanced. That is my position. And because this Council had nothing else to act on, I presented an option. And all the way through that discussion, the Mayor and other members of Council that have not supported this had the opportunity to present alternate proposals, alternate ideas, alternate structures. This week we held a meeting, and I indicated this same thing to the Mayor. I indicated the same thing to the committee. I am not tied to this proposal because I think it's the only one that can work. I am tied to this proposal because it's the only one that has been offered, and that is what we need is a specific proposal of restructuring the city to make the costs live within the means we have. And the Mayor is open to bring that forward at a point. I have indicated a willingness to work with him on any legislation that he would like to bring forward through Council and to try and support that and to sit and talk and work together on it. But to date, we have not received that. The only report we got from the Mayor and his Advisory Committee indicated that we needed to increase revenues. It did not indicate in his top three recommendations any structural changes to city operations. It recommended an additional \$2 million in taxes, legalizing gambling and collecting revenue off of it, and selling the landfill. Those don't restructure.

Mayor Riley: It did not –

[Multiple speaker – inaudible for transcription]

President Kirchner: You're correct. It recommended leasing – the Mayor in that meeting said sell. And that has been what has come forward. I also indicated in Tuesday's meeting to the Mayor that I was more than willing to work with him on any legislation he wanted to bring forward out of that. I named the Income and Levy Tax Committee when Councilman Jaehnig raised his concern that if cost cutting didn't work, nothing would be ready in time for the ballot. We put the committee together. I put him in charge of it, and nothing came forward as a recommendation out of that.

Councilman Jaehnig: You haven't asked for one.

President Kirchner: We put together the committee that you were concerned about –

Councilman Jaehnig: Right.

President Kirchner: And we did not receive any kind of a recommendation.

Councilman Jaehnig: I clearly stated at the very beginning was to do the homework. At no time has the President asked for us to come forward with a proposal on increasing taxes.

Councilman Wallace: There were several recommendations made to report.

Councilman Jaehnig: There were several recommendations made.

President Kirchner: Which we got last meeting.

Councilman Jaehnig: Correct. So, don't say that nothing came from –

President Kirchner: No recommended legislation for additional revenue –

Councilman Jaehnig: Yes, there is. There is legislation that has been sitting in the Judiciary Committee for months now in regards to permitting skilled games, not legalizing gambling as you just stated. The Law Director has referenced it multiple times now in its appropriateness and the fact that the city is not endangering themselves in any

way in moving forward with that. And we have available to us at that particular point \$18,000 in permitting fees. Yet, we have taken no action on that whatsoever.

Councilman ?: And I'm amazed –

Councilman Jaehnig: The committee is working to get the legal answers that they need.

Mayor Riley: What other legal answers do they need?

Councilman Jaehnig: Have you produced the legal written opinion –

Law Director: I emailed it to – who all did I email that to?

Councilman Jaehnig: The Chair of the committee, myself, and the President of Council.

Law Director: Yes.

President Kirchner: Was there an attachment to that?

Law Director: There was just an email, written email.

President Kirchner: And I thought a written opinion was requested; is that correct?

Law Director: Yeah. I think – requested an opinion.

President Kirchner: Mr. Mayor, you had –

Mayor Riley: A month ago – a month ago as part of the Blue Ribbon Panel report, there was Appendix A that very clearly states – the heading is “Ideas Under Consideration for Cost Savings and Revenue Generation.” And I went department by department with ideas that we as a group should look at and consider. This was presented to Council on July the 19th, a month ago. This was presented to Council, and I'm still working on this. In fact, I gave another working copy to the Chairman of the landfill just this past week that broke down some of the landfill recommendations, the pros and cons and things that we can work on. When I hear that we haven't done anything, wrong, that's just not true. This Administration has been working diligently for seven and a half months to balance the budget. There are over eight pages – over eight pages of recommendations that were presented to this Council a month ago. And I'm still working on some of them. As I said, I gave Don Wells another updated page that looks at the landfill and some of the things – some of the options that we can do for the landfill broken down – each one of them broken down into pros and cons. And I told Don, I said, we need to talk about this, we need to get together and talk about this. And I hope that once that is read, we'll have some discussion and we might be able to move forward on some landfill situations. And I'm not married to selling the landfill. In fact, in the options, one of the options is do absolutely nothing, just continue operating the landfill as is all the way up to leasing or selling the landfill. But we have to look at every option and – every option. And over eight pages of recommendations headed “Mayor Randy Riley's Report of Activities, Ideas Under Consideration for Cost Savings and Revenue Generation.” And when you say we haven't done anything, you are misinforming the public.

President Kirchner: I do not believe, Mr. Mayor, that is what I said. What I said was that this proposal –

Mayor Riley: Did you guys hear the same thing I did?

President Kirchner: – was the only one offered.

[Applause]

Councilman Stuckert: Let me ask you something, folks. Do you know the difference between a proposal to Council and working on something? I sat I was Council since last July and we've been working on it since last July. Our first deficit occurred three years

ago. They've been working on it for three years. Now, that's the difference. There is a difference. Watch your words, okay. It's time to quit working on it and do something. There's one proposal –

Mayor Riley: Excuse me. That didn't sound right.

Councilman Stuckert: Okay. It's time to quit – okay. I'm saying you're still working on it. Do something. That's right. Give us a proposal.

Mayor Riley: We are doing things.

Councilman Stuckert: You're working on it.

Mayor Riley: We are doing things.

Councilman Stuckert: Where's your proposal, Mr. Mayor?

Mayor Riley: I just showed that we have not spent any of the carryover this year. We are doing good work.

Councilman Stuckert: Mr. Mayor, let me make a comment.

President Kirchner: Could we please have everyone respect speaking one at a time so people can be heard. Thank you.

Councilman Stuckert: May I speak, Mr. President? Okay. We've listened to the figures about how we're adding to the carryover. Isn't it interesting that's coming out now. We got the report from the Auditor. Okay. What happens in January, February, March, April, May, June and July? We pay our taxes, don't we. Okay. Our income – our revenue is tied very heavily to our income tax. We get our revenue at the beginning of the year. And I've seen this happen before. We look pretty good. And then, somewhere during the year the revenue quits coming, and the expenses that have been appropriated keep going. Now, if you can set there and say we are headed for a balanced budget based on these figures that you're talking about, this enhanced carryover, if we're going to have a balanced budget this year with revenues that are not one time, they're going to be revenues that this city can count on, then I will – we'll have you show us everything you've done and we'll have a big celebration downtown, absolutely have it. But everybody's playing with numbers, you know. I mean, the thing is is that what the President is saying is we've waited and waited and waited, and we have one proposal made. And the entire – we're in our third Council. And for that entire period of time, all we have had is attacks on us about that proposal, that's it. We have not had one single new proposal to counter it – legislative process. If I don't like what someone is proposing, I have an obligation when we have to – we're trying to get to something we all agree we have to get to that I have an obligation to make a counter proposal, and that what's we're saying. We're not married to any of these proposals we're making, not married to them at all. What we're married to is we're going to balance this budget. And whoever comes up with the best ideas to do that will get the votes. And that is the goal, and we've got to keep our focus there, and there only, and quit this attacking one another over all kinds of other things, who said what when. There's two things we – we've got to balance our budget, and I believe we've got to have some proposals that we can all vote in to accomplish that.

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

Motion passed.

Council adjourned.

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

President Kirchner: We are adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, August 30, 2012, with President Scott Kirchner presiding.

Call to Order

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, absent (arrived at 7:16 p.m.); McKay, present.

A motion was made by Mead and seconded by Wells to excuse the absent member.

Motion passed.

Absent member excused.

Assistant Chief Weyand was also present.

President of Council - President Kirchner: With this being a special council meeting, we will dispense with the Pledge of Allegiance and move right into the only item on the agenda tonight, which is under the Finance Committee, a budget work session and focusing on the five items listed.

Finance Committee - Chairperson Mead: The first item on the agenda this evening is the 2012 budget review and update. I believe David Hollingsworth is going to present something to us.

Auditor David Hollingsworth: If you would, these are all paper-clipped together. They are in the order I want to discuss them, so don't take the paperclip off and start getting them out of order, if you would please. We made 20 copies, so Mary Kay has more if anyone else wants a copy. I'll go through the methodology we used to kind of give you an update of where we're at as of July 31. Now you can take your paperclip off. This is what I did in my leisure while my wife was in Boston. In the days and evenings. I wanted to do as thorough of a job and yet try to give you information that will be as concise as it can be so you don't get lost in all the detail. Okay? It's hard to do with as many funds as we're dealing with and with the interrelationship with a lot of the funds, but saying that. If you look at the General Fund, the very top worksheet, the very first column, and this will be the same with all of the worksheets, is the budget up through July 31 that would reflect the original budget plus any supplementals or transfers that council has passed up through July 31. The second column is what we have actually received the way of revenues and spent through July 31. The next column, I call that the "budget balance." That's the difference between what was budgeted, revenue and expenses, and what we've actually spent through July 31. So, in theory, that's what we should have left for the remaining five months of the year. Then I set up another column, what we think the estimated, with some revisions that we think may happen over the last five months of the year. You guys have not taken action on any of these. These are not on the books. This is just... Mary Kay and I got together and we worked through... what we did is we... approximately 85% of what we spend is employees and benefits. We took a look at what our year-to-date payroll was. We've got 11 pay periods. Our people are paid every two weeks, so there are 26 pay periods in the year. As of the end of July, there were 11 pay periods remaining. So I took everybody's base salary, divided it by 26 and multiplied it by 11. Now, qualifying that, that does not account for any possible overtime that might take place in any department. It's just their base salary. In my estimation, unless it's an emergency, in our circumstance there shouldn't be overtime, but that's really up to the department's scrutiny at this point. So, we took the salary for the remaining 11 pay periods and then off of that generated what our worker's comp, well actually we know what our actual worker's comp is because we paid our last premium. Anybody paying into Medicare, we generated their pension contribution based upon the city's portion of the pension, then we also took a look at our health insurance, which is not necessarily driven off of the payroll, but I'll explain what we did with that as we get into it. So, the last column is what we think the difference is going to be between what is remaining on the budget and what we think is going to happen over the next five months. Okay? The only thing, and one thing I'll mention because Mary Kay just got a letter from the Treasurer actually this evening. Everybody's been wondering about the inheritance tax. We know we've got money coming but didn't know the

amount. We just received this evening a letter from the treasurer telling us what that final settlement is going to be and it's going to be well over \$800,000 that we'll be getting probably over the next month. That's probably more inheritance tax than we have ever received in any one year. Saying that, that goes away after the end of 2012. It's possible we could still collect some inheritance tax in '13 if somebody dies in '12 and it's not settled until '13, so definitely after 2013, that inheritance tax will go away. In the interest in time, I'm not going to go line by line at this point. Let me point out the items that show a difference and why there's a difference. The revenues: you're not going to see much of anything other than inheritance tax that I just mentioned, which is not reflected on here. If you flip to page 2 of the General Fund, you'll notice there are some brackets around the differences under administrative salaries, administrative pension, worker's compensation and benefit insurance. Administrative salaries, that difference is basically a reflection of one or two employees that are no longer here and the difference. One was replaced, but the salary on the new employee is less than the old one, so that accounts basically for the reduction that you're looking at of \$54,000. As a result of that, the pension contribution for PERS is also going to go down, assuming these positions are not going to be replaced. And that's the assumption we're making. Benefit insurance, and this will apply across the board. I know there's been a lot of discussion about the reserve or the build-up that we have inside our insurance fund. It's probably over \$700,000 right now. People have asked, "Can we throw that back into the General Fund?" I've not gotten a legal opinion, but I don't think that we can because there is a comingling of several different – there's monies from enterprise funds. There are employees' monies...and trying to decide if you did want to do away with it...if you could do away with it, who gets what? In my mind, it's a cushion going forward in offsetting what our health insurance cost is going to be in the future. Because with our health insurance being self-funded, it's somewhat a roll of the dice. We've been fortunate; we had a good experience in 2011, which helped us to be able reduce our contribution to that insurance fund for 2012. Now that's not to say that we could have...somebody could get...or a handful of people could have some major medical problems and just the opposite could happen. So, in my mind, that's kind of insurance in and of itself in going forward for our health insurance. What we were able to do, because of the timing of the budget and when we renew our insurance contract, because we renew that in April for our health insurance, our premiums that we were paying into the fund were more than what we actual needed to pay in because of our good track record so far this year. So what we are going to be able to do is to reduce our contributions, rather than putting a monthly amount in for the next five months, we're probably only going to have to fund it for about two and a half months. For this report, I have factored-in paying for three months. So in essence, there could be some savings, barring any major medical claims over the next five months, there could be some additional savings in the health insurance line item – possibly half a month. Right now a little over \$200,000 a month goes into that insurance reserve fund. That's not just this line item, but that's spread among all the departments, both the enterprise and the special revenue funds as well as the General Fund. The medicare insurance is not that big of a reduction, but again, that's driven.

President Kirchner: Back on the benefit insurance. I want to make sure I understand. The 25,892 difference that you list there is representative of two months of premium...

Auditor David Hollingsworth: Three months.

President Kirchner: Three months of premium...three months still...

Auditor David Hollingsworth: We're only going to have to pay, rather than all five months at \$204,000, probably only two and a half months at \$204,000, but I actually factored in three. That's just in the General Fund...that's just in admin. We have other departments that have insurance line items. That's not everything. That's just the admin.

President Kirchner: The difference in the final column would represent the two months that we don't think we're going to have to pay.

Auditor David Hollingsworth: Correct.

President Kirchner: In the administration.

Auditor David Hollingsworth: That's just the admin employees. Correct.

President Kirchner: Is that based on just strictly the fact that our plan payments this year and our expected costs this year have continued to be down the same as last year or...?

Auditor David Hollingsworth: Two things. When we budgeted for the health insurance, if we continue to fund it at the \$204,000, we are probably going to be short based on what was budgeted. But there's not a requirement to pay that in. It's just excess money we would be paying into the fund that we don't need to self-insure ourselves over that last... Like I said, it's probably going to be two and half months, but I'd rather be conservative so I used three months rather than two and a half that we would be paying. Anything else on the insurance? The next reduction is direct deductions. Mary Kay and I talked about this. This is the deduction... whenever the county pays us real estate taxes, they always take an administrative fee for any kind of settlement we get from them, they take an administrative fee. For some reason, it's down substantially. We've only paid \$22,725. We budgeted \$60,000. I can't imagine that we're going to pay anymore than what we've paid in the last seven months, because we've collected just about everything we're going to collect from the county, with the exception of probably a little bit of real estate tax and then the inheritance check that will be coming through. That's the only item that I felt comfortable with adjusting downward. Property tax: we know that we're not going to pay any more the rest of the year. We budget \$32,800. We actually paid, because the final payment has already been made through the end of July, \$18,573. So that left \$14,227 that we're not going to pay. I think that's a result of some of the properties that we were paying tax on, now we've got clearance since their city property now being used for municipal purpose, we're no longer paying real estate tax on those. The next item, property casualty insurance shows a reduction of \$10,858. Mary Kay and I talked. The only reason I made the adjustment is I think we've paid what we're going to pay in the way of our premium into that group insurance fund. We have another insurance line item below that where we pay small claims out of that don't go through the insurance pool so it doesn't affect our premium. I assume we're going to spend the rest of that. That's the other thing, when we get down to the departments, I know they've not had a chance to look at this, but I would like for them to get a copy and take a look at their particular department because I can't tell, looking at some of these line items, especially when we get down to vehicle expense, repairs and maintenance, what you think you might spend for the remainder of the year. So, I want your input. I just assumed you're going to spend what was budgeted at this point for tonight, with the exception of what we felt comfortable in going ahead and changing. Turn to the next page. The transfer line items. You'll see this once you get into the individual fund that affected by the transfers. The very first one is the police fund. We're saying rather than needing a \$1.3 million to transfer, we only need \$830,000, so that would be a reduction in the transfer to the police fund of \$172,000. Part of that, I think, is a result of having two, maybe three officers that are no longer. Now, I did not factor in any replacements over the next five months. This is just assuming that we're not replacing those salaries that aren't on there now. So, if we hire somebody, then that number is going to come down as far as the \$172,000. Fire fund: we've got the same thing. We've got a couple of folks I think that have left. If they are replaced by the end of the year, this number will change. Right now we're saying we can reduce our transfer to the fire fund by \$72,721. Emergency Ambulance, \$9,329. Street maintenance and repair. Again, Denny is here. I was going to have Denny look because there are some repairs and maintenance on the streets that we haven't done yet. I don't know if he plans on doing that in the remainder of the year. I assumed he was, so I just left whatever he had budgeted in here. It looks like we're going to have to transfer a little less than \$76,000 to the street maintenance and repairs. Police Pension Fund and Fire Pension as well: those reductions are basically a result of reduction in staff. Again, if some of those people who have left are replaced, those numbers will change. But as of right now, with the staff that we currently have, this is what the cost would be for the pension plan. Jumping down to our office, we show a reduction in salary of in salaries of \$21,328. That's a result that we lost one of our employees about a month ago. As of this point, we are not... I explained, I believe, in open council, we are looking to hopefully maybe tap into somebody that is already here in the city and consolidate maybe some functions rather than hire somebody new. At

worst, we probably would need somebody maybe part time in our office. Mary Kay is doing two jobs now. Until we get to the first year when it's time to do the year-end close and we have state auditors coming in, it's going to be difficult. Her main function is doing payroll, and that's a pretty time-consuming task with as many employees as we have. That's neither here nor there. We're showing a reduction through the end of the year of \$21,328. I don't think we have anything coming from the state as far as when they reviewed our financials... I'm showing that our auditors have been in and gone and they've billed us. I'm assuming we're not going to pay anything else out for our audit fees. Income tax salaries: Again, I'm showing a reduction of about \$3800. If you flip to the next page, we jump to Municipal Court. You see a reduction in their pension, their worker's comp, their benefit insurance. They're still going to be a little short for whatever reason, by about \$2300, even by reducing their contribution by the two months. Then their Medicare. They have lost, I know, Jolene Hoggatt retired. I think, was there one other employee, Mary Kay, who is gone that they have not replaced? So, again, that's going to have an effect on their salary line item and all the corresponding benefits. There are also some additional – some of their salary line items are broken out – like the salary clerk, if you move down to the middle of the page. Those are the changes in the salary positions. There are a couple of them that are going to be a little short if you take their base pay and factor what it is going to be over the next 11 pay periods. If you get down to the Director of Law, their salary line item, we are showing a reduction of \$4,406. Their unemployment, we're through paying on the one employee who is no longer employed. I don't know if they found a job, but we're no longer paying unemployment compensation. So, we had allotted \$37,000 for the year. They have been paid \$12,273, which left \$24,727 in that fund. Now to Safety. This is basically Dispatch. One thing that Mary Kay and I were talking, that is probably the department that incurs the most overtime, which is not factored in here. This is just straight salary, so if there is overtime, that will not be reflected in here. But we're showing a reduction, based on the base salaries, of \$79,448 and then all the corresponding benefits associated with that payroll. So, all things considered, on the General Fund, if you take a look at what we're projecting the net difference to be, we are showing a reduction, or actually an increase that would be reflected in the fund balance, of about \$732,000.

Councilman McKay: In the budget balance of \$2,000,000?

Auditor David Hollingsworth: Right. Well, you kind have to flip back to the first page, because the very last line showed what the ending cash balance or carryover balance would be. In the budget, we were projecting a carryover balance. We started out, and I'll round these numbers off, with almost not quite \$2.6 million we started out with. Based on the budget, we were projecting a balance at the end of the year of about \$1.3 million. Up through the end of July, our fund balance, which is not really reflective of the budget because of the way our...and we talked about this...you know, we collect most of our revenues the first half of the year and then we spend an enormous amount of cash toward the end of the year, with very little revenue coming in. I looked at this...at this time last year, in 2011, where the cash balance was at and then where it was at the end of the, not noting anything extraordinary that was paid out, but we ended up using about \$1.2 or \$1.3 million worth of cash more than what we took in over that last five months for the year. The other thing...if the revisions that I just gave you would hold true, and they're not, these numbers are not exact. They're going to change. If you would add in what we are going to get in inheritance tax, we could possibly, based on these numbers, have a fund balance of \$2.8 million at the end of the year. Not saying that to think that we don't have some budget issues to address. We do. Because we know the \$800-some thousand we're going to get in inheritance tax is going to be gone. We're just fortunate that we're getting that. Down the road, that's something that we're not going to be able to...we've never factored in the inheritance tax when we do the budget. We always estimate that at zero. Again, not knowing what estates are pending out there and who is going to die. There's no way of knowing that, so we budget that at zero. So, whatever we get is just kind of a bonus. Are there any questions?

Councilman McKay: I appreciate your work on this, David.

Auditor David Hollingsworth: It's hard guys, to be quite honest. If you're not working with this every day and we've got so many funds and the interrelationship. That's

why...and if an apology is needed, I apologize...but I got a little bent out of shape when we started throwing numbers out in open council without knowing exactly where the numbers come from and how funding... Because there are several things in this budget that you'll notice are counted twice. If you look at our expenditures only. Some things are counted three times, when you get into our debt service. So, you have to factor those items that are duplicated out, because we're not spending the money twice. It's just the mechanics of the way fund accounting works and the way we have to show it. It's not that we're doing something on our own, it's kind of standard procedure for all governmental entities that that's the way you have to show the accounting and the movement of the funds from one to another. I can go through...you tell me how much detail. I don't want to be here all night, and I know you guys don't want to sit here all night. I want to give you whatever information you want. What I've done...this is every fund, with the exception of the special revenue funds, which would be the landfill, water, and sewer. And I'm working on those. This just took an enormous amount of time to put this together, but I wanted to do it to make sure that you guys had an understanding or at least something to refer to if you have questions. And if it's something you don't understand, please come and ask me. I'd be more than happy to sit down with you, or Mary Kay, either one or both of us, if that's what it takes. Let me just flip through the next series of funds to explain to you what they are. The G.O. Fire and Municipal Bond Payment Fund, that's the fund that the monies flow through that we pay our payment on this building. And we had consolidated when we did some refinancing...just some refunding of some old bonds...we consolidated a fire issue into this...I think one of the fire trucks that we bought, we consolidated that into the city building. This is where the payment flows through. So, really the money comes out of the General Fund. This is one of those quirky funds where it actually ends up showing...the expenditure shows up three times. It shows up as a transfer out of the General Fund. Then it goes into the Bond Retirement Fund and then it goes into another fund to be actually get transferred to the trustee. Again, ask any questions. Otherwise, if you don't ask questions, I'm just going to flip through these. Economic Development Fund: That fund is only affected, I guess if you guess decide you want to put money into it. There was money set aside, and I think.

Mary Kay Vance: It's the EDA fund...

Auditor David Hollingsworth: EDA...right. From the water line. That excess money went into this fund to be used for economic development. So really, there's no new money going into there. So all you're spending is whatever is there unless you supplement that fund. Street Maintenance and Repair: This is Denny's department. All these reductions you see here, you're going to see, they will be reflected in the reduction in the transfer line item back in the General Fund that we covered. Denny, you weren't here, but I mentioned I want all of the departments to take a copy of this and take a look at your specific department, the expenditures that are remaining for the rest of the year and see if anything needs to be changed. We just assumed whatever was budgeted was going to be spent.

Mayor Riley: David, on that area specifically, maintenance and repair, was that reduced significantly when there was a change in the licensure of the trucks that went to Indiana. Is that this area?

Auditor David Hollingsworth: I would have to go back to the year that that happened. That's been several years...that's been a few years ago. Basically, all we did, and I tied...anything that's paper-clipped together, even though they are separate funds, they are interrelated, like the Street Maintenance and Repair. I also had the State Highway fund attached to that and the Permissive Tax. Because all three of those funds have to do with our streets, basically. If you take a look, the permissive tax fund, the very last page, I'm showing a reduction in revenues. We get permissive tax from the county. We budgeted \$85,000 in the revenue and we're showing zero. Those monies we only get if we have a project that we're going to do. Okay? The money's not lost. If we don't use it, it's still ours, but it sits at the county. We don't get it until we make a request – until we have a project that we're going to work on. Even though I'm showing a reduction in revenues, it is but it isn't. I mean, the money is still sitting there, but it's not in our coffers. It's still sitting at the county. So if Denny would have a street that he would want to repave for \$85,000, we could request that and get it. Did I answer your question?

Mayor Riley: Yes you did.

Auditor David Hollingsworth: Any questions on those funds. Again, they're three separate funds, but they're interrelated, so I grouped them together. The Taxi Fund has been explained to you by Phil. It's kind of quirky. I didn't mess with any of their expenditures just because the funding mechanism. In order for them to get state and federal money, they have to show that we're going to spend "x" amount of dollars. I didn't reduce any of that except for the Worker's Comp it was going to come down and the benefit insurance. Those were the only two items that I adjusted, and they're very minor.

Councilman Jaehnig: So there potentially could still be savings that we're not aware of because of their funding mechanism.

Auditor David Hollingsworth: There could be. Street Lighting: That's what you just talked about in Finance. You're going to have a special assessment that you're going to vote on that the county will put on to fund this. In 2012, we budgeted \$199...just a little shy of \$200,000 to go into that fund. And we're projecting we're going to spend just a little over \$200,000 for lighting the streets, replacements of lights, and then any new lights that may be put on the streets. If there is a new development or an extension of a street – say Josephine Street that they're talking about extending. If they ever develop that back in there, we would probably be responsible for putting the lights on that street, and it would come out of this fund. The Insurance Fund: There are two funds on this one sheet. Again, they are interrelated. One is where we transfer the money into. And then we set up a separate checking account because as benefits are paid, they are taking directly out of the checking account. We did not want those coming out of our General Fund checking account. We wanted to segregate those monies so they could be drawn...so there's nothing but health insurance payments coming out. So that is why you see two funds set up here. Again, we're showing a reduction because we think we're not going to have to pay basically two months, two and a half months worth of health insurance payments into that fund. We're still showing a balance at the end of the year of possibly around \$900,000. Again, there are a lot of unknowns. We don't know what claims are out there pending. This is just based on information that we have and what was originally budgeted. So far this year, we've been adding to that fund, so we hope that's the case through the end of the year, but again, it's an unknown.

President Kirchner; David, if I could interrupt for a moment. Let the record reflect that Councilman Siebenaller has joined us. I'm sorry I didn't see when you came in. I was looking at the document. But he is now here for the record.

Councilman McKay: He has been here ten or fifteen minutes.

President Kirchner: I do have a question, David. This is calendar year balance, not plan year balance?

Auditor David Hollingsworth: That is correct.

President Kirchner: So, we still have a three-month portion of the contract...

Auditor David Hollingsworth: That will go into 2013...correct.

President Kirchner: Okay. And we will have to budget for that.

Auditor David Hollingsworth: That is correct. The next fund is Issue 2 money. These are monies that basically go in and out. This money, we don't actually get, but we have to account for it. The disbursements on these funds, these projects, are usually paid directly by the state, but we are required to account for them because they are our projects. So, the money doesn't go into our checking account, but we have to account for it. So, this is not money that is coming out of the General Fund. These are just grant monies to pay for street projects. Then we have a 3% Commercial Building Permit Fee Fund. That is just

simple the permit fees that go into that fund. It's a nominal amount. We only projected \$1000. So, unless you have a question, we'll go to the next one.

Councilman Jaehnig: This is not taking into consideration any building fees we would get...

Auditor David Hollingsworth: That's a different fund.

Councilman Jaehnig: Thank you.

Service Director Reinsmith: Rob, that fund is based purely on building permit fees. That 3% goes to the state and pays for the training and seminars.

Councilman Jaehnig: Then this is an in and out.

Service Director Reinsmith: Well, we do charge for them when they take out a building permit. We do charge the building permit fee plus 3%. So basically, it is in and out.

Auditor David Hollingsworth: The UDAG Fund: Again, this has no effect on the General Fund. There is a revolving loan fund set up many, many years ago that people in the city can apply for and receive low interest loans that they pay back to the city. As the money is paid back, it gets loaned back out. So... The next series of funds. These are basically the CDBG funds. The Sugartree Corridor Grant Fund, that's the one that you talked about earlier that we had a then and now at the Finance Committee meeting. Again, these are grant monies. There is no money that comes out unless one of them by chance would have some type of match associated with it. These are just basically monies that go in and out for various grants. I just lumped them all together on these two pages rather than put them on individual pages. Are there any questions? Then we get into the court. Underneath the General Fund, you'll find all the salaries for the court, including the judge. This next series of funds are basically special funds that are set up that various fines are earmarked for. The first one being the Municipal Court Computerization Fund. This happened a few years ago. Originally, that was set up to just replace computer hardware and software in the courts, but we also found that we are able...if there's someone who is designated hours to work on doing computer-type work in the court, we can actually apportion part of their salary, which helped to relieve some of the burden on the General Fund, because these monies come directly out of the Municipal Court Computerization Fund and not the General Fund. So we were able to reduce the salary that is being paid out of the General Fund and shift it to this fund. Along with some other lease agreements on computers, supplies associated with their computers, software, any incidentals related to the computers, furniture and equipment – you know, if there is a desk needed to hold a computer, it can be paid out of that fund. And then also computer hardware costs. Any questions on that? The rest of these funds, again, are just special funds. There's no money that comes out of the General Fund. The only thing that I will say, and we've had this brief discussion and it's something to kind of think about going into the budget process. I've not had any discussion with Judge Carey, some of these funds you will see carry pretty substantial balances. My question would be, is there any way to reduce the fines that are going into these funds and have them revert back to the General Fund. I don't know the answer to that question, but I think that's something that needs to be looked at. Because, even if you look at the total funds brought in from the fines consolidated, and that includes everything that goes into these special funds, there are times when we come up short in being able to cover the expenses of the court out of the General Fund. Even though he may be bringing in revenue than what he is spending overall, it's the fact that some of these fines get earmarked for special funds and can't be used for anything else. That creates somewhat of a strain at times on the General Fund. It's just something that I think needs to be looked at in the budget process. I'm not going to go through each one. You can look at these. There's a Municipal Probation Services Fund. There's a Municipal Court Magistrate Fund. That's where basically the magistrate is paid out of – his salary and benefits. There's a Municipal Court Community Service Fund, Enforcement and Education Fund, Drug Law Enforcement Fund, Indigent Driver Alcohol Treatment Fund, a SCRAM Fund (and please don't ask me what that is because I'm not sure), Courts Special Projects Fund, and a Community Corrections fund. There are some

salaries paid out of the Community Corrections Fund that are not being paid out of the General Fund. So, again, look at those at your leisure, but that is something to kind of keep in the back of your mind as we get into the budget process. I don't know if anything can be done with that as far as the structuring of the fines or not, but it doesn't hurt to ask. Next is the Hotel Lodging. That is basically an in and out. We do get an administrative fee that we retain, but again, that's just money that goes down to the Convention and Visitor's Bureau at this point. I guess you guys do have the authority, if you want to keep it you could, but it does go down to the Convention and Visitor's Bureau except for the administrative fee. There's a Bond Retirement Fund. Again, this has to do with some of our bond issues that are outstanding. The notes on Lowes Drive, Davids Drive flow through this fund. Then we flow to the Police Fund. Again, these salaries could change and probably will change. If there are additional officers added, then the reduction we're showing here will get smaller. You had asked earlier, Scott, this just happens to be the Police Fund. The real estate tax that was collected: we actually collected \$21,000 more year-to-date than what they certified to us. I don't know if that's a result of delinquent collections or what the reasoning is, but we've actually collected a little bit more and we could have more revenue coming in between now and the end of the year. Any questions? Also attached to this are some special funds. There's a federally forfeited property fund, an FOP Continuing Professional Training Fund, and a Police Evidence Fund. The Police Pension Fund is also attached to this. Again, the Pension Fund, we are showing a reduction of about \$46,000, but that's assuming there are no new officers going to be added for the remainder of the year. The next series of funds is the Fire Fund. Again, we've lost a couple of employees there and they are reflected in the salary and the benefits. Behind that is a USDA Loan Grant. I think that's on one of the fire trucks that we buy. And then the Fire Pension is attached to that. I might mention this two. Let's flip to the Emergency Ambulance Fund. We're showing a little bit of reduction in salaries there, but you won't see on here the revenue side. The revenues from the arrangements that we have with the various townships flows through General Fund. So, if you look at this and you don't see those contracts on here, in essence they end up here through the transfer, but it flows through the General Fund. They don't flow through this specific fund itself.

President Kirchner: Those are actually shown in a line item on the front in the General Fund.

Auditor David Hollingsworth: Correct.

President Kirchner: So, what goes in there generally goes through the transfers.

Auditor David Hollingsworth: The last one is the Recreation Fund. We're showing a reduction...of course, I guess they've made the decision to live within their own means, so what we've transferred year-to-date, \$24,000, we assume we are not going to have to supplement that for the remainder of the year. The only thing I was not able to pin down as far as salaries goes in Recreation, you know the five people who are out there basically full time and/or part-time, the only thing I didn't factor in is anything they pay out for part-time help, umpires. I don't know...I have no idea what that's going to be for the balance of the year. You would think that by the end of July most of the leagues are over with. There are a few fall soccer leagues, so I didn't factor any salaries for those, but they should be relatively nominal in comparison to the budget.

Councilman Jaehnig: This is basically an enterprise fund now, isn't it.

Auditor David Hollingsworth: Well, it...

Councilman Jaehnig: Not an enterprise fund, but self-sufficient.

Auditor David Hollingsworth: It should be. Yes. I would suggest you get a three-ring binder, punch these and put them in there. Otherwise,... Anybody have any questions? Now that I have this template set up – I'm not saying it's just a matter of a push of a button, but I could update it at the end of each month from here on out. Then again, I would like the department, Denny, Police, Fire, Emergency Ambulance, just take a look

at yours and see if anything needs to be changed on the expenditure side that you're aware of for the balance of the year that we probably did not change.

Councilman Wallace: Dave, so if these numbers were to hold true and we get to the end of the year, we're looking at carryover of around \$1.3 million?

Auditor David Hollingsworth: No, that's under the budget. What I'm saying is...

Councilman Wallace: Under the current budget – the \$1.3 million.

Auditor David Hollingsworth: Right. If these estimated budget numbers that I have presented, with the adjustments for the salaries, what few revenues that we adjusted, with the exception, the inheritance tax is not reflected in there, we would end up with a balance of about \$2.054 million at the end of the year.

Councilman Wallace: A little over \$2 million.

Auditor David Hollingsworth: Roughly. So, with what changes have taken place during the year...and again...it could change if we add police officers. But as of right now, if nothing changes, then that \$1.3 deficit that we were projecting will actually go down because we were thinking we were going to have a balance of \$1.291 million in the budget, but it's actually going to be \$2.054 million, then that deficit, that \$1.3 million we were projecting would go down by roughly \$750,000. Again, I qualify that – and I think we need to look beyond just 2013. The ultimate solution that I have said to our revenue problem is to get increased employment inside the city – whatever that takes to happen. Because you're going to reach a point where you can only make so many cuts. I think...I will commend the departments again. I think it's reflected. You know, we were originally projecting a \$1.3 million deficit. I think the departments have done a good job in trying to cut corners wherever they can. I'm not saying like our department, we're looking at trying to use existing employees if we can to fill our void in the payroll. Our office is a little different in that we have to have a certain segregation of duties, or we will have issues with the State Auditors. So, we can't have one person doing everything in our office. It's just not a good situation. So there have to be some checks and balances throughout the whole city – especially in our office. I'm not saying that...we're trying to do everything we can. The twenty-five years we've been in office, we've never added anybody. We don't need to add anybody. We're trying to do what we can internally to try to help alleviate the situation with the General Fund. But at some point, we have to take a strong look at the revenues and whatever we need to do. Because you can only cut so much and then you're going to really cut into the services of the city. And if that's what we have to do, we may not have any choice. Any questions? Does this kind of answer some of the questions you had as far as what you wanted to do.

President Kirchner: Yes. Understanding the current situation and what we see between now and the end of the year, understanding that these are estimates. I very much understand that they can change. I am curious, when you look at the amount that is affected by personnel that we have lost, I know we are in the middle of hiring two new firemen – is that correct?

Chief Mason: We have a test scheduled for the end of September. Yes.

President Kirchner: Would you not anticipate them coming on...?

Chief Mason: It would be November at the earliest before we could get anybody in here.

President Kirchner: Okay.

Chief Mason: We have interviews, testing and all that.

President Kirchner: So, those savings documented here could potentially be all captured this fall, but the line item will go right back up to where it was...fairly...new hires have a lower salary...I understand...a small incremental change...but we will be right back at the same spending level. Correct?

Chief Mason: Yes.

President Kirchner: Okay. And is Duane here?

[General comments that Chief Weyand had stepped out the room for a phone call]

President Kirchner: I believe we are also in the process of hiring two officer on the police force. Correct?

Safety Director Russ Burton: And a dispatcher.

President Kirchner: And the timing on those coming on?

Safety Director Russ Burton: Probably about the same time. Late October or early November.

President Kirchner: Okay. And the reason that's critical in my mind... while we may couch your savings in this year, we'll be back to the same expenditure level next year. So, those don't transfer into 2013. We're right back at the same level.

Safety Director Russ Burton: True.

President Kirchner: That answers the majority of the questions I know I have. As I read through more of these... I do appreciate very much the work on this, David. It's excellent work and I think helps lay it all out for very easy reading.

Auditor David Hollingsworth: That's all I have.

[General comments of thanks]

Councilman Mead: I know it's your job, but we do appreciate the time and effort that it does take to provide those kinds of figures. I know you and Mary Kay have put in a lot of time in doing that.

Auditor David Hollingsworth: Well, we try to make it easy. We know that you guys, number one, are not accountants by nature and you only look at this periodically. We are trying to make it as easy to understand as we can.

Councilman Mead: Easy to understand and then change it, right?

Councilman Jaehnig: Like the tax code...

Auditor David Hollingsworth: And a lot of the stuff, even to me, doesn't make sense that you are required to do in fund accounting, because it is totally different from what I do on a day to day basis. To me, it's not real logical, but it is what it is.

President Kirchner: The other question that I would ask, David, with the realization that some of these bodies are going to be coming back on at the end of the year, is it the advise that we don't do any reverse appropriation until you get to that point in the year?

Auditor David Hollingsworth: I think you need to decide, since we're at the start of the budget process, I think you need to factor that in probably for 2013. If they don't come on board until November or maybe even after that, I'm not sure I would be overly concerned about 2012. I think it's going forward into 2013. We'll give you information on what was actually spent, but as far as trying to project when they're going to come on. I think you're kind of rolling the dice. I think it would probably be a safe bet to say by January 1 you would have people in place, so I think it's probably more of a discussion for the 2013 budget than the 2012.

Councilman Jaehnig: With the amount of ex-employees that are on unemployment right now, do we have any... Danny, we have only one employee who is currently receiving unemployment right now? Really?

Auditor David Hollingsworth: And that's out of the recreation fund.

Councilman Jaehnig: Well, then that's a moot question.

Councilman Mead: The next item on our agenda is a general budget discussion. I will let President Kirchner start that off.

President Kirchner: Well, it kind of starts where that leads off. The question of, as we look at the savings that we have identified. Correct me if I'm wrong, but I'm guessing that the amounts that the mayor referred to that we have been able to add to the carryover likely came out of the savings that we've just gone over for the General Fund accounts.

Auditor David Hollingsworth: Can I clarify that...if I might interject...because I was in Boston at the last council meeting, and I understand. I just want to make sure there was no misunderstanding. I understand the County Auditor was here and spoke to the effect about money that we had asked for in the way of an advance. I may be totally wrong, but I had somebody who is not here tonight approach me. He got the impression that we asked for that money to pad the General Fund balance on what it was at the end of July. We always ask for an advance on our real estate taxes – twice a year. Because we don't wait until they have their final settlement. The request we made for an advance was not out of the ordinary. I mean, that's something we have done forever. I don't know if you saw in the paper, Clinton Massie, they actually ask for an advance every week on their real estate taxes. So, it's just a matter of not...and some of it is for cash flow purposes – rather than waiting for the real estate taxes that aren't paid until February, we normally ask for an advance early so that we have cash available to pay bills, basically. But it's nothing out of the ordinary. But he got the impression that it was kind of alluded to that we asked for that advance to kind of pad and that was the reason the General Fund balance was higher than what it was at the beginning of the year. That wasn't the reason for the advance. We always ask for an advance, and then we get a final settlement at the end of the year once they have collected all of the real estate taxes. I just wanted to clarify that in case there was a misunderstanding.

Paul Fear: David, that's correct. It's a February and July situation – the first of every February we ask for 300, and of course in July we ask for 300. They give us what our share is of what they have collected and then they settle once they've cleared their settlement. We're still waiting. What they did...it was so low this year when we asked for it, instead of getting 300, we only got like 127 for the first advance. So we decided to ask for a second one, and on that we got 356. So we got more of it from the two advances than we did from the 300 request. But it's been done that way every year, so there was no padding done. It is just that timing-wise, since we got such a small amount on the first amount, we asked for a second one. Now they will settle with us. It's probably going to be a month because they're doing a big computer changeover there, so the people in charge of it. But we still have a little bit coming out, maybe a hundred and a half or so. You're totally correct.

Councilman Jaehnig: Some of that has to do with what David was saying about cash flow, because the Parks money and taxes had a little bit to do with that request. Didn't it?

Paul Fear: Yes they needed some more. Since we only got 127 from the first advance, they were looking for more. That's kind of specifically why we asked for that second funding. We didn't need it out of the General Fund cash flow, but there are some of the other accounts that we got money in for.

President Kirchner: The account value we were looking at was the Auditor-Treasurer's report for the close of July. Right? Which showed a General Fund balance approximately 2-point...

Paul Fear: 2.891. That was July.

President Kirchner: So that's just a matter of cash flow when things come and when things go out. We actually, ...based on the fact that we do have some of these items that have not had expenditures for specific reasons, the funds still remain there. The identification of what they are is the critical part to understand where the 300,000 came from. Actually, if you look at these estimates for the year, the General Fund estimates end up in that 700,000 range. I understand they can change their estimates, but the question that becomes going into 2013, what of those are considered permanent from a budget standpoint? That's the reason the question about where the savings came from and whether or not they're permanent came up. Also, can they be reverse-appropriated? And to that question, without knowing what's going on when those employees will hit, do we just wait until that final meeting of the year when we reverse-appropriate, identify this now, understanding that it's only a one-time savings, or should we...

Auditor David Hollingsworth: That would be my suggestion, because you don't know when they're going to start.

Councilman Wallace: Mr. President, I just have a suggestion because I have felt for a long time that in some ways, we're not really doing our job up here. In this whole budget process, I think we would be smarter by us sitting down...as an example, for the last several years, we have dwindled down this carryover amount of money. Right? Certainly we can't get it to exactly where we want overnight. That wouldn't make sense. But, to me, if we would work with the mayor and work with our accountants and work with everybody involved who really knows and who can make some good educated guesses on where we're headed next year in 2013. If we could give some guidelines to our mayor and to all of our directors for what...let's just pluck a number out of the air. Okay? Let's just assume that we work on having a 3-month carryover. So, looking at what you gave me here, I'm saying, okay, let's pick \$2 million as a carryover for next year as an example. We say, okay, budgetarily then, let's make sure that whatever we come out with, the bottom line when we vote on this in December, that we're guaranteeing ourselves of having a \$2 million carryover, which is an increase of over the \$1.3 or whatever we had this year. Then we'll work on it as we go through this process – not worrying about anybody's budget. We're not talking about the street maintenance repair. Let the mayor take care of that and his directors. Let them work out a budget. We will still have our committee meetings and go through and answer our questions. Don't get me wrong, I think we want to have an idea of what is going on in each department like we do now, but I think we get too involved in how much money we pay for the gravel as council people, you see. Like right now, we're looking at the overall.... Dave did a great job of showing us just how complex this really is to start with and how hard it is for us to put really concrete numbers. And yet, as I have sat here, these guys are pretty on at the end of each year. I've been here. They've kind of given us a clue about where we're going to be. You've only passed a budget and they've been somewhere pretty close for all the flexibility you've got. So, I guess my recommendation for us sitting up here would be to somehow figure out what it is we thing would be a good number for the mayor and his group to start working on, so that when we come to our individual committee meetings and start talking about this, we can work toward that carryover number. If it's \$2 million. If it's \$2.5. If it's \$3. Whatever we think is really a reasonable number, so we can reverse what has been happening with the downfall and start increasing that back up to where we all want. I think that's the way to go.

President Kirchner: I won't disagree at all. Mike, the issue is, in order to do that you have to either increase revenues or decrease expenditures. The question of how much we should keep in reserve, I think is something in talking with the Auditor – and David, please, correct me if I'm wrong – the original place that it kind of got set at, three months/25% of your budget, grew out of advice from our bond counsel that it was an effective standard to use to demonstrate fiscal responsibility and security and keep our bond rating effective. Is that accurate, David? I don't mean to put words in your mouth.

Auditor David Hollingsworth: No. That's how it originated. Now, if we go below three months' worth of expenditures in the General Fund, is that going to affect our bond

rating? Probably not. There's nothing out there written in stone that says if you go below this limit, we're going to lower your bond rating. They are going to look at the city as a whole. But I think just as kind of a...everybody calls it a "rainy day" fund...somebody's got to define "rainy day" for me. If the situation we've been in is not rainy day, I don't know what it is. Logically we can't take it below zero. We can't. It's against the law; it's illegal. You've got to find a balance. The citizens pay their tax dollars to receive a service. They want police and fire protection. Again, they want the ambulance to show up if they are sick. I know we have been the benefactor. I've got a 93-year-old mother who has had to use the ambulance several times. We're not here to save tax dollars that come into the coffers. We're to use those to provide services to the citizens that pay the tax dollars. You know, if our revenues have fallen to a point that we cannot support the safety services, then some changes are going to have to be made. I mean, everybody is going to have to look at their budget – whether it's administrative. You're not going to be able to wipe out all of the administrative people and be able to just maintain all of the safety services. I mean, logically, you can't do that. You have to have certain departments to oversee the safety services. There is a cost associated with that. It's a matter of sitting down and taking a look. What level of services do you want to maintain for the citizens? What do they want? If you don't have enough revenues to support those services at the level that the citizens want, then I think you have to go and ask them. If that's a matter of asking for...we are in bad economic times, but at least you give the citizens a voice. I think that's part of what democracy is all about. If we don't have enough revenues, and the people expect to have a certain level of services, then you leave it up to them to vote as to what level of service you want to maintain. We have to be as good stewards of their dollars as possible and try to use the tax dollars as wisely as we can. But you're going to get to a point where you can't just keep cutting and you can't keep adding one, two and three jobs on individuals and expect them to do those jobs. I mean...Number one, they're going to burn out or they're going to leave. I think a lot of our employees have been here a long time. When you start losing people, sometimes it's hard to replace. I'll give you an example. Our office, our least tenured CPA has been there 25 years. Now to have somebody leave and try to replace them with somebody at entry level, it will be very difficult to do. I think that's the same with a lot of the departments we have here at the city. If you start losing people, then I think there's a cost associated with that. The cost of training new people. I think you can't just look only at making cuts.

Councilman Wallace: That's my whole thought.

Auditor David Hollingsworth: We've got to balance the budget. I'm not arguing with anybody. We can't spend \$1.3 million every year over what we're taking in. So, either you make cuts or you look for ways to raise revenues. The same way with the schools, I mean, I respect what you guys do, but the way you are funded is with tax dollars. I mean, there's no other choice. I mean, you guys don't sell anything. You provide a service. The same way with the city. Except for the enterprise funds, we don't sell anything. We provide a service to the citizens. I think you have to leave it up to the citizens to decide what level of services they want. You know, I don't know how many police officers you're short. Logically, if we're talking about adding employees, whether it's police department, fire department, that's additional cost to the city. Where are we going to come up with that money to pay for that? I know we don't want to cut safety services, and I'm not saying we do, I'm just saying you've got to find a way to support those levels of services that you want to provide to the citizens at the level that they want. You've got to at least include the citizens in that and give them a voice. I know they've elected us to do a job, but I think part of that job is listening to them. We can't force... And I'm not saying have an income tax increase, but I'm saying if we do, we can't force that on anybody. It's the voters that make that decision. We only had one opportunity to raise the income tax. It was 0.8 when I took office. We raised it 0.2 of a percent, and we could do that without taking it to the voters. We did that specifically to pay for the city building. Now, in ten years, when the city building is paid off, those revenues will be available for other things. But until that ten years, they are not available. We can't increase any tax without going to the voters. Again, if you don't give them a voice, you really don't know what they want. If we can show them we have done everything we can to either consolidate internally various functions that we feasibly can, or if we're going to have fewer officers on the street or fewer firefighters or fewer

EMTs, we've got to show them, this is what the cost is to maintain this level of service. This is what it's going to cost to do that and give them the voice – in my opinion.

Councilman Wallace: But I think we set the rules of engagement by saying, "This is what we want as a carryover." And I know I'm not smart enough to pluck a number out of the air, but I think we as a group, as a collective group, can come together and say, "This is what we want for carryover. So, this is it." Now we've set the rules for the budget because we know what we want to have December 31, 2013. Okay, and then, we can go from there. We can start working down. Now As the mayor goes through the process, he can say, "Wait a minute. I'm at a minimum and I need more money," then we can start looking at going to the people. Again, it's all setting the basic rules, I think. Step one and then go to step two.

Auditor David Hollingsworth: That's really what I'm saying. If you want to assume that we only have available revenues – if the income tax is \$4.1 million again – and I'm just throwing that number out – we know what we're going to have left. We just had certified to us what is going to be available as far as real estate taxes. The other miscellaneous revenues that come in, we have a pretty good idea what those are going to be. That's a starting point. If we're short, then we've got to look across the board. If it's a matter of cutting every department. I don't think it's fair to just look at one aspect of the city and say all of the cuts are going to come from there. You look at the revenues. The solution to the problem is increased employment in the city.

Councilman McKay: I think we've been given a unique opportunity with the inheritance tax that looks like it's coming our way, not that it should be part of our calculation, but it gives us an opportunity to take a little more time to possibly make some tough decisions. You and I may be going the same way, Rob. I agree with Mike, that we need a number, whether it's 2, 2.3, 2.5, whatever it is, and then you've got to whittle back and see how to get to that number. Now, if we indeed can't get to that number or we don't want to get to that number by cutting staff or cutting staff as deeply as we might need to, but then we still have time to take the opportunity look at additional sources of revenue, i.e. income tax. That could happen in the early stages of next year, but we have a little more time to consider.

Councilman Jaehnig: I just want to make sure I am understanding your concept correctly. If, based on David's number, we're at \$2.054 million at the end of the year and if we get approximately \$800,000 in estate tax, our spending, based on these numbers right now, into the carryover is approximately \$550,000 above what we bring in. Then, if we repeated the same spending in 2013, Mike's number would be then \$2.35 - \$2,350,000 would be the supposed number that council might say, "Mayor, this is what we want in the bank at the end of the year." Am I understanding what you are saying correctly?

Councilman Wallace: Yes, whatever that number is. I'm saying, let's tell the mayor, "Here's what we want left going into 2014. This is the carryover we want." Now, take that, and we have a rough estimations on what our income is going to be based on everybody's input and now let's start working the budget. You sit down with your people and come up with something. I don't know how it's going to play out. But that seems to be a whole lot better for us, because I have no idea how many firemen we need. I don't know how many trucks I need to have on the street or how much gravel we have to buy. Frankly, I am not educated enough for that. But I do know this, basically we've been screaming and yelling at each other for eight months now. We sort of have an idea of what we want to carry over into 2014 or we can come up with that number. To me, then, that's the rule for budget. This is what I want by the end of 2013. Now let's talk about budgeting 2013.

Councilman McKay: The part that I didn't get to say or forgot to say is not that I want an income tax imposed on anybody. But I want to know what services we might have to cut or provide the citizens the opportunity to make that decision. No one wants the income tax.

Auditor David Hollingsworth: I know this has been... I think our office... we're providers basically of information. We don't manage any of these departments. We can tell you what the effects are going to be of hiring or firing, but we don't make those decisions and we're not in a position to tell you, the same as Mike or Mark mentioned, how many police officers we need, firemen we need. I don't know. But I can tell you, if we have 20, 21, 22 police officers on the street, we can do the math and tell you what that's going to cost, but until we all sit down and kind of... I think we're all trying to go in the same direction, but it's just a matter of ... I mean we can't keep going back and forth, or you guys can't keep going back and forth in the way that we have. We're not going to accomplish anything. It's not fair to the citizens and quite frankly, it's not fair to anybody sitting up here, for that matter. We know we can't continue to spend more than we're bringing in. It's just a matter of determining how much money do we need to operate the city with the local services that we think the citizens want. We just need to all get on the same page. Because I think we're all working toward the same goal. It's just the way we're going about it that we're butting heads.

President Kirchner: The thought that I would offer... I agree that this council and administration all need to understand what our fiscal approach/plan/standard is. How much carryover? In my mind, it's a length of time in the budget. Do you carry one month? Do you carry two months? Do you carry three months in carryover? Because as David said, you can't hit January 1 at zero. You can't do it, so you've got to have some degree of time in expenses. If you think about our cash flow, we don't regular get paychecks ever week as a city. Our cash flows in chunks and it's based on calendar falling dates that every year change. When the withholding comes in from fourth quarter, when the revenue begins to flow from property taxes in February. So, the question is, how long of a period. The reason I say how long of a period is because that period makes a difference as to how big your budget can be to get the number for carryover. It's a percentage. Right now, 25% of our \$9.2 million budget is about \$2.5 million, which we entered this year with. Two million dollars would be three months, 25% of an \$8 million budget, which would mean we would have to cut \$1.2 out of what we currently spend. So, that's why I'm saying that this council and administration have to get to a point where we have a fiscal approach that carries over an amount that we feel is responsible. Of course, that carryover would also be there for any unknown, unexpected, unplanned emergencies potentially.

Councilman Wallace: I'm not bartering that number at all. I'm suggesting the concept, which I know we all think about that, because that's what we end up voting on in November or December anyway. But, it's the idea of what is that number? Let's come up with that number. Let's give it to the mayor and give it to our department heads and let them work on that and see how we can sort that out then. I know it's going to be a strain on everybody. But that's the beginning of the budget process.

President Kirchner: Well, and I personally feel that the 25% carryover that just covering three months of operational expenses is a fiscally responsible level. I don't feel it's excessive, but I think that this council and this administration have to come to an agreement on what they think fiscal responsibility is to carry over. And that's the discussion that you're suggesting to start with. Because once you start with that, you can then work backwards from where we are at and what we're spending and what we're expecting. David, in looking at 2013, my thought would be that we have not seen any major change in employment situations which would drive major changes in that earnings tax number. We will likely see revenue in the same level as we will this year, barring any major upsides or downsides.

Auditor David Hollingsworth: And I can't... That's a moving target. The Income Tax Department would be better to speak to that. You don't know what we're going to earn. You also have businesses in there. You know, you can have an uptick one year and lose money the next, which is going to have an effect on that income tax number.

Paul Fear: We just had a business bought out this past week. What are you going to do with 220 employees?

President Kirchner: It's a valid point. The risk on the downside is much more concerning because the smaller that carryover gets, the more that impact of a major downside, very quickly impacts the city.

Councilman Jaehnig: I think three months is a good place to start. As Mike was saying, you know, that's where we start and we build from there. I would agree that the three months should be the minimum that we start the discussion at, if that is the direction we want to go, and then continue to build it from there. Because, personally, I would like to see us get well beyond three months again. I don't know how long it's going to take, but if we could get that back up to a full year, I think that would be the responsible thing to do, God forbid we are ever in this situation again. I like Mike's concept. I think it will allow council to have a much more open and reasoned discussion.

President Kirchner: The question would be, would you all like to agree on that number at this point, the length of time, whatever it is, that council wants to do to work a budget around?

Councilman Wallace: I don't know if we know that number, but I think maybe Mary Kay and David and some people involved can kind of get their heads together and get back to us in due time with that number, and then we can agree on it at that point in time. I don't know what that number would be unless we want to work off of this year's budget.

Councilman McKay: We know what percentage we're shooting for.

Councilman Wallace: Yeah...25%...right. But what do we expect our revenue to be in 2013 and then we can go from there.

President Kirchner: You won't have actual revenue projections until what point?

Auditor David Hollingsworth: I would have to get the information. At the next council meeting, you're going to be acting on the real estate tax. We just got that from the county, so we know what those numbers are. Income tax, that would have to come from Marke's office.

Paul Fear: We got local government a couple of weeks ago, that 340,016, so we've got that. But we have asked for casino's money, which could be an additional. We have some monies maybe flowing in from the hangar on the fees. So, this...

President Kirchner: I'm trying to understand a date when we will have revenue projections for 2013. I would share with council, I have been working on the thought that a reasonable number to try and start with until we get to that ability is our current revenue projection. You'd love to believe that they're going to go up, but there is a potential that they could go down. If we start where we're at now, at 7.9 roughly estimated income for the year in the General Fund, it gives you a starting point. As we get toward the end of the year, we could find that there is upside or there is downside.

Councilman Wallace: I don't disagree there. That's a good starting point.

President Kirchner: But it seems to be like a place to start. If 25% of the budget is where you as a council are wanting to get, then we've got significant cutting that we'll have to do for 2013.

Councilman Jaehnig: It's a little more confusing than that because of the revenues that are coming in. If we're saying 25% and we're thinking a budget-to-revenue issue for 2013, we'll have potentially much more than that in the fund at the end of the year.

President Kirchner: Not...

Councilman Jaehnig: If our projected revenues for next year are \$7.9 million, 25% of that is a little less than \$2 million...

President Kirchner: Wait. It's your budget that you're talking about; not your revenue...

Councilman Jaehnig: Oh. Thank you.

President Kirchner: You're budget is \$9.2. If you did the same budget next year that you did this year, you would spend \$1.3 million more than you be taking in.

Councilman Jaehnig: You're correct. I had my numbers backwards.

President Kirchner: I didn't mean to cut you off, Rob.

Councilman Jaehnig: I don't know if I'm ready to go ahead with a number tonight. I think it's definitely a much more attainable number through council. I would be very interested in when we could have revenue projections and then immediately schedule a discussion.

President Kirchner: If I could offer to council, we're sitting on September 1, and that means you have four months left. You have a budget process that needs to begin now. We really do need to decide on that number at this point to set up the structure for what we're going to try to achieve in the budget process, because if we have the department heads go out without that total in mind, and the mayor doesn't have that guidance, they could go out and develop budgets that are away from that target of desired carryover. You have to give them, at this point, something to begin the process.

Councilman McKay: Don't we need projected revenues to do that?

President Kirchner: Well, you won't get projected revenue until later in the year. That is why I was suggesting you start with this year's projected revenue. We look like we're tracking closely to this year's projected revenue number, \$7.9. If you want to be safe, say it's a little lower. Or if you want to be optimistic, say it's a little more. But, it seems to me that \$7.9 is a reasonable number because we don't see currently any major impact coming in 2013. If council starts with that 25% number and the estimate of revenue is \$7.9, you can work backwards from these numbers and know what you've got to cut. The other thing that I would like to say – in the inheritance tax, do we have a period of time in which that can be challenged?

Paul Fear: Three years.

President Kirchner: So, we have a three-year window where technically that will be challenged and the income that we think we have time with can be pulled back.

Councilman McKay: But we have it right now.

President Kirchner: We don't have it yet.

Councilman McKay: Well, we will have it shortly.

President Kirchner: it was also my understanding, based on that, that was a raw number. A complete number, without any fees taken out of it by the Auditor's Office, and that there could be filings against it that exist now.

Paul Fear: The law says that they are supposed to provide the money to the state nine months after the death, so that is what they do, whoever is the executor, whoever the trustees are, they give the money and it flows through. Now the raw number that we have is the number the county has gotten. They will get their fees out of it. They get 3% of 100, and 2% of the next and on down. Then they will adjust it to the sheriff and everybody else who gets fees out of it. We will have the gross number right now. We'll have the net number in about three weeks. But then, for last year's, we got \$240,000 inheritance tax. In years before, it's a three-year floating window where the people are able to claim back against those things. You don't want to spend the whole \$800,000 this year, because if you get any claims against last year's 240 and the year before, whatever, that would have to come back, that would need to be spent, so we would could get

money against that for up to three years. There are other debts that happened this year. We still may get some next year. But, I wouldn't try to use the whole eight to balance your budget deficit.

President Kirchner: I would agree. I think when you look at the projections here, the \$2.8 carryover projection means that we added only \$300,000 to the carryover after getting \$800,000 in unexpected money, and we would need to keep that \$300,00 there. If we just keep \$300,000 of that unencumbered, you ended the year right where you started with \$800,000 more in revenue than you planned for because we planned for zero for the estate tax line item.

Auditor David Hollingsworth: I missed the \$300,000. What was the \$300,000.

President Kirchner: If we kept a portion of that \$800,000, say it was \$300,000 that you didn't want to spend, that would be the difference between \$2.5 million and \$2.8.

Paul Fear: He's just picking an imaginary number.

President Kirchner: I'm not saying that's the number. I'm just saying that basically, whatever it is that you reserve, if you use \$300,000, we're right back where we started.

Auditor David Hollingsworth: Why would you want to reserve? I'm just trying...?

Paul Fear: He's saying if we want to say we want to use \$2 million as the minimum budget and we got this \$800,000 in and you use some of it to balance the budget, he's saying you really then should be at \$2.3 million. He's said let's not spend all the eight because we may have claims against it, and that's the imaginary number that he's...

Auditor David Hollingsworth: I guess that's... What claims are you...?

Paul Fear: Heirs of the estate.

Auditor David Hollingsworth: Yes, but that would not affect the tax.

Paul Fear: No, but it would affect what we have to pay back.

Auditor David Hollingsworth: Well, no. I'm not sure how it would affect what the inheritance tax was. They might challenge the way the estate was distributed. The only claims that would affect that tax would be if there was maybe if there was an outside creditor that wasn't disclosed or if there was a claim that would reduce the taxable estate. An heir coming back against the estate is not going to have an effect on the tax. The probate of the estate is going to be the same. The only thing that they would be arguing is how the estate was disbursed, which has nothing to do with the inheritance tax. There is a three-year statute of limitations on where the state can come back and actually audit the return and change it. That could possibly affect the inheritance tax, but as far as an heir having a claim against the estate; that would not affect the amount of inheritance tax that we got. I don't think we've ever had a claim against the inheritance tax in the 25 years that I've have been in office.

Paul Fear: You can talk to the judge, but I think we have had one.

Auditor David Hollingsworth: I think that three-year statute is for the return to be audited. There is a nine-month filing period in which the estate has to be settled and the tax return has to be filed. You can't get an extension, but the court usually pushes it to be settled in nine months. So, there really shouldn't be anything, unless there is a reduction in the taxable value of the estate for whatever reason. An heir coming against the estate, that would be a matter of the courts redistributing what was left over after the tax was paid.

President Kirchner: I have asked the Law Director if he could give a legal opinion on the law associated with what could be challenged and see if he can identify for us what can be affected. That way, we can have a better idea of what could affect that number.

Councilman McKay: Mr. President. I want to say, we have had a really good meaningful discussion tonight – calm – and I appreciate that from everybody. You're question about making a decision on the carryover percentage, etc., I think I would like to have maybe a week or so to just kind of mull this over before I make a decision. The rest of council can certainly decide what they want, but I would rather not try to make a decision tonight.

Auditor David Hollingsworth: Here is what we can do – provide you with – it it's a concern about having enough carryover at the start of the year to be able to pay our bills basically. We could take a look at what revenues we collect in those first three months and what we pay based on 2012 to give you an idea of what kind of cash flow we need. Because, if we didn't collect all of our tax revenues until the end of the year, then there would be a big concern about having enough cash to carry us up to that point. We are a little fortunate in that most of our tax dollars come in during the first six months, so I don't know that cash carryover balance – it's important but I don't know if it's as important as maybe we're thinking in getting us through those first few months, because that's when we collect most of our revenues. We'll tie that down for you if you need that information to kind of get an idea of what you think...

Councilman McKay: I think you're very close to coming up with some working things that we have not been able to do in the past and put our arms around the big picture a lot better than we've been able to. I applaud everybody for their discussion on that. Yes, if we could have maybe a few days and then maybe we can pull together another special meeting or do something where we can maybe nail those numbers down that you're looking for. Would that make sense?

President Kirchner: I would offer the thought that with a regular council meeting next Thursday, a week from tonight, we could visit this issue in the regular council meeting as opposed to having to have another regular meeting for it. We could get it on the finance agenda and put forward options and let council discuss it and make a motion on whatever it is they would like to do. I do think that waiting much longer than that gets into budget season.

Councilman McKay: I just think we have made huge decisions tonight, and I'm happy for that.

President Kirchner: I know that one of the things that I think would also help us is to understand from those whose budgets were affected by lower costs this year, if you can identify, if any of those are permanent or semi-permanent going into 2013, you would expect to have the same reduction in your budget. If we can identify that, it would also give an indication of how much of a savings achieved this year could carry forward into the 2013 budget, because that will, again, affect the process. So, I think that covers a pretty good general discussion of the 2013 budget approach. I have taken the notes and have offered to type them up, we had, and I did not get to them. I was on a business trip this week, but we had talked with the auditor and I would like to circle back with him some to take a look at this budget schedule that we had tentatively laid out. The idea was looking for initial budget reviews with the departments for the 2013 budget in the last week of September through the first week and a half or so of October, just to get people in mind of when the meetings are going to be coming fast and furious and to give enough time. I will talk with David and the mayor tomorrow and see if we can solidify some around this schedule and then try to get it out again for council to look at in the next meeting. We obviously will have some work to do this fall, so... The next item, Mr. Chairman?

Councilman Mead: I have the presentation and analysis of proposals from the mayor based on his Blue Ribbon Panel report. Are you prepared to do that, Mr. Mayor?

Mayor Riley: Yes, I am. But I would actually rather not. What I would like to do... we're pushing two hours already. It's almost 9 o'clock. What I would rather do is talk to all of the councilmen... Don and I have already talked some today and in previous days about landfill and I've given him some more ideas about options with the landfill with some pros and cons – you know whether we're talking about landfill or we're talking

about safety services, EMS, fire, any of the departments. It makes sense that it would work better if I could just meet with each of the chairs of those committees with department managers and sit down and talk about some of the nuts and bolts and some of the options to figure out where council might like to go with these. There's some really radical things that have been suggested, and there are some radical things that we have talked about. Russ Burton and I met with a for-profit ambulance company a week and a half – two weeks ago – just to see what we can do with emergency medical services. We are just looking at options. I talked with Chief Mason this week about some of the options that we might have with emergency medical services and the Fire Department. Each one of those topics could literally take an hour-plus. I would rather spend an hour with the committee chairs at your convenience. It certainly doesn't have to be during business hours. I'm here at 9 o'clock at night already, so it could be at any time at your convenience where we could meet in my office or your office or wherever you want to meet with the department heads that would be affected by this. We could just sit down and brainstorm some of the ideas. Then, the next step would be to take it to your committee and to present some of these ideas. We'll have first glance, weed through some of these ideas, take it to the committees, have some discussions about some of the options. We almost did that today with some of the landfill. We got close to it. We really didn't get into some of the nuts and bolts of the ideas, but I would love to do that – take an hour or two or whatever Don thinks it would take to sit down and talk about the landfill or talk about the Water Department or Wastewater Treatment Plant and the other services and then bring that back to committee. Then we could make some presentations to council. It just makes more sense to do it that way than... I mean, literally, we could talk for an hour or so about each one of these topics, and I don't want to delay this anymore than we need to. That would be my recommendation.

President Kirchner: Would it be possible to get – I know we have a number of ideas here – to get some actual estimated savings or estimated revenues that we would see from the ideas as we move forward to kind of prioritize. I mean, there's a long list of items.

Mayor Riley: Some of the things...one of the things... I've been talking with so many people and meeting with so many people. One of the items that I believe is listed on there that has been discussed was when we do the utility billing, rather than putting a return envelope in, should we save money by not including a return envelope? The savings on that would be about \$1500 a year, a fairly minor amount, but who are we passing that expense on to? We're passing it directly back to the citizen. They would have to buy the envelope and mail that back in. In talking with Barb McVey, she said it's a very small amount and water, sewer and sanitation all pay a third of that since it's their bill. So, it's costing each of those departments \$500 per year and they're enterprise funds, so it wouldn't save the General Fund anything. So, I put that to bed. I don't think it's something we need to worry about. But again, I just spent five minutes talking about something I've already put to bed. I'd love to sit down and talk to council at any time at your convenience about some of these ideas. You all have that report. So, when you want to look through it, if you want to meet in my office or your office at any time, I'm available to start those discussions. I'm looking forward to it.

Councilman Mead: All right. I'll respect your concerns and opinions, Mr. Mayor.

Mayor Riley: I'm looking forward now... you guys to tell me when you want to meet. Or I'll call you. I will call you guys and set up an appointments if that's what you want to do. But just let me know how you want to handle it, because we need to get moving on this. By the way, since I've been amazingly quiet up here for the last two hours, I think 25% is a good idea. I think that is a standard. I think you need to be able to start the year with 25% of what you anticipate your budget to be in the particular year. That is just what fiscal management, and thank you Mike for bringing that up. I think it's a good idea. On the 800 or whatever it would be for the inheritance, I've no interest in spending that. In fact, when we talk about rainy day fund, I don't see the carryover as being a rainy day fund. I see carryover as being good fiscal management. That's what you do to start your year. You need to have that money set aside. The \$800,000 would be the pad in there that you might be able to do something that you had not anticipated doing. I would just propose for you all to think about this. We have dedicated employees of this city who have not had a dime raise in the past 4-5 years. I'm not proposing that we give

everyone a 2% or a 3%, but maybe a one-time wage adjustment with some of that money, just to let them all know how much we appreciate what they have done. I throw that out there for your consideration. But I think that would be a good use for possibly part of that. We can talk in finance and just let you noodle on that for a while, Bob. We can talk about that in Finance Committee coming up or at some point. But, I think we owe it to our most important resource, which is our staff and our employees, to thank them for being patient with us for the past 4 or 5 years while they have continued to work really hard and dedicated to the city without any increase. We owe it to them to do something. And then the budget reduction brainstorming, I think that's what we're going to do in those sessions.

Councilman Mead: One thing we can agree on, Mr. Mayor, our thrust, even those of us who voted and were not successful, our thrust has never been to eliminate a lot of our hourly employees, because we agree that they are valuable assets. We need them. And we're not trying to get rid of the services. We were working toward some adjustments in other areas, but...

Mayor Riley: Along those lines, Bob, honestly, I do not rule out the need for a reduction in forces. I do not rule that out. I think we need to have some really hard brainstorming about some of these other options. In fact, my conversation with Chief Mason earlier this week was an ambulance company could come into Wilmington, and we've already met with them and discussed with an ambulance company, they would be willing to come into Wilmington and take over our 9-1-1 EMS service at no cost to the city. They would do that strictly by patient billing so the users of the services are getting billed for the services. They can do that and make a profit. I challenged Andy to look into how we could do this and possibly increase our revenues. I would love to see the Fire Department become the equivalent of an enterprise fund and just whatever money they bring in, that's what they operate on. I challenged Andy to take a look at that.

Councilman Wells: I have one question. I worked at GM for over 30 years. When you give up a percentage to all of the employees where the higher dollar people get a bigger chunk of the money...sometimes they would do an across-the-board where it was just a dollar amount for everyone and not a percentage.

Mayor Riley: The other nice thing about that, Don, is that if you do... Let's say if we are able at the end of the this year or the beginning of next year to do a one-time wage adjustment for our employees, it would not change their base rate. It's not like a 2% or 3% increase. It's a one-time that, you're right, the percentage for the lower paid employees, if you look at like \$100, the percentage for the lower paid employees is going to be greater...it will have more impact on their budget than it would on some of the higher paid employees. I'm on board with doing that.

Auditor David Hollingsworth: Are we on brainstorming?

Councilman Mead: Yes we are.

Auditor David Hollingsworth: This is not really brainstorming, but I meant to mention earlier, we've had preliminary discussions with our bond underwriter about refinancing a couple of our debt issues. One is in sewer fund – it's talking about into a general obligation which would free up a reserve fund that is restricted and has about \$160-some thousand dollars in it. It would free that fund up to be able to be used for capital improvements. If there are improvements. But, the other one is the G.O. debt on the city building that we possibly could save \$120,000 a year under the current interest rate structure and about the same I think with the sewer debt. So, we're in preliminary discussions with them about possibly refinancing that. So, we'll keep you abreast of what is happening there. But it looks like we may have an opportunity. This will probably be a one-time opportunity. I don't think we'll have interest rates this low. We know they're not going to be down there forever.

Mayor Riley: There are some other things going on, Bob. I'm an optimistic, glass half-full kind of guy, but you don't budget on hope. You know, you work hard for positive outcomes, but you don't budget hope. There is some possibility, and I have been told by

a few people likelihood, that some of the money that we lost several years ago --- Larry, how long ago was it that we lost the money that supported the streets department?

Service Director Reinsmith: It's been four or five years.

Mayor Riley: Four or five years ago? How much was that?

Service Director Reinsmith: \$800,000.

Mayor Riley: It basically funded our streets department. There's a possibility that that may be back. I've had a couple of meetings with the Director of the Ohio Motor Vehicles Board and a few other people. The reason we lost that was because licensure was taking place in Indiana instead of Ohio. They have now upgraded their system, according to what I have heard from BMV. They are as efficient as the State of Indiana now. It's just a matter of luring some people back here. We are planning on doing that. There is a possibility of some more revenue coming in next year. Again, I'm not going to budget that because I don't know if it is going to happen, but God willing, we'll get a...

Councilman Stuckert: Mr. Mayor, have you looked into... I've heard about that somebody had said that we weren't supposed to be getting the money anyway. Have you looked into that part too?

Mayor Riley: Yes. I talked to those folks. They assured me that it is appropriate that we would get some of that.

President Kirchner: If I could offer, on the sewer, when you talk about freeing up that fund for capital improvements, is that inside the sewer?

Auditor David Hollingsworth: Yes. It wouldn't affect the General Fund.

President Kirchner: Okay. So, it's an enterprise fund. That's what I wanted to know. If we save money, we save money. If it's cheaper to refinance those bonds, I don't care if it's in...

Auditor David Hollingsworth: But right now, as an indenture, we have to have that reserve fund. By converting it to a G.O. obligation, it would remove that. The enterprise fund would still be the collateral, so to speak, to repay that debt, but it would now be a general obligation rather than a debt solely secured by the enterprise system itself.

President Kirchner: Well, and I guess that's what I want to understand. So you're saying that we could still use the revenues from sewer charges to pay the general obligation.

Auditor David Hollingsworth: It wouldn't come out of the General Fund. It would still come out of the revenues generated by the sewer fund.

President Kirchner: The difference is we wouldn't be encumbered by the 1.1 coverage level and...

Auditor David Hollingsworth: Correct. And he feels we have enough room to convert it to G.O. debt without really impacting future financing if we would have other general obligation debt we would want to issue. The key is, it would free up that...it would take off that debt reserve that right now with an indenture has to be maintained and it can't be used for anything. It just sits there. It doesn't mean we would have to use it, but if we did want to use it, it would free that money up and we could use it for the sewer system.

President Kirchner: I would offer one thought. I greatly appreciate the service that we get from all the employees of the city, but just so we're clear with that \$800,000, let's just call it \$800,000 in inheritance tax, we have already, with the savings that we have tonight that we've covered with David, we have already spent \$500,000 of it this year. Even with the savings that we have, there is already \$500,000 gone, so I don't want anyone thinking that there's \$800,000 just hanging around. We budgeted to spend more

than we were making. Even with the great work that our department heads have done, \$500,000 of that will already be spent before we ever see it – if all of the savings that we've covered tonight come true. And if they don't, even more of it will be spent. So, I want to be sure council is aware. I like to be an optimistic guy too, and I do think we have fabulous employees, but we have to be realistic with the finances.

Councilman Mead: Who's next?

Do you want me to identify myself, Scott?

President Kirchner: Please do, David.

David Hockaday: 348 W. Main Street. Just an ordinary citizen. I would just like council know that this is not the first time or the first council that has had a look at that. If you look at Paul Fear's revenue figures 2003, 2004, those councils were facing the same question that you guys are facing now. So, I can give you hope that you can find your way out of this difficulty. At that time, we either had three choices, and they were all enumerated tonight. You can cut, you can increase revenue, or you can get new employees. It took us about 18 months to two years to annex Airborne and we got the new employees and that gave you the new revenue. You can see it in Paul's numbers. That new revenue was able to be preserved up until now. Now we're back to the same historical problem of 2003. I'm sure we can find another way to resolve this issue. As I told you before, I'm not going to tell you how to do your job. I have been in your position before. All, I'm telling you, is we have been there before, we've solved the problems before, so whether you want to cut, whether you want to increase revenue, we don't see the number of jobs that we incorporated when we annexed Airborne in, but I think there is a constructive power here that can get there. As David said, whether you have to raise your rates or not, it may not be palatable, but it may be the best thing to ask the public whether or not they're willing to pay for that service that they expect every day. When I call the police officer, I want him to be there. When I call for the ambulance, I want it to be there. I pay my taxes, I expect certain levels of service. I think the people of this community have become accustomed to those levels of service and maybe you ought to ask them whether they want to pay for them. But again, I wish you well, but we've been there once before. Thank you.

President Kirchner: Thank you, David.

Councilman Mead: Thank you, David.

President Kirchner: So if anyone can identify another airport around with a lot of jobs that we could annex in...

Councilman Mead: You've always got something to say.

J.B. Stamper: I applaud all of you all, for, as Mr. McKay said, getting your arms around the situation. Our school district, as you well know, has a \$24 million a year budget. We now have a \$3.2 million carryover, and a million dollar shortfall as of next year and could be under fiscal watch and could possibly be another Little Miami. All of that said, five board members are struggling with numbers just like you all are because we're in this economy together. So, at the end of the day, I applaud you for just looking it in the face and saying, "I've got a squirt gun in my hand and I'm marching right into hell with it, and I'm going to do whatever it takes to put the fire out." I applaud you all.

Councilman Mead: Thanks, J.B. Anyone else have anything else they would like to add? Any ideas?

Councilman Jaehnig: I just have a question, Bob? Glenn, is Sapling Learning still hiring?

Glen Brewer: Yes, we certainly are. We're an online educational software company dealing primarily with physics, economics and chemistry. We deal with universities and colleges throughout the company and we're looking for account managers. Just see me after the meeting. I'll give you a card. It's a salaried position. We have an office in front

of the News Journal. We are requiring a four-year degree but we're rethinking that. Obviously, they have age discrimination. We even hire people like me. But, just see me afterward and I'll give you a card.

Councilman McKay: Bob, if I could interject. I think that, as Randy said, this brainstorming might go even better in the committee structure because we're just throwing things out here and hoping that something will stick. Once we determine what those numbers are that we are looking for, I think it will be even more effective in that structure.

Councilman Wallace: Mr. President, I do have one question. I've been asked several times on the street in the last couple of weeks why City Council is holding up this TIF project. I don't know what to tell them because nothing has crossed my desk.

President Kirchner: I got a whole lot of answers to the legal questions that I have posed to Law Director right here. Let me be clear with folks, because I think you read in the paper, if you read the paper this week, that Brett Dixon had raised concerns about it and raised the question whether or not politics are playing part in it. There is absolutely no way that I believe the mayor or I would play politics with potential new jobs. However, we are talking about a 25-year agreement that commits up to around \$7 million based on estimates, \$7 million of taxpayers taxes. And because it is a quarter of a century agreement and dealing with \$7 million of abated or paid from our new income tax, it is a complex agreement, 57 legal pages and at the same time that was provided to me, ATSG challenged the ability of two members of this council to even be involved in discussing, debating, reading, knowing or voting on any of it. So, there are portions of our community that are going to be without the same representation as others. I thought it was important to be sure that we got all legal questions identified before we put it into Council. The Law Director has done a great job of turning around the questions. I will say that the 57 pages of legal documents made my eyes cross more than once. I have investigated multiple sections of Ohio Revised Code to understand how they applied to the reference in the documentation. All of these documents refer back onto each other and into each other, so you have to go backwards and forwards through them. It has taken some time, but we have the answers and the anticipation is that if the Law Director has a little bit of time in the morning to meet with me and make sure I understand all of his answers, we should be able to get a notice out tomorrow. Just for the record and clarification, the survey document was signed on the 16th of this month. So, the documentation was not even ready.

Councilman Jaehnig: Well that's the second survey.

President Kirchner: It's the 16th. It's attached to the letter that I'm being asked to sign. So, it wasn't complete yet. So, we're talking about, with today being the 30th, we're talking about two weeks to make sure that our citizens are protected in a 25-year commitment that affects \$7 million of their tax money.

Councilman Wallace: I guess my biggest problem, Mr. Kirchner, is the fact that I don't see this document and you're speaking for me as a member of City Council. And because you're kind of dragging this thing out, you know what I mean? That kind of bothers me in a way. At least if I had it in front of me, I could voice my own opinion and my needs of answering questions as well.

President Kirchner: Well, let me be clear, Mike. I wasn't speaking for you or members of council. I was trying to get clarification to what the documents committed the city to so that when you guys got them, the language was clear.

Councilman Wallace: But my point is, you're one-eighth of the council here. You know what I mean at that point in time. That's the only thing that bothers me. I'm kind of being taken to the woodshed by some people out there that want to know what's going on and I can't answer them because it's never come in front of me at all. That's the only reason I asked.

President Kirchner: Well, I believe I'm being taken to the woodshed too.

Glen Brewer: I would like to ask a question on this. Mr. President, I thank you so much for allowing me to ask, but is this a notification letter for you? Is this a notification letter?

President Kirchner: The notification letter...

Glen Brewer: Is it possible as a citizen to get a copy of that? Am I understanding that it is requiring your signature that you are being notified of something.

President Kirchner: No. It's not me being notified. I had to send something from the legislative authority.

Glen Brewer: Is it possible for a citizen to get a copy of that letter so we could take a look at it as taxpayers.

President Kirchner: Yes. It's sitting in the mayor's office.

Glen Brewer: Good. Randy, could you get me a copy of that? Is it just your signature that's required that's holding it up?

President Kirchner: Yes.

Glen Brewer: Okay. Because I think they want to get that hangar built, sir.

Mayor Riley: Glen, if you want to hang around a little bit after the meeting...

J.B. Stamper: Since the TIF was brought up by Mike, if I may say a few words toward this TIF. Respectfully, I'm a Board Member of the Wilmington City Schools as well as a Board Member of the Great Oaks. With the Wilmington City Schools, we began meeting in early June, having discussions with various people that were bringing the TIF to us to explain. I'll be the first to say that the tax increment financing programs, although they've been around for 40-some years and a lot of communities understand them, we as a school board at Wilmington City Schools had to be educated. One of the meetings that we were in, I was in, Mayor Riley was in, Rob Jaehnig was in one of them. But then there was one that Cliff Rosenberger was in on by phone, Brett Dixon. They talked about time-line. We had to have this done by July 2, July 4, or the bond writing part of this won't get done in time, so therefore, it will hold up the process of that hangar being built, which I understand the funding is tied to a year 2016 at the maximum. We, as the School Board of Wilmington City Schools, were basically put under a timeline. At the end of the day, though, I don't see a timeline here anymore. But we were put under. I had a gentleman from the governor's office on the phone the day that I was there. Randy was there. He was saying you all got to vote on a resolution. You've got to have it. The city's got to get their resolution done, and we've got to get on with this because the people that deal in the bond market have to put all of this together, which there is a mechanism for that. And yet now, we're talking like, let's just do it whenever we get around to it. I'm missing something here, because our board was put under a time-line. Brett Dixon, Cliff Rosenberger and other said, "You've got to get this done, Wilmington City Schools, by this date and we did it." And we get back in our seats. Now I come here tonight, and we're still talking about it. It's August 28 or 29 or whatever it is. I just don't get it. How did we get under the gun and then it went back to "We'll just get around to reading documents again." I thought jobs were important to this community. I believe they are.

President Kirchner: I believe they are too.

J.B. Stamper: My board felt strong about, let's have special meetings. Let's get in there. I took time off like all of you do to learn about your respective jobs as a councilman, and when I went to that meeting that day, I was educated by Cliff, Brett Dixon, Randy Riley, and I said to my board, "Let's get this resolution going." Now tonight it's like "Well, we're reading it some more." Am I missing something here?

President Kirchner: If you like, J.B., I will explain it to you. The exact people who came to you and put you under the timeline, came to this council and put it under the same timeline and said they had to act by a certain time to get the bonds done. At the time of that meeting, our Law Director advised us they didn't even have the ability to apply for the TIF because...

J.B. Stamper: So were we hoodwinked into this?

President Kirchner: The question of the timeline and the questions that were put on, I can't tell you.

J.B. Stamper: You know some of the people.

President Kirchner: I wasn't the one putting them on, J.B. What I do know, this council was put under that timeline to pass a resolution of good faith of negotiation in order to make sure that the bond issuance could be planned for. That process initiated the conversations with the school system. Now, completing all of the surveys, the ordinances and the documentation, took up until (what was the date that we finally got together?)

Law Director Shidaker: Randy, do you know?

Mayor Riley: Three or four weeks ago.

J.B. Stamper: But Mr. President, you just had one of your own councilmen say they've never even seen the document. They've never even seen it in order to make any kind of determination.

President Kirchner: I'm trying to explain it to you. The documents didn't even come to go before council until just three and a half weeks ago.

J.B. Stamper: So what did we do on that timeline?

President Kirchner: Let me explain. They came at the same time with an indication that ATSG was challenging whether or not some of these representatives of the people could vote.

J.B. Stamper: Jobs are good for any community. That in itself was driven home at every meeting that I was in. Every meeting. Even the Governor's office. "Do you all want these jobs, Wilmington?" The gentleman said, "If you don't want it, we'll take that money we've appropriated and go somewhere else." That's almost his exact words, and Cliff Rosenberger was on the phone that day with us. Brett Dixon was on the phone. Now you all are telling me you all still haven't even seen these documents? Again, I feel hoodwinked. I feel our board was hoodwinked, because they kept saying, "Wilmington City Schools is holding up the process."

President Kirchner: And they move that forward to everybody they want to put pressure on and now it's on me. And I'm perfectly happy to handle this. But let me say this...

J.B. Stamper: I now understand what went on now.

President Kirchner: What I want to be sure that I do, because I'm sitting here working for the citizens...

J.B. Stamper: I understand. You've got your process, but I just want people to know that we were...

President Kirchner: ...to make sure that their tax dollars are not unnecessarily risked...

J.B. Stamper: ...at one point told, "You're holding up... Wilmington City School Board, you're holding up this process. Here's the deadline by which you need to do it or we're going to take our money and go elsewhere and it will be your fault."

President Kirchner: I wasn't part of that.

J.B. Stamper: Mr. Liermann was on the board too and he heard the same thing, and now here we all. Councilmen have not even read this document.

Councilman Jaehnig: I agree with the due diligence that you're doing, Mr. President, but I don't understand why that due diligence couldn't be done with the notification still going to Great Oaks. Because that notification, my understanding and I haven't seen the letter, that notification, all that does is notify that the TIF has started. It doesn't commit anybody to anything. Am I incorrect in that?

President Kirchner: It notifies them that this council is going to consider passing this TIF.

Councilman Wallace: We already said that on the other one...in good faith. We said we would negotiate in good faith.

President Kirchner: It's another part of the process that was unknown to me at the time. J.V.S.D., Joint Vocational School District, does not have a seat at the table in negotiations. They are not a party to these agreements. However, by law, they will get the same compensation agreement that the school system has negotiated. And they have to have a notification process which has to be done when the final documents are completed. That's when I found out that there needed to be a notification letter, but I also found out that two members of this council were going to be excluded. All of that hit at the same time with a 57-page document that commits a 25-year tax abatement. The questions that I have asked have related to language, understanding whether or not any additional revenues that the citizens are at risk by the agreements, reading carefully to be sure that we are not risking any existing revenues with them, and to understand the commitments we were making to be sure that, since not everyone was going to get to talk, we had all the legal clarification to what was being said.

Councilman Wallace: But we're ready to move forward on this? I guess that's the question.

President Kirchner: With these legal answers, yes. That's what I said in the News Journal Wednesday.

Councilman Wallace: I didn't see that. So...

President Kirchner: Well, this isn't the first time the question has been asked. And to J.B.'s point, the pressure now, "We've got to have this, we've got to have this, we've got to have this," has moved to this point. They've just done it all the way through the system. I get that.

Councilman Jaehnig: I look at it slightly differently.

Service Director Reinsmith: Another issue, there is urgency and time is always urgency. But I've talked with their architects, and their plan was...they asked if they could get early approval on just the foundations and footers of that hangar and they wanted to start that November 1 because they could get the foundations in and the footers in and they could work through the winter months doing all structural and stuff like that. If that gets delayed, they can't do their footer and foundation work and they'll have to wait until the spring. That will delay it four or five months more, and that will be four or five months more at the end that you don't have employees working.

Keri Jaehnig: 606 Oakridge Drive. And that also brings in tax dollars...correct? Which then also affects the school's budget? It's kind of a circle. What I'm hearing is you didn't even give your council people the opportunity to ask questions the same as you got. People are asking questions...

President Kirchner: Council will have a chance to ask. Council will have a chance to ask.

Keri Jaehnig: When?!

Councilman Jaehnig: But we'll have to go through the same process and it will delay it again.

President Kirchner: Not necessarily. You can have the Law Director in the meetings with you. In my case, the Law Director specifically asked for written communication and not verbal communication.

Keri Jaehnig: I have another question. Did your Law Director ever advise you not to go ahead? Did he inhibit the process in any moment?

President Kirchner: No. That would not be legal advice that he would give me. He would give me the advice to be sure that I understand the documents that were provided forward and understanding how people can or can't be limited to see them. Now, I will say also, had I been involved in the process when the mayor was going through the negotiations with ATSG and the school system, I probably could have gotten a lot of these questions answered then, but I wasn't, as I indicated in the article. And that wasn't my choice. But now that it's here on my desk, I'm just going to do what I think the people elected me to do as efficiently and effectively as I can and then we will move it forward, and right now, it's should be able to move forward.

Glen Brewer: When do you anticipate signing that letter, Mr. President?

President Kirchner: I've already talked to the clerk about coming up tomorrow and signing it as I indicated a few minutes ago.

Glen Brewer: Because concrete season running out fast.

President Kirchner: I won't disagree.

Glen Brewer: You can't pour when it's cold.

President Kirchner: I won't disagree.

Glen Brewer: So you'll probably have that signed tomorrow.

President Kirchner: That's exactly what I indicated.

Glen Brewer: All right. That's good to hear, Mr. President. Thank you.

President Kirchner: Thank you, Glen. Any other questions?

J.B. Stamper: Mr. President, I apologize if I sound like I'm coming at you.

President Kirchner: I had nothing to do with the message...

J.B. Stamper: I'm coming at the people who put us on a timeline, my board on a timeline. I find out now that all of that was smoke and mirrors. We did our part, and yet, it was presented to us, "If you don't do it now," and all of us in this room have had those kind of pressures, "If you don't do it now, we're taking our marbles and leaving." And that's the way it was presented to the Wilmington City Schools. I was there and heard it for myself and now it's like, "Whenever we get around to it, we're going to start this project out there called a JUMP hangar." I literally feel hoodwinked.

President Kirchner: Let me ask you a question. Where are you hearing, "Whenever we get around to it, we're going to start."

J.B. Stamper: By the process I'm seeing this evening. When Mike says, "I'd just like to look at the documents." I would have thought that every one of you gentlemen would have had at least a draft before now, when myself and my board were looking at being

told of what was going to be taking place as early as the first part of June. And Mike is saying he has never looked at a document yet. Yet that JUMP hangar, the ground should have already been busted out there based on some people's projections from Kasich's office.

President Kirchner: Actually, I believe they had planned on breaking ground last year, but that process got delayed too.

J.B. Stamper: Like I say...

President Kirchner: During the beginning of this process here, just for clarification, there was a...

J.B. Stamper: We were told too, we should come to the table. Yes, by law, when it came to the table part, we had a percentage in it. But, like the gentleman from Governor's Kasich's office, we want 100% backing from all of the entities. We don't want it any other way and that's why we began our process so quickly and spent the time we did to understand this TIF. For jobs, I think it's something that should be on a fast track, not something that should continue to be just in a meeting. Again, this could have been at the tail end. This TIF is too important and these jobs are too important to the community to put it on the tail end of a two-hour meeting. I will tell you that.

President Kirchner: It wasn't put on the end of a two-hour meeting. The legal opinions were just picked up tonight.

David Hockaday: Mr. President, the council should know that there's more than just the TIF agreement that will come before council. There are five other ordinances that will be coming on, the transfer of the property and other things, so the TIF is just one, the compensation agreement is another, transfer of the property in and out, so there is more than just the TIF agreement that will come to you when the President deems for it to come to you. I'm not belittling Scott, I'm just saying there is more than the TIF agreement for the council to look at.

President Kirchner: I know with the Wilmington City Schools, their compensation agreement negotiated with the city's was somewhere around 8 pages of the 57 involved, with a number of pieces of legislation. That's why...it got more complex, J.B.

J.B. Stamper: There's no doubt. Between you and Randy and the others, you are further ahead on a TIF than I'll ever be, but at the end of the day, it's all about jobs and we need to stay focus on that. It's all about the jobs.

Bill Liermann: See, they told us that they had to have it out of our hands by August 1 to get it forwarded to council. That's what we were told.

J.B. Stamper: We had to have to have it voted by the first week of July. I forget the exact date, but Randy was in the meeting with me. That's why we did what we did. But that being said, I apologize for anything that sounds like I'm directing it to you, Scott. It's just that we need jobs.

President Kirchner: I'm with you J.B.

Councilman McKay: Mr. President, I kind of think that everything has been talked about and resolved that can be talked about tonight. If you agree with me, I move we adjourn.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, September 6, 2012, with President Pro Tem Mark McKay presiding.

Call to Order

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

President Pro Tem McKay: We'll note that President Kirchner is not with us tonight. He was delayed in a thunderstorm in Tampa. It could be the remnants of the Republican Convention; I don't know.

Assistant Chief Weyand was also present.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, August 16, as presented.

Motion passed.

Minutes approved as presented.

President Pro Tem McKay: That is all I have on my agenda tonight. Mr. Mayor?

Mayor - Mayor Riley – Thank you, Mark. To start out with, I would invite Debbie Stamper to step up for a presentation.

Debbie Stamper: Good evening. Now, as the mayor has said, "Wilmington is open for business," and I'm here to tell you tonight so is the travel and tourism industry. Visitor travel in our community is growing. It's also something we can measure and it is something that impacts our economic welfare. But, you don't have to believe me, because we're going to look real briefly at this report that I'm giving you copies of. You may have seen some of these numbers, so I'm going to make it brief tonight. You can look at this at your leisure more in-depth, but we're going hit on some of the highlights. These are the numbers from 2011. The state does this study every two years for us. We pay for it, but they do it for us. It does give us some accountability and tells us the impact of what we are doing. 2012 we know is going to be better because of so many new events and things that have been going on this year in the community. So, I would say turn your cover page over and that first page you come to is the return on investment. I think these statistics are probably the most revealing. When you look at return on investment that is derived from each dollar bill that we've received from lodging tax. Basically what this is saying is that for every dollar the Convention and Visitor's Bureau spends, it reaps this rewards. So, for every dollar we spend, two and a half people came to Clinton County in 2011. \$333 was returned as visitor's spending, so we're talking about 333:1. That's a pretty good return. \$8.38 was returned in state tax revenue and \$13.55 in local tax revenue. You'll see below there we had 680,000 visitors in 2011 and you may say, "Man, that's an outrageous number." If you divide it by 365, it would be 1300 people a day. That isn't realistic and you can't look at it that way. You have to look at the fact that Cowan Lake brings a half a million people a year to their park. The Corn Festival brings in over three days, 40,000. A sporting event might bring upwards of two, three, four thousand people. So, that's where those numbers are coming from. It looks like a whole lot though when you put it all together. That is a 10% increase over 2009, which is when the last study was done. I would venture to say that on these return numbers that there is no other industry in the city or in the county that's doing that – that they're getting that kind of return on their investment. If you would, turn to the next page, page 3, and what I just want to point out here – this gives us actual sales. What did visitors spend in our entire county for 2011 – it was \$81.5 million. What

was spent on wages – these are wages that directly coincide with the travel and tourism industry – hospitality particularly – is \$25 million. Taxes were \$10.5. Okay, if you turn over to page 21. I thought you might want to look at where we stand in comparison with the other counties that are considered to be in the southwestern Ohio region. I would say that the two counties that I compare us most to would be Fayette County and Darke County. We're very, very similar to them in demographics and also in population and just the make-up of our counties. Fayette's got the Tanger Outlet Malls. That's a huge attraction for them. It brings in a lot of people, hundreds of bus groups a year. Even so, we did better than those two counties. Really, we did better than any county except for the ones that have a much higher population than what we do. If you turn to the next page, page 26, this kind of shows where we've been and where we are now. And in 2009, like I said, that was the most recent study that was done before this one. Our sales that year were \$74.3 million. We were down 11.9% over 2007. I think it goes without saying why. We were down. We had just come off of the announcement by DHL. We had lost a significant amount of business travelers. The whole PR surrounding our community was doom and gloom. You know, there are no jobs. It's very hard to entice people to visit someplace when there's that kind of publicity going on. So then in 2010, we actually came up a little bit. We came up 6%. And then for 2011, we were up another 3.3%. So, we're not back where we were quite in 2007, but we're close. I really believe with what has been going on in 2012, our next report will show that we have exceeded where we were before then – the fiasco that occurred here. This also compares it to the state. Because the economy was in shambles as it was. The state during that similar period of time, in 2009, was down 8.8. So, I think it could have been a lot worse for us, to only have been down that much from where the whole state was. Of course, the state includes us, so it includes those lower figures for counties that had a significant decrease. Turn to the next page, 27. This kind of shows where the money was spent. I just wanted to bring this to your attention. Visitors spent the most money in retail, with retailers, in retail trade. Secondly in food and beverage. I don't think that's surprising at all, but I just wanted to bring it to your attention that our retailers are benefiting from visitors to the county. Then, if you'll go over to 29, this is talking about employment. These are the jobs that are in the area as a result of travel and tourism. This breaks it down and shows you where these people are working. So, the largest group is in food and beverage, 339. Again it isn't surprising because food and beverage is a very labor-intensive industry, so I think we would expect that. Again, the next largest group of jobs is in retail trade. Then, if you will go over to 33 – this just kind of goes over what kind of taxes were generated. \$10 million by Clinton County in taxes overall, \$5 million in state and \$2 million in local, so it is generating taxes for the community as well. Those are really the things that I wanted to point out. Just kind of in conclusion, what I would say, when you're talking to others or talking amongst yourselves, or talking to other people in the community or even talking to people who are outside our community about bringing money to Clinton County, don't forget about the Convention and Visitor's Bureau because visitation does not happen in a vacuum. People don't just come. It doesn't happen that way. It takes very aggressive marketing and very aggressive sales efforts to make that happen. I think we succeed very well with that. Our goal is to continue on with that and keep driving those numbers up. That is our mission, and we look forward to doing that. That is all I have. If there are any questions, I would be happy to answer those.

Paul Hunter: Debbie, Parks & Recreation contribute considerably to at least the hospitality portion of it. Do you know how much it generates?

Debbie Stamper: I don't have numbers with me tonight. We had just started tracking how many hotel rooms are booked from different tournaments that go on there. Historically, the parks themselves have not benefited, because they have not been charging, but that's going to change. But definitely, our restaurants are definitely benefiting from it, and the hotels. What we want to do is in working with Lori Williams and the City Parks, a new model is going to be designed that all of the hotels and some of the restaurants have said, "We'll pitch in. We'll help out to keep these tournaments here," so the park can make some money while they're doing it, so we can keep the tournaments here and it could still benefit people in hospitality.

Paul Hunter: Well, the Parks are broke.

Debbie Stamper: Hopefully this would assist. Right now they don't have anything to gain by having those tournaments – they themselves – that entity, they don't gain anything. But the community as a whole does gain something. I'm sorry, though, I don't have any numbers off the top of my head.

Mayor Riley: Part of the beauty of this, you never know where the next good economic development lead is going to come from. Debbie and Rob worked together on the East Coast Timers Association, bringing them to the Air Park, and it was a tremendous success. They had a great time. One of the things that I just absolutely am so proud of is how they speak so highly of Wilmington after they have been here. They want to come back. I mentioned this morning in a meeting about my wife and I Tuesday evening were out at El Dorado. A tour bus came in. It rather surprised us to see a tour bus pull in. Twenty, thirty, forty people came out with name tags on. I was chatting with them and as a group they were touring prehistoric mounds, like Serpent Mound and Fort Ancient. But they were going all over this whole area. They all stopped and ate at El Dorado. They were spending the night at the Holiday Inn Express. They were so impressed with Wilmington that we are now on their itinerary. This is where they are going to stop, because this is such a friendly pretty city, and they just liked Wilmington and how it made them feel. So, my hats off to Debbie for the hospitality that you keep talking about and helping everybody remember how important it is for tourism. Thank you so much for what you do. It's really important.

[General comments of thanks]

Mayor Riley: Also, I would invite Trish up if you would. This is something that we do every year. I do mayoral proclamations, but this one is near and dear. My father-in-law is 92-years-old. He is not with the Adult Day Center, but I understand what you are doing over there and it is such a vital service that you are providing, not just to Wilmington but to the entire community. So, this is the proclamation.

WHEREAS, The Clinton County Adult Day Center celebrates Adult Day Services week each year. This year the Center will celebrate their 20th anniversary during National Adult Day Services week with a variety of activities beginning with an Open House, Sunday, September 16, 2012, at 1:00 p.m. at the CC Adult Day Center in the Wilmington Friends Meeting; and

WHEREAS, the Clinton County Adult Day Center is in their 20th year of fulfilling their mission, which is to provide respite for caregivers and assistance with activities of daily living for impaired adults in a protective group setting, allowing families to continue to care for their loved ones at home, thus avoiding premature or inappropriate institutionalization; and

WHEREAS, the Clinton County Adult Day Center is a community-based program that enhances the quality of life for its participants, promoting emotional, physical, and spiritual wellbeing, enabling them to continue to be active and involved with the community; and

WHEREAS, the services provided by the Clinton County Adult Day Center include supervision, nutritionally balanced meals and snack, social interaction with staff and peers, exercise, education and resources, recreation, groups and individual activities, and personalized care plans to meet individual needs.

NOW, THEREFORE, I, Randy Riley, Mayor of the City of Wilmington, Ohio, do hereby proclaim September 16-22 to be

Adult Day Center Week

in the City of Wilmington and urge residents to express their appreciation for the valuable services provided by these caregivers in our community.

Mayor Riley: And I say God bless you what you do, for all that you folks do. Unless you have someone who has been involved, it's difficult to explain how important it is what you do. Please convey our appreciation, best wishes and congratulations to everyone. I remember when it started 20 years ago. It doesn't seem like 20 years ago. But, 20 years of caring, God bless you and thank you.

[Applause]

President Pro Tem McKay: I will blow my own horn a little bit. The ministry is located in the Wilmington Friends Meeting where I attend, right across the parking lot. So, we have a lot of occasion to visit those folks. Sometimes surprise visits. They're always just doing a great job with the folks there. People are so surprised that something like that actually exists in the community. They do a great job. Thank you.

Mayor Riley: It is a wonderful service that you provide. Thank you so much. Also, I would like to invite everyone – you should have received an invitation to the 9/11 Remembrance Ceremony that will be held at 7:30 a.m. this coming Tuesday, September 11, in our parking lot. It's something that...we talked about this...whether we were going to continue. I said, absolutely, as long as I'm here anyhow, we will continue because we must vow never to forget and always to remember all the brave men and women who responded and who we lost on that day. I invite everyone to our Remembrance Ceremony at 9:30 by the flag.

Councilman Jaehnig: 7:30.

Mayor Riley: What did I say?

Councilman Jaehnig: 9:30.

Mayor Riley: Okay. You could be late.

[Laughter]

Mayor Riley: 7:30 in the morning. Bright and early. We'll probably be done by 8:00, so we'll be able to get on with the day. Thank you, Rob.

Councilman Jaehnig: Will there be breakfast?

Mayor Riley: There will be donuts and coffee. Extra enticement. Also at your places, you should have a report from the young professionals meeting that we had on August 7. I mentioned this to everyone. Chris Schock gave this to me this past week and it goes over everything that was discussed at the meeting. I wanted everyone to have time to look at this before Chris came in and talked, so at our next meeting, I will invite Chris Schock to come in and go over all of this information. But I said, "Let's not just hand it out and talk about it, let's give it to council and give them a couple of weeks to read over it and we'll talk about this in two weeks." So, I give this to you for your review. With that, I believe I am done, sir.

President Pro Tem McKay: Thank you, Mr. Mayor. If you think of anything else, just let me know.

Auditor - Auditor David Hollingsworth: I don't have anything under my portion of the agenda, but if Councilman Mead doesn't mind, I'll mention something under Item F, underneath Finance, just kind of adding something to our budget meeting the other night.

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

Finance Committee - Chairperson Mead: I do have an agenda this evening, A through F and maybe G. These are mostly three readings in one evening. The first item on the agenda is three readings on an ordinance making supplemental appropriations. This has to do with the waste department taking money from a waste fund for gasoline expenses and also from the waste fund to buy some new tires for vehicles.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President Pro Tem called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes;

Motion passed.

President Pro Tem of Council declared Ord. No. 5041 passed as read.

Councilman Mead: The next item is a resolution approving liens pursuant to Chapters, and it gives you the numbers there on the agenda from the revised code. You can read through that if you like. It is a fairly thick bunch of papers in your packet. It has to do with the fact that the city is going to forward costs for pickup of litter, cutting grass, collection of debris and such things that the owners won't do and they have had to go ahead and do. They are going to forward this on to the county so they can put it on somebody's taxes.

A motion was made by Mead and seconded by Stuckert to give the first reading only on a resolution Approving Liens Pursuant to Chapters 729.49, 743.04 of the Ohio Revised Code and Chapters 923.09, 929.03 and 1729.03 of the Codified Ordinance of the City of Wilmington.

President Pro Tem asked for discussion.

Councilman Jaehnig: If I could just make one comment, President Pro Tem. I made the same comment last year, and I'm sure I'll get phone calls of displeasure of me pointing it out again, this is the second year in the row that the largest number of these liens that are being placed are properties that are currently owned by a financial institutions or mortgage companies. It's hard enough to make sure that the city is in good shape as we attract new businesses and so forth, but when the financial institutions and mortgage companies are not taking care of their properties it makes it even harder. Citizens are going to have problems on occasion; it's totally understandable. But these companies, I would just love to see them step up and take care of their properties and help the city out and help the city move forward.

President Pro Tem McKay: Thank you, Councilman Jaehnig. Any other discussion?

Councilman Wallace: I have a question. Is there a minimum that we charge on this, because some of these charges... a couple of these water bills seem like almost [inaudible]. Do we...if they owe us money, we put it on?

Service Director Reinsmith: We get it.

President Pro Tem McKay: Are there any other questions?

Seeing none, President Pro Tem called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to pass the resolution as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2297 passed as read.

Councilman Mead: The next item is going to be kind of self-explanatory. It's three readings on a resolution declaring it necessary to light the streets, lanes, alleys, lands, squares and public places in the City of Wilmington with electric lights, and for making special assessment to be levied to pay the cost thereof for the year 2013. The assessments, some of it goes to the property owners and the remainder is paid by the City.

A motion was made by Mead and seconded by Wallace to give the first reading only on a resolution Declaring it Necessary to Light the Streets, Lanes, Alleys, Lands, Squares, and Public Places in the City of Wilmington, Ohio, with Electric lights, and for Special Assessments to be Levied to Pay the Cost Thereof for the Year 2013.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Wallace to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Wallace to pass the resolution as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Wallace, yes; Mead, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2298 passed as read.

Councilman Mead: We're getting there. The next item is three readings on a resolution authorizing payment of expenses incurred in the prior fiscal year, this being the project expenses for the Sugartree Street Corridor, and they amount to \$24,495.51. They were incurred last year and were paid this year.

A motion was made by Mead and seconded by Jaehnig to give the first reading only on a resolution Authorizing Payment of Expenses Incurred in Prior Fiscal Year.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Jaehnig to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Jaehnig to pass the resolution as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2299 passed as read.

Councilman Mead: The next item is three readings on a resolution accepting the amounts and rates as determined by the Budget Commission and authorizing the necessary tax levies and certifying them to the County Auditor. You have a copy of this in your packet and it's something that has to be done every year at least once.

A motion was made by Mead and seconded by Stuckert to give the first reading only on a resolution Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies and Certifying them to the County Auditor.

President Pro Tem asked for discussion.

Councilman Jaehnig: Paul, this is the final for 2012 or 2013?

Paul Fear: 2013.

President Pro Tem McKay asked for other discussion.

Seeing none, President Pro Tem called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the resolution by title only.

A motion was made by Mead and seconded by Stuckert to pass the resolution as read.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Motion passed.

President Pro Tem of Council declared Res. No. 2300 passed as read.

Councilman Mead: The last item is just some housekeeping. I wanted to solidify some things that we talked about in the last budget meeting. Also, I've heard some discussion today in committee meetings about it. It has to do with the amount of carryover that we think is the proper number to use. In the last budget meeting, I believe, Councilman Wallace expressed concern that we haven't done anything yet about establishing parameters for this next budget we're going to work on. One of those parameters was the amount of carryover. He wasn't saying it should be one thing or another, he was just saying we need to do that. In that same meeting, Councilman McKay offered that 25% carryover seemed to be a reasonable and prudent amount to use. In the past times, the Auditor has suggested that is a reasonable rule of thumb, or a reasonable number to use for carryover. I believe even the mayor agreed that that sounded like a reasonable amount in that particular meeting. So what I would like to ask for this evening is that I would like to ask the council to adopt this minimum of 25% carryover for use in establishing our new budget. I would like them to adopt that. Everything else has been unanimous tonight. I would like to see the council adopt that as a starting point that we can use as we go into our budget. I would like to move that the council agree to use a minimum of 25% carryover – the reason I say minimum is because we have \$10 million in the carryover, we can do that – it's just that we shouldn't go below 25%. That's what I am asking. So, I am making a motion and asking for the council to vote on that.

President Pro Tem McKay: What is the exact motion, Bob?

Councilman Mead: That the council adopt a minimum 25% carryover for use of establishing any new budget.

Councilman Jaehnig: I think we need to be a little bit more specific in regards to permanently or for 2013 or for...

Councilman Mead: For the time being and then council can change that at any time. We're asking...as Mike asked...let's get this thing moving. Let's make some decisions.

Councilman Jaehnig: The reason I ask that question is because the additional discussion was that a good starting point. Personally, I would like to see that revisited every year. Now, if we can continue to bump it up to 30 or 35 or whatever. But by just approving for a single year then it forces us to come back and visit it every year instead of just, as has been suggested in the past, just going along with what is already on the books. My suggestion would be that if we go ahead with this, we say just for 2013 so we have to come back and talk about it again next year.

Councilman Mead: So you feel that's what we should do.

Councilman Jaehnig: That is my suggestion.

Councilman Mead: I don't see anything wrong with that. That will give us parameters to get going since our budget season is upon us. So, the motion is so worded.

A motion was made by Mead and seconded by Stuckert to create a parameter that the minimum carryover for the year 2013 be 25%.

Councilman Stuckert: I believe that would be a prudent thing for us today. Again, I agree with Councilman Jaehnig that it would be great if we could come back and visit that next year because we want to raise it or something like that.

President Pro Tem asked for discussion.

Auditor David Hollingsworth: There was a question that came out of that meeting, how much money we needed to start the year with to make sure we didn't run short. So I prepared, this has the last three years on it. What we started each year with in cash, what we collected each month, by month, for the first three months, and where our cash balance was at the end. If we use the number \$2.5 million, that is more than enough to cover our cash flow. We're fortunate that most of our tax dollars are collected up front and it probably would have been a little more telling if I would have included April, because April is when first quarter withholding payments are due as well as income tax returns, unless the income tax returns are extended. But that gives you an idea...for the last three years...where our cash balance, what kind of money we've collected and what we've spent in those first three months.

Councilman Mead: Thank you, David.

Paul Hunter: Have we traditionally had 25% minimum over all the years? One quarters' worth of expenditures? I'm not countering that, but are we continuing what we have tried to do. Is that necessary for bond interest? That plays on that, does it not?

Auditor David Hollingsworth: That was just a suggestion. I mean there's nothing to say what the effect would be if it dropped below 25%, if that would affect our bond rating or not.

Paul Hunter: That was always the rationale.

Auditor David Hollingsworth: And the rationale was that somebody, a bond underwriter or a bond purchaser, wanted to make sure you had money in reserve if you did hit a bump in the road – that you'd be able to cover your expenses. So, that being the case then, I mean, there is the assumption that you're going to have to dip into that probably at some point, you know, if you have a little glitch in the economy or whatever. So, it's not necessarily that it has to stay at 25%.

Councilman Jaehnig: In answer to Paul's question, though, I believe that back in 2007, our carryover was only \$1.9, which was less than 25% of the proposed budget for 2010.

Councilman McKay: Can I ask a question for clarification? Are we talking about 25% of the revenue or...

Councilman Jaehnig: Expenditures.

Councilman McKay: Expenditures. Of the budget. Okay. Thank you.

Paul Fear: It can't hurt our bond rating in any way, shape, or form. I know we don't necessarily measure the impact, but...

Auditor David Hollingsworth: Well, our bond rating had never really been changed. Like you said, it dropped below 25%. Our bond rating was not affected because we have had bond issues in that interim period. Typically, if you understand the history of the bonds that we have issued, more often than not we go to a bond insurer. In doing that,

you're automatically guaranteed a AAA rating. So, it doesn't make a difference, really, what your...well, it does to some degree, but not as much, as far as what your cash reserves are.

Paul Fear: The bond underwriter this past year did not discuss what our carryover was. It discussed our deficit budget... That was written in there, but they did not say that caused it to go below 25%. The deficit budget was more of an issue than carryover was.

Auditor David Hollingsworth: Well, Mary Kay and I were on the phone with our bond underwriter for probably well over two hours. There was never a discussion of what the cash reserve balance was. It was more on the local economy, you know. Actually, they asked us questions that were really more pertinent to the county than to us, because they were concerned about real estate valuations and things of that nature.

Councilman Mead: If there is no more discussion, I would feel very good about it, since it seems like we might be able to get this thing moving if the council could consider a unanimous vote on this particular agreement. We could get moving.

Councilman McKay: Is there further discussion.

Mayor Riley: I would only note that as a County Commissioner, when I first became a County Commissioner in January 2005, the county barely had enough money to make their first payroll, so they had just a shade over \$200,000 carryover. That scared everybody. That is not good money management. We worked very hard to get beyond that. Actually, a few years later we had recovered most of our carryover – a considerable carryover – but we had a meeting with Moody's in Chicago. They said the rule of thumb is three months, 25%. That's the rule of thumb and that came directly from the folks at Moody's. That, I think Bob, is just good financial management.

Councilman McKay: I guess I would ask our Auditor if he feels that this puts us under any kind of constraints that would be difficult for us to achieve as we see things now.

Auditor David Hollingsworth: It really depends on where the budget comes in. In my opinion, if it is a matter of having to cut into services to the citizens, if it means going from two and a half – say the number's \$2.5 million; going to \$2.2 million, if this is going to restrict you from using part of that reserve and you have to cut back on services, I can't see doing that. But I think that would be probably an exception. That would be something that you guys would have to take a look at.

Councilman Jaehnig: Well, I assume the administration would come back for discussion at that particular point, saying "I understand what council passed. I understand what council's intentions and desires are, and if we hold to that, this is what we see as potentially being jeopardized based on the current budget figures that we are getting ready to come to you with."

Auditor David Hollingsworth: So as long as you are not taking that flexibility away.

Councilman McKay: If we could call this a guideline that is proposed by council – a general guideline rather than a hard and fast rule, I think I would be more in favor of it because of this possible flexibility needed.

Councilman Mead: I prefer to leave it as it is because it gives us something to shoot at. Council can come back at any point and revisit anything, so that option is always there, but it gives us a positive thing so we don't start out thinking, "Well, we don't really have to do that." I'd like for us to agree that we ought to do that and then just bust ourselves to do it.

Councilman McKay: The only concern is affecting the citizens. That would be my concern.

Councilman Jaehnig: The thing I liked about Councilman Wallace's approach was council freeing up the administration to do what they need to do in regards to the budget.

Because I think if the seven of us got down to arguing each individual point, while we could come together on something of this nature, on each individual point, there are going to be different things that each of us feel passionately about. That's the point: while we're responsible for the money that is being spent in the city and approving the budget, I think it's the administration's responsibility to set those budgets and determine what is going to be spent where. I think it really gives us an opportunity to separate that and allow the administration do what they need to do and yet council have some control over those purse strings and make sure that we are moving set for the future. I would agree with Councilman Mead – if we have to come back in two months because the administration flat-out says, “Hey, this and this and this has happened since the last time we talked. We're going to do what you want to do, but we want you to know the effects before you put this through and give you the opportunity to revisit this.” So whether it's a guideline or not, that's the option. We'll get a real good understanding real fast of whether we have to approach a revenue issue and pursuing with the public whether we need to implement taxes or something of that nature and let the public speak to the issue.

Mayor Riley: Interestingly enough, when we were at Moody's in Chicago a few years ago as the County Commissioners, the financial advisors for Moody's that were talking about the 25% - we were trying to use appropriate terms for the carryover. And they said, “It's a rainy day fund. It's a rainy day fund.” If you have a disaster that hits your community that you're not anticipating, you need to have a cushion. God forbid that a tornado hit Wilmington and wipe out part of a subdivision and a major employer or an employer and just really has a terrible effect. We need to continue to provide services as we adjust to our new reality. That's what this is for.

President Pro Tem McKay asked for discussion.

Seeing none, President Pro Tem McKay called for a roll call vote.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passes.

Councilman Mead: Thank you, thank you, thank you. That's all I have at this time.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells had no report.

Wastewater/Sewer Committee - Chairperson Stuckert: Mr. President, we do have one item on Wastewater/Sewer. It's a third reading on an ordinance amending Chapter 922 of the Sewer Use Regulations of the Codified Ordinances. This is something...we've had two readings previously and it has to do with language changes that the EPA has more or less dictated.

A motion was made by Stuckert and seconded by Mead to give the third reading only on the ordinance Amending Chapter 922, Sewer Use Regulations, of the Codified Ordinances.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Stuckert and seconded by Mead that the ordinance be passed as read.

Motion passed.

President Pro Tem of Council declared Ordinance No. 5042 passed as read.

Judiciary Committee - Chairperson Stuckert: On Judiciary, we have two items. These both have to do with our Transit Authority's process that they go through every year to obtain funding. We have to authorize these two resolutions. I believe we have had the public hearing. Have we had a public hearing?

Councilman Jaehnig: That's coming up on the second and third reading.

Councilman Stuckert: Well we will have a public hearing on that.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the resolution Authorizing the Submittal of a Proposal with the Ohio Department of Transportation for a Grant Through the U.S. DOT Federal Transit Law, as Codified, 49 USC Section 5311, Financial Assistance for Other than Urbanized Areas and Funds Available from the Ohio Public Transportation Grant Program and Executing a Contract with the Ohio Department of Transportation Upon Grant Proposal Acceptance.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for a vote.

Motion passed.

Director of Law read ordinance by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert: President Pro Tem, tied to that is a second resolution.

A motion was made by Stuckert and seconded by Siebenaller to give the first reading only on the resolution Authorizing the Mayor to Enter into a Contract with the Ohio Department of Transportation for the 2013 Elderly and Disabled Transit Fare Assistance Program.

President Pro Tem asked for discussion.

Seeing none, President Pro Tem called for a vote.

Motion passed.

Director of Law read ordinance by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Safety Committee - Chairperson Wells: I have nothing on the agenda; however, I would like to thank Chief Weyand for conducting the survey and providing the results to the News Journal to publish and thank him for his ongoing efforts to save the taxpayers' money in the Police Department. Thank you. That's all I have.

Downtown Revitalization Committee – Councilman Jaehnig: We have all kinds of exciting things. Obviously, it's Corn Festival weekend. We have the big Corn Parade coming through downtown on Saturday, so please come on downtown and get yourself some breakfast, some coffee, join the fun and then head out to the fairgrounds afterwards.

President Pro Tem McKay: 10 a.m.

Councilman Jaehnig: 10 a.m. Thank you. Also, the Murphy season is starting to get cranked up. If you haven't had a chance to check out their schedule, it really is an aggressive schedule. There are a lot of wonderful acts coming in for this 2012-2013 season. They're kicking it off with Georgette Jones, who is the daughter of George Jones and Tammy Wynette. That really looks to be something special. I know it's hard to believe, but it is Holidazzle season. I know you don't see snow out there yet, but the applications are up and available on-line at holidazzlecc.com for the parade. We do fully expect that all 80 entry spots will be filled. We did turn people away last year for the first time. So, if you're interesting in having an entry in the parade, please go online and get signed up right away. We are looking for some special entries this year also, so if you have not participated or you're looking for something new to do, we are desperately hoping someone will put together a trash can band. We also would like to see a grocery cart drill team or maybe even the frat house will come through and do a sumo wrestler's drill team. But we're looking to add a little bit of levity to Holidazzle this year and up the fun even more. So, that's it for downtown.

Mayor Riley: I didn't believe you when you said that earlier today. So, I looked it up, and it actually goes beyond that. There is a drill team, and I just blanked out on where they're from. They are a vacuum cleaner and broom drill team. These are guys that have some kind of a routine in parades. They are in demand all over the nation because they

are a precision vacuum cleaner and broom drill team. Go to YouTube. I'm not making this up.

Councilman Jaehnig: That whole type of entry in a parade started with a group of lawyers in Detroit, Michigan, and that was the briefcase drill team for the Thanksgiving Day Parade. That's where that started. Of course, I am proud to say that I am from Michigan originally and Go Blue.

President Pro Tem McKay: You know, we could have gone all night without that. You did say you were done, didn't you?

Councilman Jaehnig: I am done. If not, I am now, aren't I?

Paul Fear: This is the week for the Kawana Soccer Classic at 5:00 and 7:30 Friday night at the College.

Councilman Jaehnig: Yes it is. Thank you for bringing that up, Paul. That is this weekend. It is also the Ohio Draft Horse Association annual event out at Roberts Arena. A lot going on in town this weekend. And Miami Valley Sports Car Club of America is racing out at the Port this weekend also.

Parks and Recreation Committee – Chairperson Jaehnig: I do have a nice report from Lori Williams in regards to the Parks. Two weekends ago, the parks had 35 Wilmington College freshman come out to help with mulching out at the wooden playground. They did a beautiful job. They painted up some of the picnic tables. They really were awesome. They spread over two truckloads of mulch during that time period. That same morning, Ryan Williams from the probation group brought out six folks to the park and they painted the fence along Fife Avenue and it looks a whole lot better. This last weekend, a large group from Alkermes, called Alks in Action, were out working in the parks, cleaning up various areas. In fact, you may have seen them downtown cleaning out the pocket park. They were absolutely fantastic. They sanded and painted 30 tables and their electricians helped us upgrade the electric in various ways, including putting timers on the volleyball courts and fixed the front basketball court timers. Hopefully, that will eliminate some of the lighting issues they have been having. They have also been partnering with Friends of the Park and the Clinton County Health Commissioner to prepare a grant application to reinvent the southeast neighborhood park as a terrific neighborhood asset. The grant was submitted just last week and they should hear hopefully later this month whether the grant is awarded to them. They are in the middle of soccer enrollment right now. The season starts the week of September 24, so if you're interested in having your kids participate, you'll want to get them signed up right away. Coming up, the first Saturday in October will be Lytle Creek Day out at the Lytle Creek Preserve. Please come out and join them. I believe it starts at 11 o'clock on that day. That last item I wanted to mention, because I don't think we always think about the impact that parks have on our community. We had a really nice reminder this week. As it turns out, we had a phone call from a woman that was searching for information on a plaque she had heard about online. As it turns out, her husband was killed in a fatal crash in France, almost exactly 40 years ago, which is commemorated on one of the plaques out at the park. She never knew that it existed and was very moved – in fact, moved to tears on the phone. Lori sent her the photos of the plaque and she was very touched. This was all brought about by an article that was done by the Wilmington News Journal about Mr. White, who was honoring his fallen friends by cleaning up the memorial area at the park many years later. She plans on contacting him to show her appreciation. But it is amazing how these little things spread across the states and the globe and the effects that they can have. I thought that was a pretty good story. That's it, Mr. President.

President Pro Tem McKay: So, there are plenty of opportunities to volunteer in Wilmington if you are looking for something to do.

Income and Levy Tax Committee – Chairperson Jaehnig: We had a great committee meeting this afternoon. We continue to have discussions on how we may pursue revenues coming up. New ideas continue to come forward. Not all of them would have

action taken by the Income and Tax Levy Committee, but if we could have a quick discussion and push them to the right committee, then so be it. Thank you.

Service Director - Service Director Reinsmith had no report.

Councilman Wells: I would like to tell Larry that Terry and Jerry Ritenour were very impressed with Harry McVey and the crew that came out there and worked on the drainage problem that they were having. They wanted me to let me know that.

Service Director Reinsmith: Yes. They sent me a letter.

Councilman Wells: That's good.

President Pro Tem McKay: Thank you, Don.

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 that the Income Tax Report – August 2012, be accepted as presented.

Motion passed.

Reports accepted as presented.

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

Paul Hunter: 200 Randolph Street. This is a brief history of the city streets budget. I'm kind of arguing for my 2 mil property tax that I've been pushing around. In years leading up to 2009, the city's taxpayers were getting street maintenance and repair without costing a dime of their taxes. In 2009, things changed, and nearly \$72,000 taxpayer dollars were transferred to the Streets Fund and in subsequent years this transfer has become a regular budget item. What happened to cause this loss of funds. In 2008, R&L Trucking, a county-located business, decided that they would change their vehicle registration from Ohio to Indiana. The stated reason for this action was because Ohio, by not allowing electronic registrations for commercial vehicles, was causing the company undue hardship. See R&L's statement on that handout. As a result of the company's action, Clinton County's roads and bridges fund lost over a million dollars in annual funding. The city had been improperly receiving the funding for many years. They had been getting \$700,000 out of that, but they shouldn't have been getting it. It appears that R&L's business address had not been changed since the then small firm left Wilmington many years ago. As a result of this oversight, the state had been giving the city a share of the registration fees that should have been going to the county. Note the words "county or municipality" on the DMV chart on the other side of that handout. It's either the city or the municipality where the business is located. Last year, the state legislature included commercial electronic filing in the transportation bill – finally, after a lot of pressure. This is to help R&L and others come back to Ohio – bring the money back to us. You'll see in the last paragraph on that handout when it was passed. The E-File law became effective on July 11 of this year. So far, there is no information on whether or not R&L will return their registration to Ohio. There was always some speculation of why they took it away and it may not have been electronically. We'll never know the answer to that, I guess. Some say it was because of the County Auditor and all of that stuff. Anyway, our State Representative, Cliff Rosenberger, told me recently that he didn't think they were going to bring it back to Ohio, but he didn't have any reason why they weren't. I've asked the DMV to confirm if they either are or they aren't. So far, I haven't gotten an answer. In any event, the city will not benefit if they do, and the previously received 34% share will go to the county. As a result, our streets fund will continue to rely on General Fund money for the proceeds of a \$5 per resident per month tax levy if council is so inclined to propose that. Thank you.

Councilman Wallace: The other thing that really hurt us was about that time, Bush Auto, who at one time was like the largest car renter in the world lost a lot of that too. So, we were licensing a lot of the vehicles around the world at one point.

President Pro Tem McKay asked if anyone else wished to address council while in session.

David Hockaday: Vice Chairman of the Port Authority. I am just wondering whether the ordinances pertinent to the hangar have been moved to committee? The reason I say this is the 45-day clock is ticking. Unless there are going to be emergencies, by the time you do the committee and to through your readings, we may or may not be past that 45 days. Just raising it up, the port still has a lot of work to do. ATSG still has a lot to do. The state still has a lot to do. The ordinances that you have are not real thick. We have a lease agreement for the hangar. It's 117 pages. We have a master lease to look at that's 127 pages. So, if you think you're the only guys looking at ordinances... I just raise the question to bring it up so that we don't run into another snag towards the end.

President Pro Tem McKay: Thank you, David. We don't know anything more about that at this point.

Law Director Brian Shidaker: I think Scott plans at the beginning of next week to move it to committee.

President Pro Tem McKay: Did you hear that?

David Hockaday: No I did not.

President Pro Tem McKay: He feels the president will be moving it to committee at the beginning of the next week, but he will have to verify that.

President Pro Tem McKay asked if anyone else wished to address council while in session.

Councilman Mead: I just have a comment. Back to what Debbie Stamper was talking about – of course she ran off. When something does come to town like the Draft Horse Association or a horse show or one of those things, or even an antique show, retail stores get a lot of extra traffic – not necessarily all dollars – but people come into the stores and they wander around. You get a lot of traffic, and I can verify that it really does matter. When people visit our community, especially for shows and events, retail stores see a significant increase in traffic. Whether they sell to them or not is their problem. I just wanted to confirm that that really does happen.

President Pro Tem McKay asked if anyone else wished to address council while in session.

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

A motion was made by Wallace to adjourn.

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, September 20, 2012, with President Scott Kirchner presiding.

Call to Order

Roll Call: Jaehnig, present; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, absent (arrived at 7:46 p.m.); McKay, present.

Chief Detective Josh Riley was also present.

President Kirchner: We have an absent member this evening. It is my understanding that he had some problems with his sitter showing up and had to stay with the children. What is the council's pleasure?

A motion was made by McKay and seconded by Mead to excuse the absent member.

Motion passed.

Absent member excused.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council - President Kirchner: The first item on the agenda tonight is on my portion and it's the approval of the meeting minutes from the September 6, 2012, regular meeting of council.

A motion was made by Wells and seconded by Mead to approve the minutes of the last regular meeting, September 6, as presented.

Motion passed.

Minutes approved as presented.

President Kirchner: The second item is the approval of meeting minutes from the August 30, 2012, special meeting.

A motion was made by Wells and seconded by Mead to approve the minutes of the last special meeting, August 30, as presented.

Motion passed.

Minutes approved as presented.

President Kirchner: The third item tonight on my portion of the agenda is there because, based on timing and the simplicity of the ordinance, we do not have time or necessarily the need to send it through a committee. What this item is, is it is the beginning of the TIF activities. Specifically, it is legislation which will take into city possession the land associated with the TIF and with the same ordinance, cause it to be returned to the Port Authority. There will be no monetary exchange. It is simply a momentary ownership by the City as is required by TIF ordinances. If there are any questions at this point, I would offer what little I understand about TIF, but we have the Law Director here. Councilman Jaehnig?

Councilman Jaehnig: Just one question in regards to this. I understand the mechanics of it. The question I had was, I didn't see anything referencing how and when it actually occurred. Do we have to have a date in here or something that says that upon doing this, this happens or did I miss it?

[Multiple speakers – Inaudible]

Councilman Jaehnig: That I read, yes. But I believe there's a timing issue and I didn't know if it was important that it was in this or not or if this is just giving the proper authorities, the mayor or whoever, the auditor, the ability to do it when it's ready. Is that how it works. I really wasn't seeing that.

Law Director Shidaker: This is the property transfer and then we have the big TIF ordinance itself.

Councilman Jaehnig: That's a whole other topic. Yes. When the property is transferred in and transferred right back out again. It doesn't really mention when or what triggers it or how that occurs. Or is this just giving them authorization to act when needed.

Law Director Shidaker: It's symbolic. Once after it passes after the third reading, symbolically that's when it happens. It's a matter of it going out and then comes right back. It's just a formality that legally is required in order for us to move forward with...

Councilman Jaehnig: So the date isn't important.

Law Director Shidaker: No.

Mayor Riley: The city just has to be in the chain.

Law Director Shidaker: Yes.

Councilman Jaehnig: Like I said, the mechanics of why it needed to happen I got.

Mayor Riley: Okay.

Councilman Jaehnig: I just wanted to make sure there wasn't something missing.

Councilman McKay: Are we just asking for one reading tonight?

President Kirchner: That is all that was indicated on the schedule and all that was necessary. That gives us time. If there are any additional questions, as the legislation stays on the docket for the next meeting, we can, of course, get them answered.

Councilman McKay: With that in mind, I would make the motion for the first reading.

President Kirchner: Councilman McKay, if I could, Councilman Wallace has a question.

Councilman Wallace: Maybe this is what Rob was asking, but is there a time where we have to have ownership of the property for a day or a week or a month.

Law Director Shidaker: No. It's an instant transfer back. There's no set date or time when it has to happen. It would be effective when it happens.

Paul Hunter: This is just one of the steps toward the big ordinance. You can't do the big ordinance until you do this. You're talking here thirty days before we can start the next step, which is another 30-90 days, depending on how you do it. You're looking at in the middle of the winter if we go just one reading per meeting.

President Kirchner: Actually, the legislation is an emergency, so it will be immediately acted upon passage.

Paul Hunter: The third reading.

President Kirchner: Does that answer all the questions that council has? We have a motion on the floor from Councilman McKay for the first reading.

A motion was made by McKay and seconded by Jaehnig to give the first reading only on the ordinance Authorizing the City Auditor of the City of Wilmington, Ohio, to Accept Title to Certain Property and to Transfer Title to the Property Back to the Original Owner in the Connection with a Tax Increment Financing Transaction; and Declaring an Emergency.

Motion passed

Director of Law read ordinance by title only.

[Discussion of schedule for passage]

Kirchner requested that the second reading be on the Agenda for the next meeting.

President Kirchner: Thank you, Council, for your support of that item. That concludes my portion of the agenda. I would offer one additional thought that wasn't on the agenda. This weekend is Cardboard City, which is a fundraiser for the Homeless Shelter here in Wilmington put on by the AM Rotary. I encourage folks to come out. I know the mayor has graciously volunteered to M.C. Is that still on, Mr. Mayor?

Mayor Riley: All night.

President Kirchner: He is in the coveted 3 a.m. to 6 a.m. slot. That completes my portion. Mr. Mayor?

Mayor - Mayor Riley: I appreciate you mentioning Cardboard City. It is the main fundraising effort for our local homeless shelter, and we have been doing that for years and years. One year, about 15 years ago, I did make the mistake during the Corn Festival of saying that if the people that were there for the Corn Festival would raise a thousand dollars, I would sleep on a park bench all night. And don't you know, they did. It was one of the coldest, windiest nights we've ever had at Cardboard City, but I slept on a park bench right out there. Well, I *stayed* on a park bench right out there. I don't know how anyone could sleep.

Councilman Jaehnig: I've got \$20...

[Laughter]

Mayor Riley: So, yes, please support Cardboard City and please support the homeless shelter like I'm sure most of you do. Also, I would just point out the United Way of Clinton County is getting ready to start their major campaign again. I would point out to everyone, and Scott, we're still on the board together. And they do so much for the community, so I would encourage everyone to support Cardboard City as well. Also, I would note that the Clinton County Health and Safety Day promoting Community Wellness will be October 29. Not this Saturday but next, and they have quite a few things going on. It will be at the Boyd Cancer Center. They will be doing child safety seat inspections. Also, it's a place to drop off old medications. Old medications are dangerous. They should not be flushed. They should not be kept around the house. This is the approved way to get rid of old medications safely. So I would encourage everyone to go through their medicine cabinets and take advantage of it.

Tammy McKay: Is it October 29? Next Saturday? September?

Mayor Riley: Did I say October? It's September 29. My bad. It's not this Saturday, but next, in September.

Councilman Jaehnig: In regards to that too, they are not talking just about prescription drugs. They're talking about all medications.

Mayor Riley: All medications...yes. They do not want needles or syringes. None of that, but they will take all of the old medications – over-the-counter and just regular medications as well. Also, the Clinton County Alcohol and Drug Abuse Prevention Survey are ready to report to the community. That is scheduled for this coming Monday, September 24, and will be held at the Community Room at Clinton Memorial Hospital. The staff of the local alcohol and drug center will be reporting their study that they've done. I plan on attending and would welcome anyone to join. Also, we had a meeting about a week ago with Keith Hyde, who is Workforce Development Director for this area. Keith wanted us to point out, and in fact we did put it on the Cable Channel, that they still have assistance available for employees who were displaced by the DHL departure and also ASTAR Air Cargo workers who went to CVG are also eligible here for retraining and reeducation. So anyone who lost their job as a result of the departure

of DHL and are still looking, they do provide assistance still. We have this available over at the Mayor's office and it's also listed, as I said, on the cable access channel. I would also note that it's been a busy couple of weeks. Last weekend, this week, the Tree Commission Academy was held here in our Moyer Room. It was a wonderful event. Specifically for people who are Tree Commissioners in various communities. Do you know how many communities were represented? I think there were like six or eight communities.

Tammy McKay: There were seven.

Mayor Riley: There were seven – right in the middle. Seven communities were represented, but it was very well done. We had all of our tree commissioners there. A lot of really nice things going on in this community. I'm so proud of the folks who have a passion for the beauty of this city, taking care of the trees, taking care of the flowers. It just makes the city sparkle, and I do so much appreciate that. I would be remiss not to mention the open house that was held at Ferno Washington just this afternoon at 4 o'clock. They provided a wonderful tour of Ferno. Ferno has been here for forty years – a stalwart citizen of the community. They have some wonderful, wonderful new products that they demonstrated to us. They are in "go" mode. They are working hard and they are expanding. They've hired 51 people so far this year in Ferno and Ferno-related organizations like EMSAR. So, I would note that the refreshments were provided by the General Denver, and it was absolutely wonderful. Good job, Molly. Some of the council were there. What did you think? Wasn't that neat?

Councilman McKay: I was impressed with their wanting to let everyone know that they are part of this community. I think they want to be a bigger part and they know that businesses like that are so essential for us to succeed. They want more stuff to happen in Wilmington, in the Air Park and in Clinton County. They're dedicated to that.

Mayor Riley: They have made a commitment to this community – an absolute commitment to this community, and I so much appreciate and the community so much appreciates it. If you get a chance, let Ferno know how much they mean to this community. It's quite welcome. I notice that Pat Haley is here. Pat Haley, welcome. It's good to have you with us. Did you have anything that you wanted to say?

Pat Haley: No, I just like to stop over to offer our assistance at the County Commissioner's Office. Anything that we can do, we would be glad to help.

Mayor Riley: We appreciate that very much. And Molly, you're running for office, it's good to have you with us. Did you have anything you wanted to say?

Molly Dullea: I do, but Brenda and I talked and thought it would be better at the end.

Mayor Riley: That's fine. Absolutely. It's good to have you with us. It's not quite as crowded as it has been in the last few times.

[Banter]

Mayor Riley: It's good to have everyone here. Thank you.

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

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

President Kirchner: At this point, let the record reflect that Councilman Siebenaller is in attendance for this session.

Finance Committee - Chairperson Mead: Finance Committee does have one supplemental appropriation this evening. It's a very large one. Apparently at the beginning of the season, the people who make decisions didn't transfer quite enough money from one account to another in the Sewer System Refunding Revenue Bonds. They need \$2.19 in order to balance it out.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5043 passed as read.

Councilman Mead: That's all I have, Mr. President.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells: I have no report tonight; however, I would like to remind the citizens – I talked to Donnie today – several people are using the yard waste bags that are not city yard waste-approved bags. I just want to remind people to buy the city yard bags and not ones from like Lowes or other places. That's all I have.

President Kirchner: Andrea, if you could get a note out about that in the coverage of tonight's meeting, that would be great.

Wastewater/Sewer Committee - Chairperson Stuckert: Mr. President, we have one item that we have on the agenda for a first reading. The Wastewater Sewer people, we authorized them to put out for bids for routine maintenance work. The bids are in, so we want to have the first reading on a resolution authorizing the Director of Public Service to enter into a contract for maintenance services at the Wastewater Department and declaring an emergency.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the resolution Authorizing the Director of Public Service to Enter into Contracts for Maintenance Services at the Wastewater Department, and Declaring an Emergency.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Director of Law read the resolution by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert: Mr. President, we have nothing else.

Judiciary Committee - Chairperson Stuckert: Mr. President, we have two items on the Judiciary Committee agenda tonight. They are both second readings. They have to do with the grant money that is made available for our transit system.

A motion was made by Stuckert and seconded by Wells to give the second reading only on the resolution Authorizing the Submittal of a Proposal with the Ohio Department of Transportation for a Grant through the U.S. DOT Federal Transit Law, as Codified 49 USC Section 5311, Financial Assistance for Other than Urbanized Areas and Funds Available from the Ohio Public Transportation Grant Program and Executing a Contract with the Ohio Department of Transportation Upon Grant Proposal Acceptance.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.
Motion passed.
Director of Law read the resolution by title only.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: I have one other item, Mr. President. It has to do with the same thing really. It's the contract that the mayor has to enter into to provide funds for elderly and disabled transit fare.

A motion was made by Stuckert and seconded by Wells to give the second reading only on the resolution Authorizing the Mayor to Enter into a Contract with the Ohio Department of Transportation for the 2013 Elderly and Disable Transit Fare Assistance Program.

President of Council asked for discussion.
Seeing none, President of Council called for a vote.
Motion passed.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: That is all we have, Mr. President.

President Kirchner: Councilman Wallace?

Councilman Wallace: Mr. President, have you heard those guys on the advertisements when they have a really long thing to read and they're worrying about the time limit because they pay, and they talk really fast. I think we're training our Law Director to moonlight in some of those...

[Laughter and banter]

Safety Committee - Chairperson Wells: Mr. President, we have one item on the agenda: three readings on a resolution declaring surplus property to wit: Police Department vehicles valued at more than \$1000, and authorizing the sale of said vehicles and declaring an emergency. Those vehicles are a 2001 Ford Crown Victoria and a 2006 Ford Crown Victoria.

A motion was made by Wells and seconded by Stuckert to give the first reading only on a resolution Declaring Surplus Property, to Wit; Police Department Vehicles Valued at more than \$1000, and Authorizing the Sale of Said Vehicles, and Declaring an Emergency.

President asked for discussion.
Seeing none, President called for vote.
Motion passed.

Director of Law read resolution by title only.

A motion was made by Wells and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the resolution by title only.

A motion was made by Wells and seconded by Stuckert to pass the resolution as read.
Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President of Council declared Res. No. 2301 passed as read.

Councilman Wells: That's all I have, Mr. President.

Downtown Revitalization Committee - Chairperson McKay had no report.

Parks and Recreation Committee – Chairperson Jaehnig: We have no items of legislation. I did want to mention two things. The park is still looking for volunteers.

They're building a nice volunteer base and they're getting a lot done. I don't know if you've noticed the fence line getting painted along Fife Avenue. It looks tremendously better. They also had a meeting just about a week ago with the CVB and some of the hotels to work on being able to continue the tournaments into next year. I'm very impressed by the creativity in which they are going about making sure that they are able to provide services and yet be able to take care of citizens and have the funds needed for the parks. I really would like to applaud Lori Williams and the Parks Board for doing an exceptional job of thinking outside of the box.

President Kirchner: I have to second that, Rob. I've actually heard community members who have complimented the parks and their operation under Lori, and I think she's doing an outstanding job. We're very lucky to have her there in that role.

Mayor Riley: She has a way about her.

President Kirchner: She does. She gets things done.

Mayor Riley: We have monarch butterfly larvae in our offices just as proof of that. She really is doing some interesting, innovative, creative, educational things in our park system, and I appreciate what she is doing.

President Kirchner: That's awesome.

Income and Levy Tax Committee – Chairperson Jaehnig: We have no legislation this week, but I would like to announce that we do have a committee meeting scheduled for Monday evening at 5:30. That will mainly focus or solely focus on the TIF. This will be the heavy-lifting portion of the bulk of the document and the beginning of the work on that. So, anybody who is interested in that or has questions, please feel free to come and join us at that committee meeting. That's it, Mr. President.

Service Director - Service Director Reinsmith had no report.

President Kirchner: Larry, are we going to be doing leaf pickup this fall?

Service Director Reinsmith: Sure.

President Kirchner: Okay. I just want to make sure as I plan my fall weekends.

Service Director Reinsmith: Throw them out there on the curb; we'll get them.

President Kirchner: Okay.

Mayor Riley: Speaking of leaf pickup, I might point out that we are going to partner with the college on the disposal of our leaves this year. We always have taken them to the landfill and just dumped them in the pile. The equine center out at the college has a building that's full of horse manure, and they need leaves to mix with that and really mulch it up so they can be used. I received a phone call maybe a month ago asking about our leaves. We're to partner with them and take all of our leaves out to the college and let them use them to build mulch. So, it's a good use of the leaves. I'm glad we're able to do that to help them out.

President Kirchner: Excellent.

Service Director Reinsmith: I would also mention that you probably have seen that the street crew is just about finished putting up all of the wayfinding signs.

Councilman Jaehnig: They look great.

Service Director Reinsmith: We've probably put about 60 -plus and they've removed a lot of the Christmas trees and everything. I know this started, I think, under Davey's regime and finished up under Randy's. It went through several different committees and I think Downtown CIC and Andrea and Brenda and Steve Brown and Chris Schock all

worked on this. I was on that committee and Tammy McKay and all of them. And we went through it and went through it. We picked locations, but we said we're going to start this first wave and I think we'll just take a wait and see attitude. If we find that there are areas that aren't getting picked up or are getting missed, then we can add to it, but we thought we would start with this basic round of signs. I think they look a lot nicer now. Maybe if it works, we'll have to add more signs.

Councilman Jaehnig: Just cleaning up, as you said, the Christmas tree-type sign piling up, it really does look exceptionally better.

Councilman McKay: And our Superintendent of the M&R Department who is with us tonight is right in the middle of that. Aren't you Denny?

Mayor Riley: It's really an amazing process. Denny was showing me how those signs go up. It's not just a matter of putting a sign on a pole. They are really interestingly engineered. But they aren't going anywhere, are they Denny? Good job.

Councilman Wallace: I have to remember how big those started out. Do you remember how big they originally thought about putting them up?

Service Director Reinsmith: Yeah. They were monsters.

Councilman Wallace: You couldn't even see the intersection.

[Laughter]

Councilman Wells: Larry, I let Jeremy Bryant know today about a street light there on Hickory Trail that has been going off and on phasing. I just wanted, with winter coming on, if any of the citizens see any lights that are blinking off and on or they're completely out, to let us know. If they can get the tag number off the front of that pole, we can contact Dayton Power & Light and get those lights fixed.

Service Director Reinsmith: Was that down by us?

Councilman Wells: Yes.

Service Director Reinsmith: We sent that over to DP&L about Monday, maybe.

Councilman Wells: I sent it today to Jeremy. Jeremy really gets it done.

Service Director Reinsmith: There's a process. We fax it over to them and they fax a receipt back to us when they get it. Then they fix it. But we sent that over at the first of the week.

Councilman Wells: I just go straight to Jeremy. He gets it done. I know the street light is out of the city, I just don't know where they all are. I know it's dark and kids get out in the mornings and evenings and stuff. We need those street lights working. So, if anybody sees any, let us know. That's all, Mr. President.

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

Reports

A motion was made by Wells and seconded by Mead that the Auditor-Treasurer Report – August 2012 be accepted as presented.

Motion passed.

Reports accepted as presented.

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

President Kirchner: While I was traveling for business and not able to attend our 9/11 ceremony, I did read about it and by all accounts, it was quite exceptional. I want to

thank everybody from the city that was involved in organizing and planning it. Mr. Mayor and Commissioner Haley, you guys did a great job.

Councilman Jaehnig: Just two quick items – while it's not snowing yet and it's not cold yet, it is Holidazzle season and we are taking our applications for parade entries. It's really never been simpler. It's all online now. Just go to holidazzlecc.com and there's an entry form right on there that you can actually fill out online. You can enter and it's in. you don't have to print anything. You don't have to deliver anything. We are starting to fill up quickly. We do only take 80 entries, so I would get your entries in quickly if you're interested. The other thing that I just wanted to mention quickly if none of the other council members bank there or if they get a chance to stop in, what was Liberty Savings, which is now First Financial, is in the middle of a \$100,000 upgrade to their facility. They're really doing a nice job. It will be nice to see the investment in the community and what it looks like when it's completed. I was a little sad to see the trees leave out front, but they had actually lost two in a storm recently and had to pull them out of the road. They think that when the tanks were taken out of the ground that the roots got damaged. But they do have plans to replace the landscaping and everything back out onto the point, even though it will be slightly different. At least you can pull out now and see where you're going. I just wanted to thank them for their investment in the community.

Councilman Wells: I have one question for Larry. Larry, when you pull out on Timber Lane out onto 730, Truesdell Street, if you look to the left there's a hedge right there that has come way out. I know Mark knows about this. It's hard to see to the left right there.

Councilman McKay: I'm not over in your subdivision, Don.

Unknown female speaker: It's yours, Mark.

Councilman McKay: You're talking about mine. I'm so sorry.

Councilman Wells: I was coming out of there with David Holmes the other night. It's really hard to see to the left. He told me that he has a lot of problems right there with the line of site.

Councilman McKay: Yes. There are two issues. The terrain of the road, a car can go down there and get lost at the bottom of that hill. Also, there is excessive shrubbery in that ditch line. It's sort of maintained by the neighbor there. It might be well to have somebody chat with them.

Councilman Wells: It's sort of a safety hazard.

Councilman McKay: If it was mowed down, I think it would be a better situation.

Service Director Reinsmith: It wasn't very long ago that the Street Department went down through there with the reach arm mower and whacked up a lot of that down through there.

[Discussion of brush]

President Kirchner: Molly, I understand that you'd like to speak this evening.

Molly Dullea: Just for a couple of minutes, if that's okay.

President Kirchner: Come on up.

Molly Dullea: 81 W. Main Street. I was here in February and most of that discussion was about casino revenue sharing. It's awesome the mayor already started that communication between the county and the city and that's really great. I was really happy to hear about that. Tonight I kind of just want to talk a little bit about the core principle that's at the heart of that plan, and that's the belief that if you take your smaller jurisdictions, your villages, your townships, your cities, and you take care of them, and

by doing that you create a strong, cohesive foundation that is your county. It's kind of a bottom-up way of economics. Give to the smaller jurisdictions first and the county would then take what is left over. Right now, it has been pretty prevalent for a long time to kind of do a top-down kind of thing. Kind of that trickle-down, filter-down kind of system. Indeed, we see it at the state right now when they're cutting and cutting to make their budget and balance it all and have that purpose right there. That can work for a long time, because indeed when there is money, stuff does filter and trickle down. But when money gets really tight, there isn't a lot left over and it gets tighter and tighter and it can't trickle down and there's nothing. Unfortunately, underneath that surface, that veneer that you've created with that economic theory, you don't have that strong cohesive foundation and indeed it can even crack. I am going to use my own business as an example just because it's what I know best. So there was a blighted building on the corner of Main and Mulberry that I found really attractive. And it had gone in and out of business many times and many people had done that kind of economic structure. They tried and they did the surface and the veneer and they were in and they were out, but it was not sustainable when times got harder. So someone who thinks a little different, has a different set of life experiences, comes from a little bit of a different place comes in and decides, "I'm going to do something a little different." I'm going to build a strong core. I'm going to have fantastic employees that I treat well with respect, and I'm going to get some good food, take care of my customers, and we're going to grow from down here and grow up." Indeed, that's exactly what happened. So not only do I have good business, and I hope you guys all like it, and I heard today that you did, so thank you very much. I have retention of employees who want to stay and I have people that want to work with me. I have businesses that want to work with me, not only that but now my veneer is looking a little bit better. It still has a long way to go, but looks a little bit better, and I've not only done that but I've added to the economy. I have gone from one employee to 30 employees. They're buying, they're spending money, they're paying taxes. I know, I fill out the forms every month. They also kind of play a part in what people think about the county and the city that they live in. It's nice. It's alive. It's functioning. It's doing something. So, indeed, that's a case where that might work. Now it doesn't mean that bottom-up economic or top-down – either one is right or wrong. It doesn't mean that. Indeed there are places where both of them thrive and do really well. But what is important is that you bring and you hold them up – that way of thinking to the table. So you have all the possible solutions you could have. So you can meet somewhere in the middle and have some great solutions to things that you just never thought of and couldn't think of a way to do that. That night, I also said some other stuff. I said some stuff about open, transparent communication and listening to people and stuff. I got some feedback on that, and they said, "You know, Molly, you're really nice. Okay? But that's pretty naïve and it's kind of child-like." So I took that to heart. You know, over this, it's going to be like a year. You know, you file your petition. You have to get all of these names and then you do this until the general election. It's like a year. Over the course of the year, I have talked to hundreds and hundreds of people. So, I told them all about these things. Like, I researched sewer systems. I know more about sewer systems now because of Martinsville-Midland than I ever wanted to know. I went and saw – we talked about one in upstate New York, my husband and I did. You know, I've had a great education. I talked about that. I talked about the possibility maybe, just maybe it was a mistake, and maybe we ought to think of some other solutions for that. I talked about the Air Park that we need to get some good return on our investment. I talked about the hospital money, that I felt we ought to hold onto it and get a citizen group that is actively participating in the decision-making of where that money goes. And I talked about casino revenue sharing. I talked about all of those things that weren't so naïve and childlike. But I also did something else that was very important. I listened, which is exactly what I said I felt was the most important thing -- is that you listen. And I wrote notes about what they said. And the general population asked "Are you going to tell anybody what we said?" "Would you?" And I said, "Sure. I'll tell them." So, I really here to give you – this is what your constituents say and want you to know. The only thing that I changed was in case they used some word of color that might not be appropriate. They would like you, and all elected officials, commissioners, state, local and everybody, they kind of lump them into one thing – they would like you to tell them the truth. They don't want any secret stuff. They don't really want politics. They want a good place to live with people willing to work – hard. People with integrity who are in it not for the prestige or power, but because it's worth it. They don't want bickering. I'm

just going to stop right there for a moment. Because my clerk, who is not quite Brenda, but he is pretty good, is going to give you something else that you want you to have. That started to sound really familiar. All of these things that they were telling me started to sound familiar. It's not because it was sounding familiar because I'm the naïve, childlike nice woman who wants to do something with her county. It was starting to sound familiar because somebody else had already written it all down and it was silly and why was I was taking notes. So, here's the rest that they want you to know. They want you to play fair. They want you to share everything. Don't hit people. Put things back where you found them. Clean up your own mess. Don't take things that are not yours. Say you're sorry when you hurt someone. Wash your hands before you eat. Flush (Martinsville-Midland is always around). Warm cookies and cold milk are good for you. Live a balanced life. Remember the little seed in the Styrofoam cup – roots go down and the plant grows up. Remember the Golden Rule. Remember ecology, politics, equality, and most of all, sane living. And it is still true no matter how old you are, when you go out into the world, it is best to hold hands and stick together. I don't know what's going to happen in November, and honestly, that's really neither here nor there. What's really important is that you heard what these hundreds and hundreds people had to say and it really only comes down to that. Everybody knows that there's no one that has the answers to every single thing. There just isn't. They really just want everyone to try their hardest and try to find the answers for them and do the best they can. So, I'm just asking that you re-read this. I'm sure you've all read it once. I'm just asking you to re-read it again. Thank you very much.

[Applause]

Mayor Riley: Thank you, Molly.

President Kirchner asked if anyone else wished to address council while in session.

John Schum: 81 W. Main St. I just have a question with respect to the I was just wondering about how you were going to divest yourselves the old police cars – is that what they are? Do you have a means of doing that? How do you generally proceed?

Mayor Riley: We have been using Govdeals.com. To sell them, it has to be on the open market. It has to be available to anyone. So rather than having our own auction once and year and having to store all of this stuff, we've decided... does anyone remember how long it's been? It's been two years? For the last two years we have been using Govdeals.com and it has worked out quite well for us. Thanks, John.

President Kirchner asked if anyone else wished to address council while in session.

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, October 4, 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.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council - President Kirchner: The first item on my portion of the agenda tonight is the approval of the meeting minutes from the September 20, 2012, regular meeting of council. What's your pleasure?

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, September 20, as presented.

Motion passed.

Minutes approved as presented.

President Kirchner: The second item on my portion of the agenda tonight is the second reading on an ordinance authorizing the City Auditor of Wilmington to accept certain property. This is in regards to the TIF property exchange. Again, we brought this forward under my portion of the agenda because we needed it for timing and it was a simple transfer in/transfer out. At this time, I would say what is the council's pleasure.

A motion was made by McKay and seconded by Wallace to give the second reading only on the ordinance Authorizing the City Auditor of the City of Wilmington, Ohio, to Accept Title to Certain Property and to Transfer Title to the Property Back to the Original Owner in Connection with a Tax Increment Financing Transaction; and Declaring an Emergency.

Motion passed

Director of Law read ordinance by title only.

Kirchner requested that the third reading be on the Agenda for the next meeting.

President Kirchner: Thank you, Council. Item C tonight on my portion of the agenda is a public hearing for the City of Wilmington Transit Programs for 2013. With us tonight is our excellent Transit Authority Director, Mr. Phil Floyd.

Wilmington Transit Director Phil Floyd: Thank you, Mr. President. I'm amazed that we're at that point already.

President Kirchner opened the public hearing on the City of Wilmington Transit Programs for 2013.

Paul Hunter: People should sign in.

Phil Floyd: I do have a sign-in sheet over here. I would request everyone attending to please sign, which is something they ask for as far as all of the documentation we supply for our grant request. The public hearing is one of the final requirements of the 2013 Rural Transit Grant process. This process, which begins in July, includes preparation of multiple documents providing ODOT, Ohio Department of Transportation, with ridership data, budget information, and justification for our request for funds to continue providing service through the calendar year 2013. As the City of Wilmington is the official grantee, City Council is required to pass a resolution authorizing the submittal of the Public Transit Grant proposal, along with certification and insurance documents and

our budget request for operating and capital funds. The Ohio Department of Transportation Department of Transit will evaluate these documents along with our performance data, which is determined from our quarterly reports providing ridership, revenue collected, vehicle miles traveled, hours of operation, and other pertinent information. This data indicates our level of efficiency, which ultimately helps determine the approval of our request for funds. The ridership and efficiency of our system is a large part of determining the awarding of funds. It is also determined by the total amount of funds available from the federal and state public transit budget. We all know that within the 2012 state budget, as I mentioned in past presentations, public transit funds are at a 10-year low. We watched Ohio's public transit funds drop from a high of \$40,000,000 ten years ago to only \$7,500,000 this year and next year, 2013. All public transit systems across the country are facing the same dilemma, which is increased ridership but fewer funds available for operating and capital improvements. One thing in our favor is that our performance numbers continue to surpass the Department of Transportation's calculated averages, and actually places Wilmington's Transit System as one of the efficient rural systems in the state. I need to mention that this is a true testament of the absolute dedication and hard work provided by our 42 part-time drivers and our full-time staff. I do want to take the opportunity to publicly thank them and tell them that we appreciate their hard work and to tell them that this service would not have existed without their dedication. It is this dedication that allows for our excellent performance data that helps us to receive the grant funds necessary to continue providing services. Our goals for 2013 continue to be, as always, to maintain the same level of service by maintaining the same hours of operation, no fare increases and keeping our operating costs at absolute bare minimum, while keeping Wilmington's required matching funds at the lowest possible level. We're pleased to report that since 2008, we've reduced the required matching funds that must be made available within the General Fund by more than 50%. All of the transit employees work hard to maintain service at the same high level while keeping expenses at a minimum. All these stated goals help to ensure that our community members can continue to obtain affordable transportation to work, work opportunities, education, health care, shopping. As I have stated many times, Wilmington Transit System is an economic engine for Wilmington and for the county. Our most frequent destinations continue to be food and retail establishments as well as many restaurants around the area. All of the people transported to these destinations go there for two very important reasons – either to earn money or spend money. They help drive the local economy. We will again, in 2012, provide over 130,000 rides. Wilmington Transit System provides all our community members a level of independence that might not be available by any other means. As our population ages, it becomes more and more important that our seniors have the ability to maintain independence and continue to have the access to these services. So, in that, in our 2013 grant process seek a total of \$719,018 in federal and state grant funds. We estimate collecting \$250,000 in fares plus \$65,000 in contract revenue, which leaves the local match or the amount the city needs to show available within the General Fund for operating at \$186,842. That's 8% lower than this year's \$202,290 – and that's operating only. Also within our grant proposal, we're seeking capital funds for capitalized maintenance and replacement of four vehicles. The city's share for capitalized maintenance will be \$32,945. This is a fund that is essential for vehicle service and maintenance. For the four replacement vehicles, we have requested, the city's share for that would be \$30,799, which is the require 20% of purchase cost. Last year, it went up to 20%. The prior year it was only 10%. So, a grant total of \$250,586 will be the amount the city would need to indicate as available within the General Fund as matching funds for 2013. Of course our goal for 2013, as in every year, will be to do our best not to spend all that has been allocated. We should learn by mid-December whether our request for funds has been approved. The challenges are always great. The Wilmington Transit System will continue to provide safe, affordable transportation to the residents of Wilmington and Clinton County. Are there any questions about the proposal?

Councilman McKay: Typically, the amount requested required to be kept available. Is there some percentage that perhaps you see us not spending. What normally is that?

Phil Floyd: There's no set amount obviously, Mark, because every year is different. There are costs that we have no control over – fuel costs and vehicle maintenance costs being the two most relevant. This year we still have money left in the fund. You never

know what will happen tomorrow – a transmission may go out. But one significant important figure that I will mention is that while the funds that were made available by federal were 50% of the total and then state was 30% and then ours was 20%. We talked about this over a period of time. In 2008, we were at 29% of the total budget that we were providing. This year, in 2012, we were able to get that down to 13.8% of the total. Because of asking for four replacement vehicles, we'll be at 15.7% of the total budget. It is still quite low. When you look at other systems in Ohio, and they're 59 of them, it's one of the lowest. But replacing the vehicles is essential. Our absolute main goal is the safety and well-being of our passengers. And we skipped a year last year. This year I asked for three and we only replaced two. So, we've got to be careful not to get behind and have aged vehicles that aren't safe. So, we're asking for four more and we'll see if that's approved and we'll go from there.

Councilman McKay: Are these the bigger vehicles or a mix or...

Phil Floyd: It's a mix. This year I purchased one large wheelchair lift vehicle and we received one small minivan. Next year is a mix of two and two – two large and two small.

President Kirchner: Are we seeing ridership increase, Phil? Is it trending toward...

Phil Floyd: This year – right now – we're down by about 2%. I accredit that to the very mild winter last year. People chose to walk. Because there are those for whom two bucks is two bucks. We could see that increase if we begin having inclement weather – but just 2%. It's still well over 130,000 that we'll end up with this year.

Paul Hunter: Are we going to be able to operate on the same city contribution next year as we have this year?

Phil Floyd: Well, as I mentioned Paul... Total operating and capital, we're asking for \$250,586 be allocated to our department. This year was \$216,468. Again, there are several things that increase that number. One is I'm asking for more vehicles. But we're showing a rather significant increase here in insurance. But that may change as I understand it. So, that could change and actually lower the figure. But in operating costs, we have been able to lower it 8%, where we found we could save and tweak it a little bit here and there. So, again, we're doing our best to find where we can save money but at the same time maintain our level of service.

Paul Hunter: And you're buying your gas where these days?

Phil Floyd: From the city resources.

Paul Hunter: Not the cheapest place like the Police Department is?

Phil Floyd: Well we've talked about the UDF situation. I've talked to the people there, and after our discussions and doing an analysis of what savings there would be and the safety factor of pulling these large vehicles in and out of there, we determined that the best thing for us was to stay with the city's supply.

Paul Hunter: So, the dollar savings is minimal?

Phil Floyd: My analysis indicated it was. Thank you very much.

President Kirchner closed the public hearing on the Wilmington Transit Programs for 2013.

President Kirchner: The final item on my portion of the agenda tonight is the first reading on a resolution authorizing the County Commissioners to act as the purchasing agent in our aggregation plan. This is an exciting opportunity. The reason it has fallen under my portion of the agenda is simply because Ad Hoc had handled it. I have a note that this legislation has been an incredible, I think, combined effort, true joint effort, by the administration, all council members, and even our county commissioners. It's

exciting to see this finally come to fruition. I know the RFP's, to my understanding, for supplying aggregated electric are due in this coming week. So, we are hopeful that this legislation is going to offer our citizens a great deal of savings on the electric supply that comes their way. Of course, we would encourage citizens as they currently are getting advertisements for the long-term contracts, advertisements for renewals if they are already in contracts, to read them very, very carefully and consider the cost of breaking those contracts. Consider, perhaps, if they can, waiting to see if this aggregation, by combining buying power of the entire city, could bring them a better value. We're hoping that that will be the case. At this point, I would ask council what's your pleasure with this legislation?

A motion was made by Jaehnig and seconded by Wells to give the first reading only on the resolution Authorizing the Clinton County Commissioners to Act as the Purchasing Agent and Governmental Aggregator for Electric Power for the City of Wilmington and Declaring an Emergency.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Director of Law read resolution by title only.

Kirchner requested that the second and third readings be on the Agenda for the next meeting.

President Kirchner: Thank you, council, for your support on that. That concludes my portion of the agenda.

Councilman Jaehnig: Mr. President. I'm sorry to interrupt you. I just want to make the comment that County Commissioner Mike Curry this morning talked about it at the Network Alliance meeting. For those that are doing early voting or when you go to the voting booths in November, if you're in the unincorporated areas of the county, make sure you turn to the very last page of your ballot, because the electric aggregation will be the very last item on the voting ballot. That has pushed it to the backside of the ballot. We want to make sure that everybody understands and realizes that it is a two-sided thing and that they actually get to the back so that the county residents will have the same opportunity as the city does.

President Kirchner: Thank you, Rob. That concludes my portion of the agenda. Mr. Mayor?

Mayor - Mayor Riley had no report.

Auditor - Auditor David Hollingsworth: The only thing I have to mention. I think we have received from all of the departments their proposed budgets for 2013. I had Mary Kay make a copy for me. At the supervisor's meeting, the mayor asked that they have them in by October 1. So we will be compiling that over the next week or two and then we will get the information to you just as soon as we can. That's all that I have.

President Kirchner: Thank you. And I will encourage all committee chairpersons to be considering your meetings for budgetary purposes in the last two weeks of the month to go through those budgets.

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

Finance Committee - Chairperson Mead had no report.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells: I have no report tonight, but we are going to try to arrange a Solid Waste Committee meeting because we have several items we need

to talk about. We'll be in contact with the committee and all of the people we need to have there.

President Kirchner: Very good. I drive by the landfill every morning and the scale project looks like it's coming to completion. So, it's very exciting.

Wastewater/Sewer Committee - Chairperson Stuckert: Mr. President, we have one item and it would be a second reading on the resolution. It has to do with contracts that were sent out and brought back in for maintenance services at the Wastewater Department.

A motion was made by Stuckert and seconded by Mead to give the second reading only on the resolution Authorizing the Director of Public Service to Enter into Contracts for Maintenance Services at the Wastewater Department, and Declaring an Emergency.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Director of Law read resolution by title only.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: That's all we have, Mr. President, for Wastewater.

Judiciary Committee - Chairperson Stuckert: Mr. President, we have three items for Judiciary. The first and second items are the third readings on legislation connected with our public transit services, which the director just spoke tonight.

A motion was made by Stuckert and seconded by Wells to give the third reading only on the resolution Authorizing the Submittal of a Proposal with the Ohio Department of Transportation for a Grant through the U.S. DOT Federal Transit Law, as Codified 49 USC Section 5311, Financial Assistance for Other than Urbanized Areas and Funds Available from the Ohio Public Transportation Grant Program and Executing a Contract with the Ohio Department of Transportation Upon Grant Proposal Acceptance.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Stuckert and seconded by Wells that the resolution be passed as read.

All members voted yea.

Motion passed.

President of Council declared Resolution No. 2302 passed as read.

Councilman Stuckert: The next item is connected with it also.

A motion was made by Stuckert and seconded by Wells to give the third reading only on a resolution Authorizing the Mayor to Enter into a Contract with the Ohio Department of Transportation for the 2013 Elderly and Disable Transit Fare Assistance Program.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Stuckert and seconded by Wells to pass the resolution as read.

All members voted yea.

Motion passed.

President of Council declared Res. No. 2303 passed as read.

Councilman Stuckert: Our third item tonight, Mr. President, is the first reading on an ordinance that is part of the package of ordinances that we are passing that have to do with the codified ordinances for messages or signs. This one has to do with electronic messaging center signs. Our previous legislation on electronic signs was very short and brief. We have added quite a bit to that to bring our electronic signs under code.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the ordinance Amending §1167.01(a) to the Codified Ordinances of the City of Wilmington and Adding §1167.16 to the Codified Ordinances of the City of Wilmington Electronic Messaging Center Signs.

President of Council asked for discussion.

Councilman Jaehnig: I have a couple of questions. I'm a little confused. I apologize for missing that particular meeting, but I was in Columbus. In Section A under electronic messaging center signs, it talks about the number of signs permitted on the site unless approved by the Wilmington City Planning Commission. I was kind of wondering why it was the Wilmington City Planning Commission and not the Board of Zoning Appeals. That is where it has always been in the past and I was wondering why it's being moved.

Service Director Reinsmith: You know, it could happen in a Planned Unit Development where everything's on the table for negotiation with Planning Commission.

Councilman Jaehnig: Okay. But in the past, it has been through the Board of Zoning Appeals.

Service Director Reinsmith: Yeah. But Planning Commission and Council can bring additional signage on any PUD.

Councilman Jaehnig: In the past, it did not specify where you had to get an appeal. This time, we're specifying that it has to go to the Planning Commission, so I'm just wondering why we are doing that.

Councilman Stuckert: Well, that was in the recommendation of Chris who brought that to us. You made some adjustments too.

Law Director Shidaker: That wasn't one of them.

Councilman Stuckert: All right.

Councilman Jaehnig: Have we talked to the Board of Zoning Appeals.

Councilman Stuckert: They weren't at the meeting.

Councilman Jaehnig: Were they invited?

Councilman Stuckert: I believe they are on our list, aren't they?

Clerk Brenda Woods: The Secretary of the Board of Zoning Appeals gets the notice.

Councilman Jaehnig: I also have a question about Item B. It talks about EMC signs will not be placed within 500 feet of a residentially zoned area. I'm trying to determine how we came up with 500 feet. The reason I'm asking that is some of our B3 areas that would qualify along the road frontage, if you go straight back from their property, less than 500 feet will be residential area. Yet, that sign will not be of any hindrance to that residential area that sits behind everything, yet it's still less than 500 feet. It seems that the way this was spelled out, it really wasn't clear whether this was 500 feet of road frontage or where that came into play.

Councilman Stuckert: Again, this was part of the standardized language that was brought to us. I don't believe the 500 feet is one or the other. Wherever the sign is sitting, if it is within 500 feet, then it's...

Councilman Jaehnig: For an example, Pizza Hut, right now. If you were to take Pizza Hut's sign before we rezoned for the Fifth Third Bank, if you would take Pizza Hut's sign and put an electronic messaging sign up, less than 500 feet straight back you would run into residential, which means that they would not qualify. Yet that particular sign would have no impact on the residential area. So, I'm not sure why we would put a limit of that nature on a business like that.

Councilman Stuckert: I believe it is just because it was part of the normal language that was brought to us.

Councilman Jaehnig: Okay, but that 500 feet was not part of the language that was suggested by the National Sign Regulation marketing report that was turned in.

Councilman Stuckert: We would have to have Chris here to get the exact source of that.

Councilman Jaehnig: So other than their recommendation, we're not sure why that is there.

Paul Fear: When it was first brought up, one of the concerns was having a really bright sign close to a residential area so it would be hindrance to residential areas. So, it was recommended that something be specified.

Councilman Jaehnig: I understand that, but that is why the illumination regulation is in there, that causes the automatic dimming. Because our current lighting for signs for the internally lit sign, the illumination factor is actually higher than the electronic messaging sign once the dimming option has been approved. So, you could actually put up a very large sign similar to what happened with the Family Dollar in a residential area that is not an electronic messaging sign, but those illuminations would be higher than the electronic messaging sign based on the proposal that we have in front of us.

Councilman Wells: Chris isn't here tonight, so...

President Kirchner: Councilman Jaehnig, I know in my discussions with Chris Schock about this, one of the purposes to extending detail into EMC's had to deal with getting some basic guidelines down that allow the BZA to have an initial standard to judge hardship against. You look at a situation like the one you've described where the Pizza Hut would perhaps want to put up an electronic messaging system. They would have the ability to go before the BZA because they would be within that 500 feet.

Councilman Jaehnig: Actually, in the legislation they would not have the ability to go in front of the BZA because it would be handled by the City Planning Commission.

President Kirchner: Actually, that was never to our understanding what's been...

Councilman Jaehnig: It says it in the legislation.

President Kirchner: You've noted the one issue where they can allow more. However, it was my understanding all along that the language was consistent with the BZA being able to hear appeals of specific situations where they could demonstrate hardship. One of the purposes for putting specific measurements in here was to enable that standard to be looked at.

Councilman Jaehnig: And I know that since I have actually worked on this legislation for three years, and I'm the one that originally wanted this changed. So, back when I originally proposed this legislation, I am well aware of what the purpose was for it and what the original intent was of the legislation. In this particular case, there are two items that changed. The first item, I'm just asking "Why?" The second item, though, I feel is putting a stipulation that puts certain businesses at a disadvantage solely because of where they are located. If they are in a B-3 zone, then they are in a B-3 zone. I don't believe that there needs to be a 500-foot radius unless we're going to go back and take a look at the illuminations of lighted signs also. I believe we have taken it a step too far because this was not in the original proposal as it was originally brought in.

President Kirchner: And I can tell you that I had specifically expressed the interest in being sure that we erred on the side of protecting residential areas, homeowners, from having brightly illuminated changing messaging signs in their bedroom window. I think we are better off providing a tighter specification and enabling businesses to come before the Board of Zoning Appeals, notify adjacent property owners, so they can be

part of the process opposed to not having something in here. I agree with you that it is more restrictive, not directed at any one business, but directed out of a concern that some of our business areas overlap residential and that they can cause a very distinct difference to a neighborhood that may not be seen as positive for residential owners or property.

Councilman Jaehnig: But the EMC sign is actually of a lower illumination than a lighted sign based on the proposal that we put forth. So, if we do not allow those business to have an EMC sign, you are guaranteeing that a lighted sign with higher illumination will be put in in its place thus being more interruptive of a residential area. I understand what you're saying, Mr. President. I had worked on this for three years. I have been through many, many, many other communities messaging sign ordinances in regards to this. This particular piece is not the norm. It was not recommended by the National Sign Association as a needed item because of the illumination restrictions and the automatic dimming that we require on the signage.

President Kirchner: And as I said, I requested that we err on the side of residential citizens because of the mixing of our zoning. It was just simply out of concern for them. The businesses still have the ability to work through the process in a cooperative manner and the citizens' rights – and truthfully, their happiness in their homes is protected, which I think is the critical thing about those transitional neighborhoods.

Councilman Jaehnig: But you're not protecting their happiness in their homes because the businesses do not have the opportunity to provide a lower-lit sign.

President Kirchner: They do. They do.

Councilman Jaehnig: Only if they go through the appeal process.

President Kirchner: Correct, but...

Councilman Jaehnig: You're protecting the citizens into a brighter sign. That's what you're doing.

President Kirchner: ...you did not bring forward any suggested changes on that portion of the legislation that would have lowered the illumination on those signs. So, I understand that you may be thinking that this was the solution, and the argument is "Oh, well give them messaging centers because the illumination is lower." We can address the illumination question in standard lighted signs without electronic messaging systems. That would be my thought. But with this being a brand new portion of the code, I definitely wanted to see us err on the side of the residential citizens.

Councilman Jaehnig: I have to ask...since this was a piece of legislation being run by the Judiciary Committee, I'm wondering why you're responding to all of my questions instead of the Chair of the Judiciary Committee.

President Kirchner: On that specific clause, I asked that Chris include a restriction because of the concern of transitional zones. After hearing the initial presentation and being concerned that you could have messaging signs right outside of bedroom windows, I definitely wanted to see a transition zone...

Councilman Jaehnig: But you don't...

President Kirchner: Rob, we can go through this all night long. I understand that you are unhappy with it, and that is fine. You can vote against it if you wish. I was simply answering why I had requested the transition zone be put into place.

Councilman McKay: I'm still slightly confused about the process of inserting Planning Commission in the place of BZA. Does that mean that Planning Commission basically hears all requests for changes? I'm not sure how that will work.

President Kirchner: I have not...I have not read that to indicate that is the case. Mr. Law Director, do you read that part of the legislation to indicate.

Law Director Shidaker: The way I read it, the Wilmington City Planning Commission would only be involved if somebody is requesting more than one EMC, but the BZA would be involved in all other changes.

Councilman McKay: Okay.

Councilman Jaehnig: And I'm fine with that. I just didn't understand why we made the change. Because in the past, that had been the BZA's responsibility.

President Kirchner: I think to Larry's point, and I agree, many shopping centers often are PUD's – strip mall developments. So, you're talking about situations where it was potential that it would apply, depending on the number of bays, you could have a number of stores that would want to add a number of signs...

Service Director Reinsmith: But I don't think we really handle any other variance requests – The Planning Commission.

Councilman Jaehnig: That's what the Law Director just said.

Service Director Reinsmith: The only thought I have, and I don't know if Brian feels like the BZA doesn't have the power to change and it's like a zoning code they can't change. We've gotten into that discussion before too. I don't know. Usually, an additional sign is based on road frontage. If you have so many hundred feet of road frontage, you can pick up that additional road sign/ground sign.

Paul Hunter: Those have come before the Board of Zoning Appeals - variations

Service Director Reinsmith: Yes.

Councilman McKay: Before we vote on this, I am just wondering since Chris is not here and there is confusion that we might delay this one meeting. Loren, it's totally up to you, but we might be able to talk it through a little better and understand what we're voting on and perhaps come up with a solution that everybody can live with.

Councilman Stuckert: What is it that we don't understand at this point?

Councilman McKay: Well, I was talking about the discussion that Rob had on the 500 feet aspect.

Councilman Jaehnig: Correct me if I'm wrong, Mr. Law Director, but in the past we had done amendments to legislation, and I believe that you informed us that we cannot do amendments once we've done the first reading. We have to start over.

Law Director Shidaker: If it's material. And I think if you were going to eliminate that or change the 500 feet, that would probably be a material change and we would have to start over.

Councilman Jaehnig: Thank you.

Councilman McKay: So, you could delay it one meeting and perhaps have another go at this in a committee setting with Chris there.

President Kirchner: And that's where we did have the meeting. But it's up to the committee. If they would like to postpone...

Councilman Wells: If it's already had a first and a second, can we just postpone it or not?

President Kirchner: Well, it would simply be voted down by a majority would be the way it would go. At this point, we have a first and a second.

Law Director Shidaker: The best thing would be to just bring it back next time if that is what you want to do.

[Discussion of procedure]

President Kirchner: It's up to council. If they would like to see it go back to committee – the encouragement is that if we can work together and compromise and protect the citizens, it is the right thing.

[Discussion of procedure]

President of Council requested a roll call vote.

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

Stuckert requested that legislation be taken back to committee for further discussion.

Councilman Stuckert: That is all we have, Mr. President.

President Kirchner: I will definitely encourage council to consider closely the transitional neighborhoods and working to protect our residential neighborhoods with this sign ordinance.

Councilman Stuckert: We're going to have difficulty in discussing this in a committee since we can't all discuss it. So, I don't know what the answer to that is.

President Kirchner: I believe the fact is that you requested Chris to be there to answer more questions. Chris will be able to be there. And according to the Sunshine rules, you will be able to engage your questions specifically with him. Debate on those changes to the legislation, you would not be able to participate in unless you are a committee member.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay: We do have some things tonight, Mr. President. In fact, we have two new businesses that are opening this week or have already opened in what I like to dub our arts and antique district, which is our South Street area here. We have – which we all got a card on and the proprietor is with us tonight – Charlotte Fahrer among other owners, the Downtown Antiques has re-opened or will open...?

Charlotte Fahrer: Will open Monday if we all live long enough to get it done.

Councilman McKay: ...in the space that was formerly traditions. If you remember them last year being in that space and doing a great job to add to this area of the downtown.

Charlotte Fahrer: We will be there for three months. We will close on December 31.

Councilman McKay: That's awesome.

Councilman Jaehnig: We would still like to convince you stay.

Councilman McKay: We do have another art gallery. I do not recall the name.

Councilman Jaehnig: North South.

Councilman McKay: North South Gallery that is opened in the former Miller-Turner location. A lot of us remember it as that. So, stop in and say hi to Ted there. Even though

we've talked about it several times, I just want to put my stamp of approval on the new wayfaring signs that are completed now thanks to our M&R Superintendent's crew. You'll see the big p's that show where parking is. The directions just kind of jump out at you now where as you kind of had to stop and wonder where you were before. I think people especially visiting our downtown are going to be able to get around easier and know where things are. I applaud everybody that was involved in that including Design Review. I know Tammy, who is no longer on that, was a big part of this. I applaud her efforts. The Main Street group, the Regional Planning, and of course Denny's crew who had to be the people on the streets to make the final decisions. That's all I have, Mr. President.

Parks and Recreation Committee – Chairperson Jaehnig had no report.

President Kirchner: As we come to the next committee report, which is the Income and Levy Tax Committee, we will be dealing with a piece of legislation that two of our council members have a legal conflict with due simply to their employer. They have both asked to abstain from the proceedings. Prior to handing it over to the committee chair, I would offer to them that if they would choose to leave the room they may at this point. We will come and get you when the legislation is complete. If you choose to stay, please state clearly that you abstain for the record and do not participate in any of the conversation.

Councilman Siebenaller: Do you want us to state that now or during the vote?

President Kirchner: You would state it now and would not engage in conversation in any of it, including the vote.

Councilman Siebenaller: I will abstain.

Councilman Stuckert: I will abstain also. I won't make any faces or anything.

President Kirchner: Very good. Let the record reflect that Councilman Siebenaller and Councilman Stuckert have both requested to abstain.

Income and Levy Tax Committee – Chairperson Jaehnig: We do have one item tonight on the agenda. That would be the first reading on the TIF legislation. Just a few clarifications before we move onto the motions. In the past, we have heard of multiple pieces of legislation. I know that David Hockaday at one point had talked about maybe four or five pieces of legislation besides the piece of legislation that Ad Hoc and the President had already been dealing with in terms of the property transfer. This will be the only additional piece of legislation. They have rolled everything into one massive piece of legislation and that is one of the reasons why it is so complicated to go through and chewed up so much of the President's time. The TIF legislation – before we move into a motion and get stuck in the same type of situation that I caused in Judiciary. I would like to give the opportunity for any questions or concerns. A few clear statements – the city, other than no income tax that would be generated by new employees out at the JUMP hangar, would have no financial liabilities. So that whatever revenues we are currently receiving, none of them would be in jeopardy with this piece of legislation. Now, in regards to the TIF itself, the portion that most concerns most of us would be the compensation agreement. The compensation agreement is quite complicated because it includes the compensation instructions and agreement for how payments are to be made by ATSG and how the City is suppose do handle them and put them back out. So that gets confusing again into what our agreement is then with the schools and what the city will reimburse the school system. There is a portion of the principle payment that will be coming from the taxes paid by ATSG that will be going to the schools. It is short of what the schools would normally get from the property taxes. The city's portion is we have agreed that we would pay one-third of any new income tax generated by employees working at that facility. So, to back up, if the number in the TIF is that ATSG when this is completed has a starting number of 385 employees – if for some reason that was to drop below 385 employees, they have to get back to 385 before they can start counting the new 259 employees that is part of the TIF agreement with the state. Of the 259 employees, any taxes generated and gathered by the city of those new employees we will

be giving one-third to the school district – a maximum of one-third. If in some manner that the valuation and the property taxes on that piece of property are greater than what is expected, then we may not have to pay out that entire one-third because they will cover a larger portion of what we are trying to make sure the schools are guaranteed. However, on the other side, if for some reason the valuation comes in substantially lower, then the new income tax on these new employees, the city would be required then to pay up to whatever we bring in. So, that's the worst case scenario. Again, of our current revenues there is nothing that is in jeopardy. There was a question at the last committee meeting that we were waiting for an answer on and that was in regards to any new levy that was passed by the school district during the time of this TIF. Confusion came into play that it kind of implied that the city would be responsible for any new levy that was passed during this 24-year period. No. The way it actually applies is it applies to the compensation payout. So, if there is a new levy and there are additional funds, they are collected because of a high valuation, then in that compensation payment or that principle payment, the school would receive all of the funds, not just a portion, but all of the funds that they would be due up to a maximum of what they would be due in that, assuming that the valuation is high enough to make that payment. Am I correct on that, Mr. Law Director?

Law Director Shidaker: On that point...yes.

Councilman Jaehnig: Okay. Have I said something else that was incorrect.

Law Director Shidaker: Maybe there was one thing that I was confused about. When you were indicating the one-third of the city income tax that we would receive, my understanding is that would not change. What would change is the make-up payment. You were indicating the change would come from the make-up payment, not the one-third.

Councilman Jaehnig: Yes. You are correct. I apologize.

Law Director Shidaker: That was the part I was confused about.

Councilman Jaehnig: I apologize. So, we are liable for one-third...period.

Law Director Shidaker: Yes, the change can happen with the makeup payment. That is where the change can take place. That can be reduced. Not the one-third of the income tax that we receive.

Councilman Jaehnig: Okay. Any other errors that I made?

Law Director Shidaker: No. That was it.

Councilman Jaehnig: At this point, I would like to have council or anybody in the audience have the opportunity to ask any questions. The President knows a great deal about this if I am unable to help, and of course we have the Law Director here also. So, if you have any questions, now is the time.

Paul Hunter: There is a person in the back from Airborne that is here to hear what you guys are saying. She may want to have some clarification. She's representing ATSG.

Kelly Medley: Government and Public Affairs for ATSG. Actually, I'm good.

[Laughter]

Kelly Medley: I understand everything that's going on, so we're good to go. I'm just here to report back, so thank you.

Councilman McKay: Could you give us your name?

Kelly Medley: Kelly Medley. I handle Government and Public Affairs for ATSG.

Councilman McKay: Glad to have you with us.

Kelly Medley: Thank you. I'm glad to be here.

Paul Hunter: You might address the timing that the land transfer has to take place before the final reading on this portion of this legislation.

Councilman Jaehnig: That is why the President has started that at a meeting before this, so that would be completed before we completed ours.

Paul Hunter: And then we will end with the Special Meeting, I understand...

Councilman Jaehnig: On the 22nd of October assuming that there is nothing that blows up between now and then.

Paul Hunter: And it will go into effect immediately because it's an emergency.

Councilman Jaehnig: That is correct. It is an emergency piece of legislation, so it will go into effect immediately.

A motion was made by Jaehnig and seconded by McKay to give the first reading only on An Emergency Ordinance Declaring the Improvement of Certain Real Property Located in the City of Wilmington, Ohio to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Designating Improvements to be Made that will Benefit Such Property; Requiring Annual Service Payments in Lieu of Taxes; Authorizing the Execution of a Compensation Agreement; Authorizing the Execution of a Cooperative Agreement; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Creating a Tax Incentive Review Council; Adopting Certain City Nondiscriminatory Hiring Policies for Tax Exemption Recipients; and Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42, 5709.43, 5709.82, 5709.832 and 5709.85; and Declaring an Emergency.

President of Council called for roll call vote.

Roll call: Wells, yes; Stuckert, abstained; Wallace, yes; Mead, yes; Siebenaller, abstained; McKay, yes; Jaehnig, yes.

Motion passed.

Director of Law read ordinance by title only.

Jaehnig requested that the second reading be on the Agenda for the next meeting.

Councilman Jaehnig: So everybody is aware, our current plan is to have a special council meeting on the 22nd of October to have the third reading.

Councilman Wells: This is the first I've heard of it.

President Kirchner: We haven't set a time for it yet. It was in the documentation that I sent out. We had addressed it but my thought would be it would be the same time – 7:30. It will be the only item on the agenda.

[Discussion of time of special council meeting]

Law Director Shidaker: If anyone cannot be at that meeting, please let us know in advance, because it will take five votes to pass it as an emergency ordinance. If anybody cannot attend, please let us know.

Councilman Wells: I have a question. Who seconded that motion?

President Kirchner: Councilman McKay.

Councilman Wells: Thank you.

President Kirchner: You're testing my memory, Councilman Wells. And I believe we have a new winner for the longest legislation for our Law Director.

Councilman Jaehnig: I just have one comment. While I know I was one of the ones pushing when you had this piece of legislation, I have to thank you for the amount of effort that you put into it and a lot of your questions were very helpful in committee. I do appreciate the effort you put into it. Thank you.

Councilman McKay: May we also pass that along to the Law Director who answered all of the questions.

Councilman Jaehnig: Yes. That is all we have, Mr. President.

Service Director - Service Director Reinsmith had no report.

Safety Director – Safety Director Russ Burton had no report.

Councilman Wells: May I ask a question. Have we had complaints about people at McDonald's panhandling out there?

Safety Director Burton: Yes. Yesterday we had to remove him from the premises. It something we probably need to address as an ordinance take a look at the current ordinance and update it.

Councilman Wells: I saw a police officer stopped there this evening and talked to the gentleman. I didn't really know what was going on.

Safety Director Burton: As long as they stay on the sidewalk, it's...

Chief Weyand: The people that manage the property themselves – they manage all three plazas out there. They've gotten with us and said that they don't want the people basically walking the line from McDonalds and basically canvassing every stopped car at the light. They've asked us to keep them off the property. A lot of them out there, and we've been doing this for the best part of a year now, is addressing them, talking to them, and referring them to services. A lot of them we have sent to Your Father's Kitchen or we've sent them to the homeless shelter or we've worked on trying to get them some kind of assistance and directing them where they need to go. But the problem seems to be expediting. We have one person that has come from Chillicothe multiple times that we have dealt with. His response is the people here in Wilmington are more generous than in Chillicothe. Brian and I have had some conversations. I know he has wanted to take some stuff to Judiciary Committee and revise our ordinances. You should see something soon.

Councilman Wells: The reason I ask is because I have had several people ask me about it.

Chief Weyand: My thing is, if you're going to give someone your money, give it to Our Father's Kitchen or somewhere local where you know the money can be spent as well as used wisely to feed probably more people than just to feed one person for an hour.

Councilman Wells: Thank you.

President Kirchner: Duane, we have a couple of items that the Law Director asked be passed onto judiciary to update some O.R.C. changes. If you do have items that you would like considered, they are going to be putting together a meeting so, just let us know.

Chief Weyand: I'll be there.

President Kirchner: Excellent.

Law Director Shidaker: I do have a lot of stuff I could present on the panhandling. You cannot ban it altogether, but you can definitely restrict as far as of the manner, the time,

the place, all of that. If you want me to, I would be more than happy to give Judiciary some legislation regarding that if you would like to consider it.

Mayor Riley: The Law Director and I have discussed it. There are some cities that require – like Brian said, you can't ban it – but you can require them to register. That way, you know who they are, where they're from, and what they're up to. Cincinnati does that. I like that idea. It's fairly new for this city, so we are looking into it. Don. Thank you.

Reports

A motion was made by Wells and seconded by Mead that the Income Tax Report – September 2012, be accepted as presented.

Motion passed.

Reports accepted as presented.

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

Paul Hunter: 200 Randolph Street. Rob, it's not just the illumination, it's the flashing of the light that's the concern.

Councilman Jaehnig: Right. And that's actually – in the legislation that Judiciary brought forth, it does reference that. It can't change any faster than 8 seconds and you cannot repeat any sooner than 16 seconds.

Paul Hunter: Bennett Realty, would that meet this. That is one of the most questionable ones that I can think of.

Councilman Jaehnig: To be honest, I haven't gone and look at it specifically to determine that. That one is grandfathered in.

Paul Hunter: The other thing I wanted to emphasize, people are being approached to sign up individual contracts on the aggregation. Once a citizen signs up, they're committed to as much as \$150 to cancel that contract to get into the aggregation. Historically, those individual contracts are about 6.99 cents per kilowatt hour. The history of our new providers should be in the range of 5.85 cents. That's a significant difference. You can pay down a cancellation fee – like in my case, I can save \$12 from my individual contract going over to the 5.85 contract – assuming that's what we get. So, I can pay it down in seven months. I pay my \$75 cancellation fee and still be ahead of the game. If you're at \$150 and you're halfway through it, it probably doesn't pay you to do it. But the citizens need to know, and I'm looking at Miss Chaffin on purpose, but they need to know that detail. There's a lot of pressure on people to sign up right now. They're signing up like mad. They're knocking on doors. You get them in the mail. I have a contract, but I'm getting a letter every week to sign up. So, the people need to be advised.

Councilman Jaehnig: At the last Ad Hoc meeting, the Treasurer held up a stack of requests.

[Discussion of contracts]

President Kirchner: I would completely support getting the message out to citizens. You need to think very carefully at this point. I would not advise citizens one way or the other. I would simply say that in my household, we have not signed up. We are waiting for this aggregation to take hold.

President Kirchner asked if anyone else wished to address council while in session.

Phil Floyd: I would just offer again if everyone would please sign the sheet that we have over here on the table as attending the public hearing, I would appreciate it.

[Discussion of sign in sheet]

Councilman Jaehnig: I would just like to publicly thank Councilman Siebenaller. We had a meeting up in State Representative Rosenberger's office yesterday on pursuing economic development based on some efforts that he made on his own time. It was very fruitful. Hopefully it will lead to something. I really appreciate the effort that he made.

President Kirchner asked if anyone else wished to address council while in session.

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, October 18, 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.

Chief Weyand was also present.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council - President Kirchner: Thank you. I'd like to welcome everybody tonight. Under the President's portion of the agenda tonight, the first item we have is to approve the meeting minutes of the October 4, 2012, regular meeting of council.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, October 4, as received.

Motion passed.

Minutes approved as received.

President Kirchner: The second item we have tonight is the third reading on an ordinance which will transfer property ownership to the city from the Port Authority and back to the Port Authority. Again, this is on my portion of the agenda because of the timing that was required to get this item done prior to the TIF legislation. I did receive from the Law Director today an indication that we have a description change for legal purposes for the insurance of the Port Authority. Where we described in the ordinance, Section 3, a quitclaim deed, the insurance company has requested that language be correctly described legally as a limited warranty deed. This is simply a same meaning but legal definition for the insurance company change, and I would ask Council's consideration of amending that legislation prior to any action on it.

A motion was made by Jaehnig and seconded by Wallace to amend the changes for the Law Director as presented on the property transfer legislation.

President of Council asked for discussion.

Seeing none, President of Council called for a vote.

Motion passed.

Property Transfer legislation amended.

Councilman McKay: I would now move that the legislation be accepted as amended for the third reading.

President Kirchner: Do I have a second?

Councilman Wallace: Second.

President Kirchner: All in favor of passage. We have a first by Councilman McKay and a second by Councilman Wallace. Now that I think about it, I have been remiss. There were two council members who expressed to me their desire to abstain from all votes. I'm going to ask that we go back to the update and do a roll call so that we can clearly give them the opportunity to abstain. I apologize. That is my error. Brian, what would be the proper way to return to the item?

Law Director Shidaker: Simply, there has been a request for a roll call. So you are fine just doing it as a roll call now.

President Kirchner: Okay. Very good.

Councilman McKay: For both items – amendment...?

Acting Clerk Andrea Tacoronte: Are we roll-calling the amendment?

Law Director Shidaker: Oh, is that what you were...?

President Kirchner: Yes. The vote on the amendment. I asked for a yea-nay vote, but I need to ask for a roll call.

Law Director Shidaker: Ask for a roll call. That's fine.

President Kirchner: So, at this point, having not moved too far forward, I would ask that the last vote be made a roll call vote please.

Vote on amending property transfer legislation:

Roll call: Jaehnig, yes; Wells, yes; Stuckert, abstain; Wallace, yes; Mead, yes; Siebenaller, abstain; McKay, yes.

President of Council declared property transfer legislation amended.

Councilman McKay: Do you want to propose the legislation again? I move that we accept the legislation as amended.

Acting Clerk Andrea Tacoronte: We need to move for the third reading.

A motion was made by McKay and seconded by Wallace to give the third reading only on the ordinance Authorizing the City Auditor of the City of Wilmington, Ohio to Accept Title to Certain Property and to Transfer Title to the Property Back to the Original Owner in Connection with a Tax Increment Financing Transaction; and Declaring an Emergency, As Amended.

President of Council asked for discussion.

Seeing none, President of Council called for a roll call vote.

Roll call: Wells, yes; Stuckert, abstain; Wallace, yes; Mead, yes; Siebenaller, abstain; McKay, yes; Jaehnig, yes;

Director of Law read ordinance by title only.

A motion was made by McKay and seconded by Jaehnig to pass the ordinance as read.

Roll call: Stuckert, abstain; Wallace, yes; Mead, yes; Siebenaller, abstain; McKay, yes; Jaehnig, yes; Wells, yes.

Motion passed.

President of Council declared Ord. No. 5054 passed as read.

President Kirchner: Thank you all for your support on that. I saw some questioning eyes in the audience. Let me explain the issue of abstention. It was our legal counsel who advised that because the two employees worked for a party to the agreements in question that they abstain from the process. They are simply following the advice of our legal advisor on that matter. It is simply because they work in the City Schools. Very good. The final item on the agenda under my portion tonight is the second and third readings on electric aggregation. I am pleased to let council know that I received a call from Bill Bradish this week that quotes have been completed if this moves forward and we name the commissioners as our aggregator. I will discuss later further matters on that, but at this point if council would have their pleasure with that.

Councilman Jaehnig: I move that we have the second reading on a resolution authorizing the county commissioners to act as our agents...

Councilman McKay: We're not going to do second and third.

Councilman Jaehnig: Oh. I'm sorry.

President Kirchner: He would generally do the second reading first and then suspend the rules and regulations to do the third reading. Correct?

Law Director Shidaker: Typically you would suspend the rules.

Acting Clerk Tacoronte: We suspend straight off the bat.

Councilman Jaehnig: Good, then I've added to the confusion of the evening.

[Laughter]

A motion was made by Jaehnig and seconded by McKay to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by Wells to pass the resolution as read.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Motion passed.

President of Council declared Res. No. 2304 passed as read.

President Kirchner: Thank you very much for council's support on that. It's an exciting opportunity. That completes my portion of the agenda. Mr. Mayor?

Mayor - Mayor Riley: I'll step down for this. We've really held the line on hiring employees. One of things that I've said all year long is we are going to replace essential personnel. I don't think anybody would argue the fact that our dispatchers are highly essential personnel. Somebody calls 9-1-1, you have to have someone there to answer the phone. We have a replacement for one of our dispatchers. I want to introduce to you Robin Cassell. Duane?

Chief Duane Weyand: Robin Cassell has been with us for about three weeks now, so I just wanted to bring her up to introduce you to the friendly face behind the voice that's working in our communication center. She's a homegrown girl. She lives down the street. She's been in Wilmington for quite some time. She's married. Raised her kids and lived here for her whole life. So, I just wanted to introduce you so you're familiar with her when you stop up and see her if you have something to check in with dispatch. She'll be training for the next nine weeks and then after that she'll be out on her own. So, we just want to introduce her and say thanks and that we appreciate all of the support you give to the Police Department.

[Applause]

Mayor Riley: Hopefully you won't have to call 9-1-1 but if you do, you're going to have Robin there to talk to. Thank you, Robin. We appreciate it. Also, if you call 9-1-1 and Robin answers your phone call and you need a cop, we're proud to have with us Jeremy Skates tonight who we are going to be swearing in as a new officer. Wendy, if you would like to come up also. Jeremy is going to be starting as one of our new police officers. You come to us by way of Blanchester. So, he's got the experience. He's got the training. He already has all of the certifications and he will be good to go on duty just as soon as he gets started. Basically as soon as you are sworn in. So...

Jeremy Skates: Monday.

Mayor Riley: You'll be sworn in tonight but on Monday you'll start work. Monday you'll start getting dispatched, so it's good to have you with us.

Chief Duane Weyand: Jeremy has been with Blanchester for about seven years now. He comes to us and he's highly trained; highly reputable. We put him through out background process and interview process, and you know everybody that interviewed him, everybody that's worked with him, they couldn't think of a better person to have as a candidate. So, we're really lucky to steal such a fine officer from Blanchester and have someone come work in our community and make this his new home. We welcome Wendy and the kids as well into our family. We want to thank him and his wife for choosing us and taking the time to believe in our department and believe in what we do and believe in what our city holds for the future.

Jeremy Skates introduced his children to the council.

Mayor Riley swore Jeremy Skates in as a Patrol Officer for the City of Wilmington.

[Applause and banter]

Patrolman Jeremy Skates: I'm looking forward to it and I appreciate all of the support.

[Banter]

Mayor Riley: That's all I have.

Auditor - Auditor David Hollingsworth: Just a couple of things. I guess I'm probably looking for a little more direction rather than having a comment. We've had discussions with Finance Committee. We have a chance to save some substantial money by refunding some of our debt. I guess the idea is to maybe pay off some of the sewer debt. We had originally Scott Stubbins scheduled to come up to kind of speak to all of council if they had any questions on it. I just need to know who I need...what information is needed and who I need to talk to to get this moving forward. I guess there's some discussion that sewer wanted some additional information and that never got relayed to my office as far as exactly what information was needed or asked for. I mean, we can get anything you want pretty quickly.

Councilman Stuckert: One of the items needed...I mean we want to look at the payoff on a bond so we know of any costs associated with paying it off. Is there anything that would be out of the ordinary that would be an expense for paying it off.

Auditor David Hollingsworth: Really, unlike a refinancing, the only cost to pay them off would be whatever principle we owe and then whatever interest is accrued up to that point. I mean, I can get you that number. That's not a hard number to get. The principle outstanding on the debt is a \$1.4 million. That's a given. The interest is going to be a relatively nominal amount because I think we've paid most of the interest up to date with our bond payments we've made in 2012. So, I mean I can get that information for you pretty quickly.

Councilman Stuckert: I think we're planning to schedule a meeting for next week. So, we'll let you know about that date so you can get that information to us and we can take a look at it.

Auditor David Hollingsworth: Okay. As far as the G.O. debt. I mean, I'm not sure if that stays with the Finance Committee or who that gets assigned to.

President Kirchner: That was the expectation in talking with the Chair with the Finance, Councilman Mead, was that the G.O. bond refinancing would come through the Finance Committee. I will interject here because I've been talking with everyone. I know there was a request for more information and I think in addition to that, there was a question about timing about when it would need to be planned for in the budget and whether or not there were additional costs. We had the bond book out and trying very, very...what do I want to say...not professionally...trying to read the code and understand whether there were additional costs...percentages for early payoff was what we were trying to understand. Of course, the book is about the size of a couple of dictionaries put together. That was what we were trying to understand in that meeting. I did have a conversation with Scott Stubbins. He had blocked out Monday or Tuesday. We, of course, have a special council meeting on Monday and I believe another meeting on Monday, so Tuesday was when I had talked to both chairs to verify today that they and the majority of their members, if not all of their members, would be available from 7:00 to 8:00 – 7:00 -7:30 for Finance and 7:30 – 8:00 for Wastewater Sewer. And I had just talked to Andrea about availability there. Brenda, I know, is out of the office. So, Scott Stubbins already has that night blocked off for us. Then once the committees have reviewed it and have the stuff in front of them...I know you were going to talk to Margaret Comey...

Auditor David Hollingsworth: I talked to Margaret Comey. She's our legal counsel. She will be drafting the ordinances. She can come to anything. She says she just needs more than 24-hour notice if she needs to be up here to explain anything. She said she can come at anytime.

Councilman Stuckert: We're going to have a meeting Tuesday.

Auditor David Hollingsworth: Tuesday of next week?

President Kirchner: My question, David, would be for a bond payoff, is there required legislation other than the budgeting of the money for the expenditure?

Auditor David Hollingsworth: I don't believe so. The legislation she is working on...she had originally incorporated refinancing the bond. That what we kind of initially had looked at, so she is not modifying that to take that out now that we're going to pay it off. So, her work is basically just going to be on the refinancing.

President Kirchner: Okay. So the finance committee and the G.O. refinance would be the only issue where Margaret would have an impact. It will just be numbers and timing for the Wastewater Sewer. Councilman Jaehnig?

Councilman Jaehnig: If I could make a suggestion, is there a reason we're doing Finance and then Wastewater and not reversing. If for some reason Wastewater decides not to pay off the bond, then the discussion in Finance would be a different discussion than would occur.

President Kirchner: It was simply a matter of timing that night. The Chair of Wastewater Sewer has a grade card fair until 7 p.m. It is a correct point that if for some reason the Wastewater finds a reason not to do a payoff, they would then need to take it to Finance. But I think, if necessary, we can make the adjustments, have another Finance meeting and pull special council meetings if necessary. I know the timing of the window during this interest availability is of concern. But, that was the reason for the timing of the two meetings that evening.

Councilman McKay: Mr. President, has the supervisor of Wastewater/Sewer been talked to and is he in the loop on this and so forth.

President Kirchner: I am not aware of whether he is involved. I know the mayor talked about getting with him about a spending plan and we had not a committee meeting with any information back indicating that there was any issue. I know that when you look at the finances, you will still have approximately a million dollars of unencumbered monies as well as reduced budget necessity because of the lack of a bond payment. So, at this point, we haven't heard anything otherwise.

Councilman McKay: But has he been directly apprised of what the plan is? You know, I feel uncomfortable that he has not been part of any of those meetings or decisions and it is his budget.

Auditor David Hollingsworth: If I might interject, we can get into more discussion later, but most of the money in relation to the total that you are paying off inside the sewer fund or proposed to pay off is coming from funds that are already reserved under the indenture. There is a replacement fund. There is also a bond reserve fund. So, a good portion of the money to pay off the debt is not coming out of the operating money.

Councilman McKay: I understand. It's just protocol that the supervisor should be part of the discussion.

Auditor David Hollingsworth: Sure.

Mayor Riley: Harry's been apprised of it. We've talked about it.

Paul Hunter: This is hinging on the water bill increase? If we don't have to increase the water rates, is this still a viable – isn't that the purpose of this more or less.

President Kirchner: Well, actually, the purpose of the payoff was really more of a financial analysis. When we sat down and took a look at refinancing, there were savings that you definitely could get by lowering your interest rate, but when we looked at the amount and reviewed the amount in the accounts, we then got together with the Treasurer. And Paul, you can talk to this. Basically, what we looked at was a question of what are the investments of the money sitting in the account earning compared to what we are paying even at the refinanced rate? And the analysis that we got was actually that we could improve the citizens' position by paying off the loans flat off because the investments were not making as much as the interest was going to cost.

Paul Hunter: So equalizing the utility bill if the water rates have to go up, you can lower, hopefully, the sewer rates because this action. The users will see no change in their bill more or less.

President Kirchner: It's potential, Paul. Obviously, to Councilman McKay's point, you have to look at the cost of operation and the cost of maintenance of the system, but, and I think very solid theory, yes, I think this enables the maximum flexibility. If, based on the current bond coverage in the water fund and the operational cost, we have to raise water rates, then there is very significant potential that we would be able to counter-balance.

Paul Hunter: But you will not be lowering sewer rates as a part of this process.

President Kirchner: This process is just strictly about paying off the bonds. That discussion has not even been held. Really, with the budget season upon us, I think we need to take a look at the budget for 2013 first, take a look at the revenues for 2012, and really at that point understand what the situation is before we can have that discussion. We have to do the same, obviously, in the Water Department and take a look at that situation and see if it is necessary to adjust water rates as well.

Paul Hunter: We've been looking at this since 2005, right? The increased rates generated this surplus we have. Then we need to give it back eventually in some form.

President Kirchner: I think this actually basically pays off the peoples' mortgage on their sewer infrastructure as it exists today. That's not to say that it won't need expansion, improvement that would require future bonding events. But, yeah, this is using the monies that they have paid to complete the payment on that system. Does that answer all of your questions, David?

Auditor David Hollingsworth: Yes. That's all I have.

President Kirchner: Okay. Very good. Do you want to talk any about budget?

Auditor David Hollingsworth: Not yet.

President Kirchner: Very good.

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

Councilman Wallace: Mr. President, if I can ask. We've been discussing actually putting some of our properties up for sale. Is there any movement there? Do we know what has happened with any of that.

Mayor Riley: I'll let Larry address that.

Service Director Reinsmith: We sold the house.

Councilman Wallace: Oh, we did? Good.

Service Director Reinsmith: I think that's the only property.

Councilman Wallace: The one on Columbus?

Service Director Reinsmith: Yes. That's the only one we talked about wasn't it?

Councilman Wallace: Yes. I think we talked about another one. On the corner of Columbus...we sold that one?

Service Director Reinsmith: Yes.

President Kirchner: That went on GovDeals, right?

Service Director Reinsmith: No, we advertised in the paper.

President Kirchner: I was being facetious. I winked, but nobody caught it.

Councilman Wallace: That's what I was thinking about.

President Kirchner: Yeah...I remember passing that legislation. I have not heard of any more, but if there is property that we need to consider, by all means, I encourage you to let Councilman Mead know and I'm sure he'll hold a meeting.

Councilman McKay: Did the proceeds of that go to water?

Service Director Reinsmith: Water, yes. Because water paid for it.

Councilman McKay: Thank you.

President Kirchner: Does that answer all of the questions? Finance committee?

Finance Committee - Chairperson Mead: Mr. President, we have the beginning of two or three groups here of lengthy things that we're going to do this evening. The first item is three readings on an ordinance making supplemental appropriations. These have to do with moving money from the Fire Fund to Facilities Maintenance, from Federally Forfeited Funds to Transfer to State Forfeited Funds, from State Forfeited Funds to Program Expense, from Municipal Court to Special Projects, and from General Fund to Victim/Witness Salary. None of these items or the items coming up on the next thing directly have a negative effect on the General Fund. They are either money being moved from one fund to another or from a grant to an account so can be spent. It's kind of some Auditor's bookkeeping sort of thing. They need to get these things in order so they can spend the money under the right heading. So, unless anybody needs any additional information on any of the specific items on your list, I would move for the first reading.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Councilman Wallace: What is the Fire Fund one for? Do you know what that is?

Councilman Mead: The Fire Fund – the money – sometime back they leased a fire truck to another fire department and received money in turn, which amounted to about \$25,000. Now they want to use this for facilities maintenance. Some of the things they are doing – we talked about moving the fire stations and moving number 2 back into number 1. Part of the money is going to be used in that area.

Councilman Wallace: For number 2 or number 1?

Councilman Mead: For number 1. So, basically that is what is happening there. They are moving money around in the funds so they will have it available for use to make improvements.

Councilman Wallace: Thank you.

Councilman Mead: They even talked about throwing that in too – since it was listed in a public session – they’re even talking about some of that is going to be spent redoing some space that is next to the fire station – in another building right next to the fire station. So, it isn’t just in Fire Station 1, it’s also expanding their space to include some additional area.

Councilman Wallace: Is that where the chiefs used to be?

Mayor Riley: It’s right next door. Where the chief used to be, Mike, is where the free clinic is now. We certainly don’t want to disrupt the operation of the free clinic. But just to the west of the free clinic is a two-story building. It is actually attached to the building where the free clinic is at. That is where we are talking about putting the chief and the assistant chief. Basically they are just right across the parking lot from the station.

President of council asked for other discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Wallace, yes; Mead, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Motion passed.

President of Council declared Ord. No. 5055 passed as read.

Councilman Mead: The next item is a multiple part. These are items that have to do with making miscellaneous transfers from the various lines – Communications Salaries to Police Fund, Police Salaries to Capital Equipment, from Communication Capital Equipment to Police Fund, from Communication Salaries to Transfer to Police Fund, from Probation Capital Equipment to Probation Miscellaneous Transfers. The last item is the court’s request. But most of these, again, have to do with the police department. If there are any questions on any of these specific items, I am sure Chief Weyand would speak to them.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Councilman Wallace: Chief, is this to try to update your communications?

Chief Weyand: Some of this is to fix a computer server that we have.

Councilman Wallace: You talked about that before.

Chief Weyand: Yes. We have four computer servers down there. One of them crashed, so now we are kind of operating with three which is making it run a little slow. The oldest one we have is a 2003, and then they stagger up to 2007. So, in a nutshell, we’re going to replace all of them and at the same time use that new server, which will allow us to take the mayor’s office stuff, which they have never had it backed up, they have never used a server themselves, and integrate them into the same server. It’s going to have mirrored back up...more stuff than I could probably explain...but allow them to have all of their data stored. They will be able to use a common drive so they can share documents a lot easier and have the ability to have everything backed up. Thanks.

Councilman Mead: I want to commend the chief for staying on top of his budget and being able to make these movements that he has to be able to accomplish some of the things that we would like to accomplish without affecting the General Fund.

President of Council asked if there was any more discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5056 passed as read.

Councilman Mead: The next item is three readings on an ordinance establishing new funds. There are two new funds being established for the purpose of administering and accounting for the financing of the city, new funds be and the same hereby are created: Fund #265, Community Development Block Grant, Fiscal Year 2012; and Fund #253, 2012 CHIP Grant Funds. These are two new funds that they have to create to be able to handle the money.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Establishing New Funds.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Motion passed.

President of Council declared Ord. No. 5057 passed as read.

Councilman Mead: The last item on my portion of the agenda is an ordinance establishing a new fund. This is a new fund that Chief Weyand found that he had to have created to handle forfeited money from the Federal Government and the State Government to keep them straight. We had kept them together in one fund; now they are going to require them to be kept separate in different accounts. So, they will keep it separately because sometimes it needs to be spent differently. This is just to establish a new fund.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Establishing a New Fund.

President asked for discussion.

Councilman Jaehnig: Is there a reason why this is on a separate ordinance? Is there a legal reason or is it just timing.

Acting Clerk Tacoronte: There is...it's that whole...you can only have one item or one concept on a piece of legislation...so the first two are grant, so we can put those together, but the other one is police. So, they are two different categories of funds.

Councilman Jaehnig: That's all I needed to know. Thank you.

President of Council asked if there was further discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes;

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Wallace, yes; Mead, yes;

Motion passed.

President of Council declared Ord. No. 5058 passed as read.

Councilman Mead: That's all I have this evening, Mr. President.

Water Committee - Chairperson Wallace: I really have no legislation, but we had tried to get a Water Committee meeting going a couple of weeks ago. Somehow we got caught up in a lot of other meetings, so I think we need to bring this back up. We were going to discuss our bond situation and where we were with all of that stuff as well. As we go into this whole situation of budget review, we probably need to get an update with everyone on the committee. So, if we could have that committee meeting and either have David or somebody there from Finance, so we can talk about exactly where we are with the bank and that type of thing.

Acting Clerk Tacoronte: When were you wanting to try to do that?

Councilman Wallace: Next week sometime.

Acting Clerk Tacoronte: Before the next council meeting.

Councilman Wallace: Right. Before the next council meeting.

President Kirchner: Very good. I know, and we'll discuss it shortly, but all of the committee that have budgets are going to need to put together meetings very shortly. So, if we can tie that in. I realize it does.

Councilman Wallace: It's possible. I know about three weeks ago we started trying to get this together and we had four committee meetings going. So, we just kind of backed off of that. But we need to get that moving so everybody on our committee knows where we stand and what is going on.

Streets Committee - Chairperson McKay: We have no legislation, Mr. President, but we too are going to be scheduling a meeting probably the week after next. There are several things on the agenda. We probably will put budget on that also if time allows. We'll be looking to schedule that. The powers that be are already aware of that. That is all I have.

Solid Waste/Recycling - Chairperson Wells: Mr. President, I have nothing on the agenda tonight; however, we also are trying to get a Solid Waste Committee – if Donnie makes it back in time and is okay with that. We have Mr. Steven Taylor in the back tonight from Santech who wants to talk to us about the landfill. Hopefully we can get this setup for Monday.

Acting Clerk Tacoronte: We're shooting for Monday at 6:15 as long as Mr. Maher is available.

Councilman Wells: Mr. Taylor, did you have anything you wanted to say tonight?

Steven Taylor: Not really. We'll talk and we have some things to discuss with you on Monday when you have your committee meeting. We'll introduce the company at that time.

Councilman Wells: Okay. Thank you very much. That's all, Mr. President.

Paul Hunter: I have a question for Don. Is this for selling? Is this for vending the landfill or what.

Councilman Wells: No, this corporation contracts with cities to operate their landfills. Is that correct?

Steven Taylor: Yes.

Councilman Wells: I wanted to describe that correctly.

Paul Hunter: Operate the landfill. Okay.

Mayor Riley: We're looking at all options, Paul, not just selling the landfill. I presented to Don a list of options that we can look at – everything from doing absolutely nothing to continuing to as we are to capping the landfill right now to having a new operator at the landfill to selling the landfill. You know, there are pros and cons to everything and we're looking forward to finding out some information. We're just right now on information fact-finding.

Paul Hunter: That's the landfill operation – not pickup.

Mayor Riley: That's right.

Paul Hunter: Not residential pickup.

Mayor Riley: We could look at all of that and we will look at all of that, but their expertise is actually landfill management.

Wastewater/Sewer Committee - Chairperson Stuckert: Mr. President, we have one item on the agenda for Wastewater Sewer. It's a third reading. It's a resolution that we have had before us at previous council meetings to finalize the contracts for maintenance service out at the Wastewater Department.

A motion was made by Stuckert and seconded by Mead to give the third reading only on a resolution Authorizing the Director of Public Service to Enter into Contracts for Maintenance Services at the Wastewater Department, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Stuckert and seconded by Mead to pass the resolution as read.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Motion passed.

President of Council declared Res. No. 2305 passed as read.

Councilman Stuckert: I have nothing else in Wastewater, Mr. President.

President Kirchner: You do have a meeting on Tuesday, right? 7:30 p.m.

Councilman Stuckert: Yes.

Judiciary Committee - Chairperson Stuckert: We do have three items on Judiciary. The first item is an ordinance that we had before council at the last council, but due to some questions surrounding that particular ordinance, we sent it back to committee for discussion. We had a quite extensive amount of discussion on this. This is one of the ordinances that has to do with the signage in the city. This is 1167.01, which we are attempting to permit electronic message center signs within those lighted signs. We went back into committee. We had a couple of questions about those. Like I said, we had quite a discussion on it. The end result was that the committee felt that it was a good move to enable businesses to have EMC's as part of their signage, so we're delighted at that part

of it. It is limited to B3 roadside business and I-1 Industrial districts. There was a question with regard to a provision we had in there which called for a sort of a protection for residential areas that might be close to one of those business that had one of those signs. That provision called for a sign not to be placed within 500 feet of any residential zoned area. So, we had more discussion on that and as a committee we decided that was nice trigger mechanism that would enable us to protect residents if there is a question about these signs close to a residence. It still enables the businesses to bring the matter to the Planning Commission and to still have their sign if it gets approved that way. I believe this provides an opportunity for businesses that are good. It is the first time that electronic messaging signs are going to be legal, but at the same time, we want that provision or we are recommending that we leave that provision that gives a trigger mechanism to protect the residents and in the interest of the residents in the ordinance.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the ordinance Amending §1167.01(a) of the Codified Ordinances of the City of Wilmington and Adding §1167.16 to the Codified Ordinances of the City of Wilmington Electronic Messaging Center Signs.

President asked for discussion.

Councilman Jaehnig: When I started work on this particular piece of legislation back almost three years ago now, I felt, as I still feel now, that this is extremely important legislation for businesses and that council's and government's responsibility is to assist and be business friendly. So, while I disagree with the stipulation of the 500-foot buffer, which will eliminate effectively 36% of the businesses that are in B3 or I1 zones from being able to take advantage of this new piece of legislation, I do not want to hold it up any further. If, at some time in the future, we are able to come back with legislation to get that reduced once people have had an opportunity to see the signs in use and that the illumination restrictions that are already on it and the flashing restrictions that are on it are more than adequate to take care of any intrusion into the residential areas, to get that adjusted. I do find it unfortunately that nearly a third of our businesses in these zones will not be able to take advantage of this without going through a zoning appeal. But, this is important enough that at this particular point I will move it forward for support.

Jonathan McKay: Two questions for Councilman Stuckert. Will any signs be able to be grandfathered into this legislation and will this effect one of our most prominent signs downtown, which is the Wilmington Savings Bank clock and temperature.

Councilman Stuckert: I may stand corrected on this, but I don't believe that this affects any of that.

President Kirchner: Any existing signs that already have proper zoning.

Paul Hunter: As long as they were installed before the date this was passed.

President Kirchner: It's future signs. Correct, Mr. Law Director?

Law Director Shidaker: Correct.

Service Director Reinsmith: The only time you have a problem is if that sign gets struck by lightning and gets struck down. Then if it is more than 50% or 75% of the value of that sign, then you couldn't put it back up if it wasn't compliant at that time. That would be the only issue. It would be grandfathered as long as it stayed up there. If somebody drives a car through it, they couldn't put it back up.

President Kirchner: Which would be the same as any of our signage. All signage that would be updated, whether it's electronic messaging signage or not, would have to meet current sign code or go through a variance process. Any other questions?

Phil Hale: On the 500 feet, how did that come up? Sorry, I haven't been here, but that's like a block and a half, right?

Councilman Stuckert: Yes. That's a good question. We looked at...included in that conversation was Chris Schock. We brought to the table best practices and things like that. This 500 feet or any kind of stipulation like that is not listed as a best practice, but it is included as options. You know, when we asked for what would be a suggested amount of space, the first one that came to us was 1000. And we went back and forth and just generally arrived at 500. I don't really know, unless it's some of the 30 percent or so that you're talking about, if it's 400 feet – I don't know. The interest wasn't so much how far the setback was but that it would be a setback in there that would trigger a mechanism if we had a residential area that had some concerns about that. It would then go under further review. It's not that they are not going to be able to do it. It's going to have to then go for a variance.

Councilman Jaehnig: The 500 feet, there is nothing documented anywhere. It was just determined that that was a number that was acceptable. So, there is nothing that they went to to look at, because that wasn't the recommendation from the National Sign Foundation. My concern isn't so much the lineal – from side to side – as the fact with 500 feet, if you go straight back, most properties aren't 500 feet deep. And a lot of these businesses have residences directly behind them. And that would eliminate them, even though the sign may not be even visible from that residential area.

Paul Hunter: I have a couple of things. A sign can be baffled in such a way that the right-of-way people driving back and forth can see it in both directions while it's backed by some method where it does not shine back on the residential area. That way, you can almost make it a zero setback, if you want to consider that. The second item is, I see this as a camel's nose under the tent on the Board of Zoning Appeals. Because traditionally, this would have gone and does currently – variances in signage go – to the Board of Zoning Appeals for someone who wants to go beyond the ordinance. If we go this way, then the Board of Zoning Appeals is cut out of that particular picture. That Best Practices was written by sign companies. Better than a half dozen of them wrote that Best Practices, and they're the ones who want the Board of Zoning Appeals out of the picture because they feel they could handle – in my view – they could handle that information better than they can the BZA.

Councilman Stuckert: I can't really speak...

Paul Hunter: Today's signs. Tomorrow's parking lots. The next time swimming pools or whatever it may be. It slowly erodes the BZA, which, as a former member, I feel like I have an interest in it.

Councilman Siebenaller: It is my understanding that the BZA isn't cut out of this, like you say as far as the 500-foot setback goes. It's only on the number of signs that are allowed that would go to Planning Commission. Anything in regard to the 500 feet, that would have to go to the BZA.

Paul Hunter: I don't know...I'll take your word for it.

Councilman Siebenaller: That is my understanding. That question was asked of Mr. Schock at the Judiciary meeting. That's how Mr. Schock answered the question to my understanding.

President Kirchner: That is correct, Paul. I tried to convey that in the email when you asked that question. The only issue that they identified the Planning Commission to address was if additional signs were requested. Which is why I was trying to explain to you that additional sign necessity would not be a hardship issue, so therefore the BZA would have no reason to act to grant additional signs.

Paul Hunter: They have in the past.

President Kirchner: That is why it was indicated to go to the Planning Commission. It was a best practice that had been described, as I understood it from Chris. So, that inclusion came from that point. Phil, if I could answer your question a little more directly. In talking with Chris Schock, the Executive Director of our Regional Planning

Office. I believe that Chris went back and looked at our map of where residential bumps into these zones. As Councilman Jaehnig indicated, there was no best practice distance given from the standard best practices because there was no setback indicated at all. They didn't want to create any kind of elimination zones for the potential of signs. The concern being that with our unique city where residential can be affected and impacted, we asked Chris to take a look at where does it occur and what kind of distance would make sense. He brought back the idea of 500 feet, and I think that is important simply to make sure that if it will impact a resident that they have the opportunity to know and to come to, if there is a request for a variance, to a variance hearing and let their thoughts be known. To the point of baffling, Paul, I will say that there could be situations where the right-of-way that you are indicating could be baffled to see it and could still shine it into a house. That is part of the concern, that you can't address every single issue.

Paul Hunter: I just offered that as an option.

President Kirchner: It is. The truth is, that is one of the options that in that zoning variance – that requirement could be put on if it was effective in eliminating the concerns of residents if the Board of Zoning Appeals so chooses. But, we couldn't say in the legislation that we had to have baffling because we couldn't tell where we need it and where we don't in a general...

Paul Hunter: Except – you could make an exception about baffling, but that's okay.

President Kirchner: I still think the mechanisms necessary to protect the residents exist here, and that is really what the goal was...to try to provide the most effective business-friendly, clear and new opportunity to put in. Because it didn't exist before – electronic messaging centers – and still protect the residents where those zones come close to each other.

Paul Hunter: I have no problem with that all. I think it's a fair deal.

President of Council asked for further discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

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

Councilman Stuckert: I do have another item, Mr. President. Mr. Hunter would happened to mention swimming pools, because that's what we're doing.

Paul Hunter: That's why I brought it up.

Councilman Stuckert: Anyway, we have a couple of items that were brought to our attention by our Law Director where we needed to take some actions. This second one – it was discovered that we have a chapter 1151 that deals with swimming pools and regulation of those swimming pools. The only problem was, there wasn't a description of swimming pools. So, it was recommended that we add legal language that will describe swimming pools to our ordinance. I can read the language if you like. I assume this is the exact language that you suggested: "Any structure located in ground or above ground containing, or normally capable of containing, water to a depth at any point greater than 24 inches for the purpose of recreation, sports activity, or swimming." So, we have an ordinance that would place that language in our Chapter 1151.

President Kirchner: If I'm correct, Loren, I believe it's 1131.

Councilman Stuckert: Well, my letter says 1151.

President Kirchner: I hope we have the right one on the legislation.

Law Director Shidaker: We can amend it if it's wrong. It would be a typographical error.

President Kirchner: That would be an amendment if needed that we could do. It's a typographical error.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the ordinance Adopting New Section in Chapter 1131 of the City of Wilmington Codified Ordinance Regarding Definition of a Swimming Pool, and Declaring an Emergency.

President of Council asked for discussion.

Councilman McKay: I just have a question for the Law Director. The term structure, is that something which is built or could that be a pond?

Law Director: A pond?

Councilman McKay: A pond.

Law Director: Is it something that is typically used for recreation or sport. That would be the question. Well, it would be up for some interpretation. I'm assuming that would be man-made structures. That is how I would interpret that.

Councilman McKay: Well, a pond it man-made too. Something which is other than a hole in the ground. We don't want to have to change how people -- like our city parks pond.

Law Director Shidaker: Right. That came to my mind as well. I don't believe that's the intent of this legislation. I don't think that's the intent.

Mayor Riley: It was not intended to address ponds at all.

Law Director Shidaker: And is the purpose of the pond -- it's for the purpose of recreation, sports activity or swimming. Is that the purpose of the pond?

Councilman McKay: Most every pond is.

Councilman Jaehnig: It depends on who owns the pond.

Councilman McKay: Fishing is recreation.

Councilman Jaehnig: I would suggest we add an exception.

President Kirchner: We had a little bit of discussion on this that evening because one of the things that I thought about -- sometimes you have people who have actual turtle ponds, which they intentionally make and are of a depth, I think, beyond that, which would be landscaping in nature. Of course, the difference being that you don't necessarily fish in them, swim in them, or have recreation -- they are landscaping in nature. I know the concern in the discussion about the city pond came up too. Should we revisit the language or do you feel that it is effective enough?

Law Director Shidaker: It was simply a suggestion. I looked at a lot of the city ordinances throughout the state of Ohio. This is the definition that kept coming up over and over again. It doesn't mean that it's right. It was just merely a suggestion for council to consider. So, if you feel that it needs to be changed or something amended -- that's fine.

Service Director Reinsmith: I've been around a long time. This has come up a lot of times. I know I had one Law Director, she just turned her head and didn't really want to face this problem. I discussed it with the current Law Director. It is a problem. We don't have a definition. Through the years, I've noticed that a lot of people who use those little two-foot pools, a lot of those families aren't well-to-do. They can't afford swimming pool memberships. So, it's 90 degrees and they've got them in their back yard. One of the problems with that ordinance, when we have that swimming pool, it requires a 5-foot fence around that swimming pool. Most of them can't hardly afford the pool or to put the

water into it, but now that throws another hardship on those. Really, they may not even fill that two-foot pool with a foot of water because they have very small children, but this ordinance tells you it has the capability of holding two feet of water. And we have people call and complain that the neighbor has put their pool up and they don't have a fence, so we have to deal with that. It's a tough issue. I don't know what the magic number is. We try to deal with them. The ones that are about 4-feet tall. Those are the tough ones. They usually have ladders, and I tell the neighbor, pick your ladder up at night and put it inside the pool. Because the ordinance read that it was to prevent small children and animals from walking into the pool. So, I just think that we need to be sensitive to that because there are a lot of people in this town that can't afford to put 5-foot fences up around their whole yard.

Mayor Riley: I think the effort was to define a swimming pool as opposed to, you know, one of those little kiddie wading pools that you buy at Wal-Mart and just throw in the back yard for the kids to jump and run around in. Because some of the pools, as Larry knows, we looked at, they are inflatable pools that are easily 4-feet deep. They can take them down in the fall and then put them back up in the summer time, the next summer. But during the summer season, it presents a hazard to children, particularly if there is not a fence and there is not a locked gate and children can just wander into somebody's back yard. They're drawn like any kid would be to water. I don't want to be around when we have a tragedy just because we don't have a definition for what a swimming pool is. I think the definition that the Law Director came up with is a good, solid definition. If we want to put some exception language in... The pond in front of Hale Hospital, one of the most beautiful well-known ponds that we have, I don't know if it's been 2-feet deep ever.

Phil Hale: Not lately, but it is up to three and a half to four feet deep.

Mayor Riley: Does it hold that much? I didn't know.

Phil Hale: No one has ever drowned in that pond.

Councilman Jaehnig: But the legislation says "has the capability." It doesn't say, "has that much in it."

Mayor Riley: Our idea was not to include ponds – that's not a swimming pool. That has never been designed to be a swimming pool. It's designed for recreation. That's not designed for recreation; that's designed for goldfish and turtles – the aesthetics of a beautiful pond. I would never want to see that go. It's the same with the pond that we have out at the city park. That is not designed for swimming. In fact, if I'm not mistaken, we have a number of signs around it that say that.

Unknown speaker: There's fishing out there though, right?

Multiple speakers: That's recreation.

Mayor Riley: But it's not designed for swimming. So, it would not fit the definition of a swimming pool.

Councilman Jaehnig: Well, no.

Paul Hunter: It says recreation.

Mayor Riley: If we need to wordsmith this, we can certainly do it. We're lucky now that we're out of the swimming pool season. We have until springtime to get this fixed, and we will get it fixed before springtime, I'm sure. Certainly we can come up with a definition of what a swimming pool is. It shouldn't be that difficult – that would still allow fish in the Hale Pond and ducks.

President Kirchner: The other thing that I would note is this is simply legislation to define a swimming pool. All of the other legislation requiring protection around pools is already in existence. The issue was that there was no legal definition for what a

swimming pool is, even though we have been addressing issues. This was simply an attempt to legally define swimming pools so that that enforcement as it has been going on can continue to protect. And I agree with the mayor, I mean, the need to protect, especially young children who can wander into the opportunity to get into these things is critical. You know, we'd hate to see people lose their family pet because they fell into them as well. We actually specifically talked at that meeting about the Hale Reflecting Pool with the concern of...does this... Of course, our theory then was that it was never two feet deep.

Paul Hunter: Does Mr. Bush's pond have a fence around it?

Inaudible comments regarding structure

Paul Hunter: See, you could except ponds somehow.

Service Director Reinsmith: The problem is all of these water sources are all inviting nuisances for little kids. They see that thing and they want to go over. They want to throw stuff in it or they want to...

Paul Hunter: So theoretically, that Bush pond represents a hazard, right?

Mayor Riley: Well, what we were looking at, Paul, was not to address the ponds and pools and such but if somebody put a 4-foot wading pool...if we tried to get them to put up a fence with a lock on it to protect children in the neighborhood, they could say this is not a swimming pool. I've looked at the ordinance. This is a wading pool. It doesn't have a filter, you know...

Paul Hunter: I understand. You just have to except the things you don't want to include in that, which would be ponds as far as I'm concerned.

Mayor Riley: We can wordsmith it and bring it back, if that's council's wishes.

Councilman McKay: You have a first and a second.

Councilman Jaehnig: We've had this come a couple of times now. Why is it that the discussion comes after the motion rather than before the motions when we wouldn't get into the position of actually having to vote a piece of legislation down because we could just table it before the motions are made. Is there a reason...are we required to have the discussion...it didn't seem to me that we were doing that before in that order. The discussion happened first.

Councilman Mead: Because there's nothing to discuss until there is a motion on the floor. Then you discuss the motion. There's nothing to discuss before that.

Councilman Jaehnig: It's those pesky Roberts Rules.

President Kirchner: That said, I think the Chairs of the committee have worked to try to give explanation ahead of time. I will say the reason that I call for discussion is because it is the point in the meeting where I have received a motion and a second on the floor and there is an action for me to take. If council would like to discuss these ahead of these motions, I don't know if there is a legal problem with that or not. Especially, if we have concern about it. This is simply the Roberts Rules of Order that I was following.

Mayor Riley: Let me add that this, in my book, is excellent use of council time. This is City Council doing City Council work at a time when all seven people that would vote on this are together talking to the public, talking to people that have ponds, talking to Larry who has been in this a long time. This is excellent conversation. I'm glad to hear this. This is really council discussing and debating. And if you vote it down and you bring it up later, not a problem with that. I have no problem with that. This is good time.

Councilman Wells: Can the first reading be passed with an amendment added later.

President Kirchner: No. You would materially change the legislation. If you are updating a typo or...

Law Director Shidaker: Yes. An exception would be probably a whole other...

Councilman McKay: Mr. President. I have another solution. As we talked about last meeting, Mr. Law Director, if this is passed or denied, whichever, we can then move for reconsideration of the motion and then decide to table it, postpone it, so that gets us through that as though it never existed.

Paul Hunter: It clears the agenda.

Councilman McKay: So, you go ahead and have the vote and then we move for reconsideration...

Law Director Shidaker: And table it.

Councilman McKay: ...and then we could move to table it or postpone it.

President Kirchner: I'm fine as long as we meet all of the legal requirements we need to to make sure that when the legislation when it finally goes through meets all of your requirements.

Law Director Shidaker: Table it to send it back to the committee or to send it to the next council meeting.

Councilman McKay: Or further discussion.

President Kirchner: So, we would actually take a vote on the motion to give a first reading and at that point someone could give a motion for reconsideration, in which case it would reverse it and table it?

Law Director Shidaker: Mm-hmm.

Councilman McKay: Well, you'd have to go through the entire thing...

Law Director Shidaker: After it gets shot down.

President Kirchner: Gotcha. Mr. Treasurer?

Paul Fear: I was in the mayor's office this week just to verify, knowing that that was coming back. I said at the last meeting that a person could withdraw their second and then you wouldn't have a second on the motion. In fact, Roberts Rules of Order, if you want to look it up in the book in the mayor's office, that is how you can eliminate that by withdrawing your second motion and then you don't have a second motion and you can let the original motion die without a second. The second option that Roberts Rules of Order does say is since you have a first and a second, someone can make a motion to table it, somebody would then second that motion, you would then vote to table the motion. Those are the two actions, according to Roberts Rules of Order in the mayor's office.

Councilman McKay: Before the vote?

Paul Fear: Yeah. While you're in the discussion phase, you can make a motion to table it, and if the table get's seconded, then you would vote on the table.

President Kirchner: I believe that Paul is correct. I've tried to study Roberts Rules of Order in little bits of spare time. But I believe there are several motions that are allowed when a motion is on the table. Tabling, I believe, is one of them. In which case, we could take it back to committee, bring it back as a tabled motion.

Councilman Stuckert: May I make a motion that we table this?

Law Director Shidaker: That's fine?

President Kirchner: Is there any problem with it being the same person that made the original motion tabling?

Law Director Shidaker: No.

President Kirchner: You may.

A motion was made by Stuckert and seconded by McKay to table the ordinance defining swimming pools.

President Kirchner: The normal thing to say is "any discussion," but I'm a little bit gunshy at the moment. Councilman Jaehnig is that okay? I think we've come to a good conclusion.

[Laughter]

Councilman McKay: If former Councilman Hockaday was here...

Mayor Riley: The parliamentarian.

President Kirchner: His thing was always he loved getting to the point where you could find to split the question.

Councilman McKay: Well, the term "table," he always said meant that the motion would be reconsidered at the end of the meeting. The proper motion should be postpone.

President Kirchner: Do you have your reference book?

Law Director Shidaker: You don't really want me to open this book tonight. Can we just get through this?

President Kirchner: It seems to me that the majority of council desire that this go back for revisit to look at the definition. If we just all vote "no" as we did with the original sign legislation, it will not go forward for a reading and will return to committee. I have a first and second on a motion for a first reading. You have Councilman Stuckert first and Councilman Wells seconded?

Acting Clerk Tacoronte: On the first reading.

President Kirchner: On the first reading.

Acting Clerk Tacoronte: And then I have a second motion to either table or postpone, with Stuckert and McKay.

President Kirchner: So at this point, we will vote on the motion to table. I would suggest, based on the fact that it may have to be reconsidered at the end of the meeting, which I will research after this meeting, I would suggest that council consider voting that down, but please vote your conscience.

President of Council asked for a vote on the motion to table.
Several council members votes yea.

President Kirchner: That didn't go the way I hoped.

[Laughter]

Councilman Jaehnig: You didn't ask for the other half.

Councilman Wallace: There are enough there that you are going to have to do a roll call vote anyway.

President Kirchner: Let's go to the roll call vote; I was a little confused on who said "yea." Remember, if you are in favor of tabling, we will table this as opposed to get to the point of voting it down.

Paul Hunter: That doesn't sound right.

President of Council requested a roll call vote.

Roll call: Jaehnig, no; Wells, no; Stuckert, no; Wallace, no;

Paul Hunter: Scott, are you saying no don't table it?

Councilman Wells: Yes.

[Laughter]

Councilman Wells: Trust us, Paul, trust us.

President Kirchner called for order.

Roll call, continued: Mead, no; Siebenaller, no; McKay, no.

President of Council declared that motion to table fails.

President Kirchner: We return to the original motion for a first reading. Again, let me make it clear, if you want to take this back to committee, a nay vote would be where you would go. If you would like the first reading to be held now, a yea vote is where you would go.

President of Council called for a vote on the motion to give the first reading on the ordinance defining swimming pools.

All members voted nay.

Motion defeated.

President of Council declared that the ordinance could go back to committee.

President Kirchner: I will study Roberts Rules of Order much closer. I will address the issue, Councilman Jaehnig, of the question of when discussion can be held and we will try to see if legally we can hold discussion ahead of that to solve these issues.

Councilman Stuckert: Mr. President, I do have one other item. This is marihuana and I hope it fares better. We have, again, a letter from our Law Director that pointed out that effective September 28, 2012, under Ohio Revised Code 2925.141, the illegal use or possession of marihuana drug paraphernalia is a minor misdemeanor in the State of Ohio. Our local ordinance should be amended to reflect the recent change from a fourth degree misdemeanor to a minor misdemeanor. So we have an ordinance that will amend that ordinance 513.12 and adopting in Chapter 513 the new classification of possessing marihuana drug paraphernalia.

A motion was made by Stuckert and seconded by Mead to give the first reading only on the ordinance Amending Codified Ordinance 513.12 and Adopting New Section in Chapter 513 Regarding Drug Paraphernalia; and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Stuckert and seconded by Jaehnig to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Director of Law read the ordinance by title only.

A motion was made by Stuckert and seconded by Wells to pass the ordinance as read.
Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes;
Motion passed.
President of Council declared Ord. No. 5059 passed as read.

Councilman Jaehnig: Mr. Chairman, if I can ask the Chief, is that a stricter or a lower punishment?

Chief Weyand: We're just bringing ours in line...

Councilman Jaehnig: I know, we're bringing ours in line with the state.

Chief Weyand: It's lower.

Councilman Jaehnig: That's fine. I just wondered. I was just curious.

Law Director Shidaker: With the old law, if you had marihuana paraphernalia, they could arrest somebody for that. You can no longer arrest for possessing marihuana paraphernalia. That's what the State Legislature decided.

Councilman Stuckert: Mr. President, that's all I have.

President Kirchner: Thank you, Councilman Stuckert, I'm pretty sure that's all I need.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay had no report.

Parks and Recreation Committee – Chairperson Jaehnig had no report.

Income and Levy Tax Committee – Chairperson Jaehnig: We have one item tonight. This will be the second reading on the TIF, which obviously will allow the Port Authority and AMES to move forward with the new JUMP hangar. As with the property transfer ordinance earlier in the evening, we do have a verbiage correction that needs to be made for amendment on this. In the TIF ordinance where we find the 9th whereas clause, again we're replacing the word quitclaim with limited warranty. It is the same correction and is making sure that everything goes with the same verbiage as with the first ordinance earlier this evening. So, if there are no questions in regards to that particular portion, I would like to request that we amend the ordinance to reflect this correction.

A motion was made by Jaehnig and seconded by Wallace to amend the TIF ordinance as stated.

President of Council asked for discussion.

Seeing none, President of council called for a vote.

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

Motion to amend passes.

Councilman Jaehnig: I would then ask if there are any discussions or questions in regards to the TIF ordinance before we move forward with the second reading.

Councilman Wells: I have one question that was asked of me, and I still do not understand the answer. If a person were working at AMES on the original property and he is paying Wilmington City Earnings Tax and he would be transferred to the new JUMP hangar, would his earnings tax then be whole to the city or would it be divided between the City and Wilmington Schools.

President Kirchner: I am going to ask the Law Director to clarify that. We talked through this. There are guaranteed jobs that exist prior to the creation of new.

Law Director Shidaker: Correct.

President Kirchner: So new employees would be what you are describing. They do have existing employees that are guaranteed.

Councilman Wells: This is someone who is already working there. Not a new hire.

Councilman Jaehnig: One of the 385 guaranteed jobs that are already currently out there. Now, if that person happened to be one of the temporary employees, not a full-time employee, they could be counted as a new employee if they moved to a full-time roll.

President Kirchner: If they moved into a full-time roll in one of the new positions.

Councilman Jaehnig: But if they are currently a regular full-time employee, they would be counted under the 385 guaranteed jobs before they're allowed to start counting the 259 new jobs.

Councilman Wells: So his earnings that we receive the tax would remain whole to the city, even though he is working in the JUMP hangar.

Councilman Jaehnig: That is correct.

Councilman McKay: At some point, it would be divided with the schools.

Councilman Jaehnig: No.

President Kirchner: Not those existing jobs now. If in the hangars they are working someone that is currently on those rolls is moved location to this new hangar when it is opened, would be part of the guaranteed 385 that are not in the new income tax, which will be considered for the 259 new positions that would fall under the revenue-sharing agreement.

Paul Hunter: At a recent Port Authority Director's meeting, they said unequivocally these would be new employees...take them for their word...they will be new employees, they won't be temporary changeovers, or they won't be somebody transferred in. Those are their words. They're saying this 259 will be original new jobs, for what that's worth.

Councilman Jaehnig: That's our understanding also. Now, in regards to the community, if they happen to start transferring employees in but still increase tax base and still increase jobs in the community, I don't know if there's anything that really restricts them from doing that. Now what their intentions...their intentions may be not to do that, but I don't believe there's a restriction that will stop them from transferring somebody from Florida, working at their facility down there to up here. It would still be a new job in this community at that facility.

Paul Hunter: The State of Ohio demands that they meet the 259 new employees to keep their tax credit ratings.

Councilman Jaehnig: That is correct.

Paul Hunter: So, they have an incentive to make them just new employees added on.

Councilman Wells: The main reason I ask that question is because the Police budget comes out of the General Fund and I'm just trying to understand how we can protect that money.

President Kirchner: I would agree, Councilman Wells. Many of the questions that I had asked prior to signing the notice to JVSD were to understand those various questions about existing revenue streams. I shared those documents with all of you because of that. Hopefully that answers your question.

Councilman Wells: Thank you.

Councilman Jaehnig: Any additional questions?

A motion was made by Jaehnig and seconded by McKay to give the second reading only on the ordinance An Emergency Ordinance Declaring the Improvement of Certain Real Property Located in the City of Wilmington, Ohio to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Designating Improvements to be Made that will Benefit Such Property; Requiring Annual Service Payments in Lieu of Taxes; Authorizing the Execution of a Compensation Agreement; Authorizing the Execution of a Cooperative Agreement; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Creating a Tax Incentive Review Council; Adopting Certain City Nondiscriminatory Hiring Policies for Tax Exemption Recipients; and Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42, 5709.43, 5709.82, 5709.832 and 5709.85; and Declaring an Emergency, As Amended.

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

Motion passed

Director of Law read ordinance by title only.

Jaehnig requested that the third reading be on the Agenda for the next special council meeting on October 22 at 7:30 p.m.

Councilman Jaehnig: As a point of interest, I attended the last Port Authority meeting and am pleased to say that the Port Authority passed a resolution in the last meeting approving the JUMP hangar construction to start before all of the state paperwork is completed so that they can get ahead of the freeze and break ground before winter sets in.

Paul Hunter: I believe it was site preparation.

Councilman Jaehnig: Site preparation. So, you know, I was very pleased to see that act of faith as we move forward with this. Thank you, Mr. President. That's all we have.

Service Director - Service Director Reinsmith had no report.

Safety Director – Safety Director Russ Burton had no report.

Reports

A motion was made by Wells and seconded by Stuckert that the Auditor-Treasurer's Report – September 2012, be accepted as presented.

Motion passed.

Reports accepted as presented.

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

President Kirchner: I would offer a couple of quick things. I do want to note that we have a special council meeting this coming Monday, October 22, 2012, at 7:30 p.m. here in council chambers. The only item on the agenda will be the third reading for the TIF legislation and that is to meet the timing of completing everything for the state and to meet the construction season. So that will be the only item on. Again for the five members of council that will be voting, if any of you have any kind of conflict that comes up, please notify us immediately so that we can make appropriate arrangements. The other thing that I would like to say is a welcome to Robin and Jeremy. It was great to have them here tonight. We're very excited to have them on and serving the citizens of Wilmington and part of the city's family. The other thing I will offer to everyone is that the Auditor has indicated that he has compiled initial budgets and budget meetings now can proceed. I will encourage you all to check your calendars and communicate to Brenda and Andrea what your availability is as chairs. You can set up your individual committee meetings through them. Today being the 18th of October, the uniqueness to November is that the 1st of November will actually be our first council meeting. It is on a Thursday. So, in order to have legislation ready by the 15th, we would need to complete

budget reviews in the next two weeks, initial, in order for us to have time to look at special council meeting budget work session to review the overall budget. So, if you can all be flexible with one another and keep in mind that we are up against the budget season. If we need to have special council meetings to pass the budget, we can, but if we could get a first reading on the 15th, I would encourage it. If you have any questions, please let me know.

President Kirchner asked if anyone else wished to address council while in session.

Seeing no one else who wished to speak, President Kirchner declared the meeting adjourned.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, October 22, 2012, with President Pro Tem Mark McKay presiding.

Call to Order

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

A motion was made by Wallace and seconded by Jaehnig to excuse the absent members. Motion passed.
Absent members excused.

President Pro Tem McKay: We have one item on the agenda tonight and that is the Income and Levy Tax Committee. I'll turn it over to Chairman Jaehnig.

Income and Levy Tax Committee – Chairperson Jaehnig: Thank you. We have one item on the agenda tonight and that is the third reading and passage of the TIF legislation, which also includes the Compensation Agreement with the school district. At this point, before we get into a motion, I would like to see if there are any additional questions or comments. I think we pretty well discussed most everything, but if there is something new that has popped up or needs clarification, please mention it now.

A motion was made by Jaehnig and seconded by Wells to give the third reading only on the ordinance An Emergency Ordinance Declaring the Improvement of Certain Real Property Located in the City of Wilmington, Ohio to be a Public Purpose; Declaring Such Property to be Exempt from Real Property Taxation; Designating Improvements to be Made that will Benefit Such Property; Requiring Annual Service Payments in Lieu of Taxes; Authorizing the Execution of a Compensation Agreement; Authorizing the Execution of a Cooperative Agreement; Establishing an Urban Redevelopment Tax Increment Equivalent Fund; Creating a Tax Incentive Review Council; Adopting Certain City Nondiscriminatory Hiring Policies for Tax Exemption Recipients; and Related Authorizations Pursuant to Ohio Revised Code Sections 5709.41, 5709.42, 5709.43, 5709.82, 5709.832 and 5709.85; and Declaring an Emergency, As Amended..

President pro tem called for roll call vote.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, absent; Wallace, yes; Mead, yes; Siebenaller, absent; McKay, yes.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by Wallace to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, absent; Wallace, yes; Mead, yes; Siebenaller, absent; McKay, yes; Jaehnig, yes;

Motion passed.

President pro tem of Council declared Ord. No. 5060 passed as read.

Councilman Jaehnig: My understanding is this is the last piece of legislation that was needed based on the fact that the Port Authority not last Thursday, but the previous Thursday passed a resolution in agreement authorizing AMES and A-1, which I believe is the construction arm, allowing them to break ground before the state paperwork is completed. They now can break ground at will as soon as the building permit is approved through the city building department. It's a great day. Thank you, everybody.

President Pro Tem McKay: I do want also to thank all members of council. This is a very important piece of legislation for the economic development of the City of Wilmington. I think it shows that council is certainly strongly behind development and new employment in our city.

President Pro Tem McKay asked if there were any questions.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, November 1, 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.

Sgt. Ron Fithen was also present.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, October 18, as received.

Motion passed.

Minutes approved as received.

A motion was made by Wells and seconded by McKay to approve the minutes of the last special meeting, October 22, as received.

Motion passed.

Minutes approved as received.

President Kirchner: That completes my portion of the agenda. Mr. Mayor?

Mayor - Mayor Riley: I have about half a dozen things, I believe, but first of all, just for the record I would like to point out that we responded to help some friends that had a tornado here earlier this year down in Moscow, and what those guys saw was rather shocking to them. Denny, you were there...you helped in Moscow. And it was shocking to everyone who was there. All of the guys who were there. Don, I believe you went down also. What happened on the east coast just puts that so small in comparison. So, our thoughts and prayers really need to be with all of our friends and neighbors on the east coast. Fully a third of the population of the United States has been affected by hurricane Sandy. I ask you all to say a prayer for them tonight, think about them tonight, and I would also ask you to dig into your pockets and make a donation to the American Red Cross to help take care of our neighbors. They may well not be able to do this themselves. They may need a lot of help digging out of this. That's what neighbors are all about. Remember that for the next several weeks, because it's going to take them a long time to dig out of that hole. Pam and Matt if you would like to come up...and Lori.

Pamela Walker-Bauer: Thank you, Mayor and Members of Council, for having us here. Since 2006, the Department of Health has been recognizing communities for outstanding contributions to health regarding policies and developing a healthy environment. Communities are ranked in four different categories including general community, physical activity, nutrition, and tobacco. So, Lori and I submitted an application on behalf of the City of Wilmington and we highlighted a couple of things on those categories. On general community, we discussed the recent community health assessment, coalition building, and some of the activities that Lori and I have been working on together. For physical activity, we talked about the great parks that you have in this community as well as the Rails to Trails Coalition. We talked about Lori's *No Child Left Indoors* program as well as the numerous 5K races. I think this town has more 5K races than anywhere around. Under the nutrition category, we talked about the community gardens, a lot of the work that Wilmington College has done, as well as the Farmer's Markets, the *Grow Food Grow Hope* campaign – that gave us a lot of recognition. Also tobacco use and some of the policies that are in place here, not only at the college but within the city, some of the work that Police Department does as well to make sure that there is no underage tobacco use. Again, Wilmington College, a lot of the

things that they have done need to be highlighted, because they were a big part of the award. So, there were three reasons to really participate in a program like this. One is to promote a healthy community, one is to enhance collaboration with the departments like the Health Department and Parks and Recreation, and another is to earn recognition. When you receive an award like this, you can use this in your campaign. You can say, “Hey, we’re a great place to live. We’re a great place to bring jobs. We have this healthy community.” So, Lori and I are happy to present you all, the City of Wilmington, with a Gold Level City of Wilmington Award. There are three ranks – it’s bronze, silver and gold. So, the first time around, the City of Wilmington has achieved the gold ranking – the first time out. So, we want to congratulate you and present you with this award.

[Applause]

Mayor Riley: This speaks highly of our city and it speaks highly of the dedication of the people from the Health Department, of the Parks Department, everyone who contributes to having a healthy community. This is extraordinary. We will not display this in the mayor’s office. This will be in a common area where everyone who comes in to the city building will be able to see this. So, Denny, figure out some way to put this on the walls so it will stay, because this is going to be downstairs where everyone can see it. Thank you very much.

[Applause]

Mayor Riley: We had another almost-award this week, if you saw in the News Journal today. The Clinton County Chamber of Commerce and Energize Clinton County have been working diligently on economic development projects and getting the word out on what Clinton County is all about. They’ve done a phenomenal job. I won’t get into all of the details because it was very well reported in the paper today. We were one of the three finalists for an Ohio Economic Development Association award and it’s extraordinary that a community of 12,520 people go up against Columbus, Ohio, and some of these other large metropolitan areas – Columbus won. They literally have a staff of economic development people working year-round on these issues. But in Clinton County, we received really good recognition just through the help of our Chamber of Commerce, the folks from Energize Clinton County. It’s just an amazing thing that as small as we are, we still have statewide recognition. We went up there for a dinner on Thursday. Unfortunately, we didn’t get the gold and it almost sounds like a cliché, but at least we were nominated. Well, it’s pretty amazing that we were nominated. I think it’s kudos to this community for that as well. I’m very proud of all of the participants and the Chamber of Commerce, Energize Clinton County, Chris Schock, and all of the folks who put that program together. It was funny because on the way home, we were talking about next year. What can we do next year from an economic development point of view that is so extraordinary that we can submit it to the Ohio Economic Development Association for an award. The guys are determined, we are going to come back with gold next year, so we are going to do that.

Mayor Riley: The last thing I have, Scott, is it is that time of year when people start getting their Christmas cards ready and together. We have a program, in fact in the mayor’s office, the outer office there, there is a red box – a red bin for Christmas cards that will be sent overseas to our service men and women. We are going to encourage people to sign cards. They don’t really even need to have envelopes, because if you put it in an envelope and seal it, the envelopes are going to be opened before they are distributed. But if you have extra Christmas cards or go out and buy a few extra Christmas cards and bring them up to our office. We’re going to be a collection point and we will get those cards to the American Red Cross who will then distribute them throughout the world to our service men. So, write a personal note to one of the service men, bring it up to our office, and we’ll make sure that that gets out. It’s a heck of good way to start the holidays. That’s all I’ve got. Thank you.

President Kirchner: Very good, Mr. Mayor. Thank you.

Auditor - Auditor David Hollingsworth: I just have one item. I’m going to hand out – this is kind of a working copy of the budget request from various departments. It has

taken a lot to compile all of this. But I hand it out now so you will have it in your hands to take a look at before we have a work session. Because there are several pages and it will give you time to come up with questions and/or comments. My suggestion would be that we have – and it's strictly up to council how you want to do this – but I think in respect of everyone's time, if possible, if we have one work session rather than having everyone come in umpteen nights during the week to meet by department is have everyone come in at one time, like maybe we talked on a Saturday morning. That way, anybody from council could ask a question and it won't be restricted to just those committee members. I just think it would save time and a lot of questions so that everybody is on the same page and working on the same thing. I'm not going to make any comments on this other than to explain to you what the columns represent. The very first column is our most recent appropriations. It says budget 2012. That is our original budget plus any transfers or supplementals that you have acted on prior to this meeting. I normally don't pick a mid-month date, but I wanted the information to be as current as possible. I didn't want to use September 30, so the most recent report I had to work with as far as actual goes was everything through October 19. I'm going to update this for the end of October at some point, but I don't know if time will allow me to do that before we have the work session. Then the column that says budget balance, the third column over, that's simply the difference between what we've budgeted and what we've actually spent or collected year-to-date, so it gives you an idea of what's anticipated for the balance for the remainder of the year. Then, I got with Mary Kay, my deputy auditor, and we took a look at items we knew might be different than what was actually appropriated and that's the fourth column over that says estimated 2012 budget balance. So, there might have been some changes – like our benefit insurance. If we thought our salaries were going to be different than what was originally budgeted, we tried to make that as tight as we could to get a good feel for what we think our carryover balance is going to be. The fifth column over says difference. That is the difference between what we think we're going to collect or spend for the remainder of the year and what we have anticipate for the balance of the year, the difference between those amounts. If you want to know where additional revenue or decrease in revenue and the same way with the expenses, you can see where those are out. Then out here in the far right side are the budget requests from the various departments. The only thing that is not on this report, and I thought rather than spend the time right now, there are a small handful of like CDBG funds that really – whatever we get is what we're going to spend, so it has no effect on the General Fund. We will have those completed before you act on the budget, but I didn't include those in this report. That's all I have.

Mayor Riley: I would add, if I might, that as I said almost exactly a year ago, maybe a little less than a year ago, you know the budget we started with is not the budget that we're going to end with. If you look on the expense side, the first page or page and a third are revenues, and then the next three pages are expenses. If you look, we estimated our budget for 2012 was 9.33534 million dollars, and the budget for 2013 is going to be 8.3, so we're reducing the budget by a million dollars. And if you do the math on the balance ending, on September 6 when we had the meeting, council unanimously stated that they wanted to have a 25% carryover. The carryover is 26.3%, so we have done it. We have achieved exactly what you have asked us to do. We've slashed the budget. I would again say, the budget that we start with is not going to be the budget we end with. We don't stop trying to trim the budget, increase the revenues and do everything fiscally responsible that we can possibly do to strengthen the fiscal situation within in the city. My hat is off to all of the city employees. I did not do this. There is no way that one person can make this happen. Every employee of the City of Wilmington is responsible for helping dig us out of this whole. Particularly the supervisors and the superintendents and the directors. I am in awe in what they have been able to do so far. I thank them from the bottom of my heart. We are going to continue next year and we're also going to continue working on economic development. Hopefully we'll get some people in here that will help us make things a little easier for the community. Of course, thank you to David and Mary Kay for all of their yeoman work on this also. But, we did exactly what you asked us to do.

Auditor David Hollingsworth: I tried to give you as much information, like I've always tried to do, and maybe it's a little overwhelming or too much, but we're dealing with a lot of different funds here. There's really no way to...you can only condense it down so

far. But again, this is a working copy. Look at it, compile your questions, and we'll address those when we have the work session.

President Kirchner: David, just for clarity sake, the order of the items under the expenditures matches the current budget legislation we have?

Auditor David Hollingsworth: The only exception is what you are going to act on tonight. I did not change that in the budget – the one supplemental, but I did incorporate that in the column of what we estimate to spend for the rest of the year. I just didn't go back and change the budget.

President Kirchner: Thank you. Very good.

Auditor David Hollingsworth: The other thing, if I might mention, when you look at these funds, so that everything is incorporated underneath the General Fund, when you are looking at the 25%, all of the funds that receive money out of the General Fund through the transfers, I budgeted their cash balances to zero so that everything that is being transferred out of the General Fund really represents expenses for those various funds. The only thing left in those individual funds are the levy monies that cover the expenses.

President Kirchner: One of the things that we need to talk about as a council is when to try and schedule that budget work session. David, I would like to you to understand the length of time you think would be effective to have that meeting, at least the first one. If we need more time, we could have another. Realizing that too long of a meeting gets too long.

Auditor David Hollingsworth: It really depends on how many questions you have. I think if you have plenty of time to look at this and study it and bring the questions, we might be able to get through it. Depending on when you would want to start – I don't know. Four hours? We could try that and if we would need more time, not saying that it would necessarily take four hours – it just depends on the discussion we would be getting into.

President Kirchner: I sent David an email today asking about Saturday the 10th. I have not communicated that out to council until we knew whether or not the key individuals supporting the budget would be able to available.

Auditor David Hollingsworth: I will not be here on that Saturday, the 10th. I'm not sure of Mary Kay's schedule, because I haven't talked to her this afternoon.

[Discussion of Schedules]

President Kirchner: The anticipation was it would end at the latest at noon. It was a morning meeting was the idea. That way, everyone could get on with their day and the weekend. But understanding, then of course, we have important work to do here as well. We'll check with Mary Kay tomorrow and see if that is available. I would ask now kind of a straw poll, is there anybody else on council that would not be available that Saturday, November 10, in the morning, say from 8:00 a.m. to noon. That would be one week from this coming Saturday. Does anyone know of any conflicts for them at this point? If you can keep that morning open, we will check to see if Mary Kay will be available for supporting us from the Auditor's office and answering questions. The other thing that I would encourage is that as you review the information that you now have before you, if you can document questions and perhaps get them to David ahead of that by email, perhaps he can provide some answers to Mary Kay if he needs to ahead of the meeting. Then they would be available. It's exciting work the department heads and the mayor have done and a significant accomplishment, so this is a very excellent effort and I think that it's something that we need to thank all of them for. Because this is hard work and I know it. We appreciate it. Let's hope we can get this thing balanced, get our economy turned around, and get things back up the way they should go.

Mayor Riley: Would it be better to do it the following week on the 17th when David could be here – or possibly David and Mary Kay both could be here to answer specific questions. Would that be...?

President Kirchner: One of my thoughts would be is as we are getting farther into the year and closer to the holidays, I would think if we do reach any questions on the 10th that couldn't be answered, we could have a backup on the 17th for perhaps a shorter session or another session if necessary.

Mayor Riley: I just threw that out there.

President Kirchner: I do agree. But I also understand that he has conflicts that day. So, we'll check and see if Mary Kay is available and if we can have that first session at that time. And if there are unanswered questions, we understand that we can have additional meetings. Anything else, David?

Auditor David Hollingsworth: No. That is all.

President Kirchner: Okay. Thank you very much.

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

Finance Committee - Chairperson Mead: We do have a report this evening, Mr. President. We actually have three separate items on the agenda. The first item I will briefly explain. It is going to be three readings on an ordinance making supplemental appropriations. What that is it has discussed from time to time with the council, you can never really be sure in the Income Tax Department when someone is going to come along and ask for refunds. Because of the economic downturn, there are companies that paid taxes higher than what they would have had to pay because they pay ahead. So, we now have a request for a tax refund. The company is being generous to us, number one, by waiting a year to present it, number two by asking for a third of it this year, and the rest of it in future time. So, this is not the whole thing. This is just one small part. What the tax department is asking for with this refund and some other miscellaneous ones that it has, is an additional \$125,000 to cover those refunds. They have discussed this in committee. We owe this money and there's really no way to change it. It has to be paid. The company has waited a year to year and they have cut it into a third of what they are asking for this time.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.

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

Motion passed.

President of Council declared Ord. No. 5061 passed as read.

Councilman Mead: The next item on the agenda – we have been fortunate in the recent past here, our Auditor David Hollingsworth has had contact with his bond and financing consultants and he has approached us at a point about refinancing the general obligations for the city. We have several bonds out there – two, three or four bonds out there – to finance various things such as the city building, road construction, sewer development and other things. There is an opportunity to cut our interest rate in half, roughly speaking. It's kind of like refinancing your house. If you are paying 4% on your house

and someone comes and long and says, “Hey, we can refinance your house for 2%,” you wouldn’t have to think very long if you didn’t see any downside to saying, “Well, yeah, let’s refinance for half the money.” So, basically, that’s what we’re working on. This particular ordinance that I’m going to ask for a vote on is to refinance the city’s general obligations at a new rate. The old rate was in the neighborhood of 4-plus percent, up to 5-something. The new rate is going to be in the neighborhood of 2-plus percent. So, we are going to be on the average cutting it in half.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Providing for the Issuance and Sale of Refunding Bonds of the City of Wilmington, Ohio, in the Maximum Aggregate Principal Amount of \$3,870,000, to Refund Bonds of the City Issued in 2003 for the Purpose of Paying the Costs of Certain Permanent Improvements in the City, and Declaring an Emergency.
President asked for discussion.

Councilman Jaehnig: Since you didn’t mention it, Bob, the savings on this particular portion would average out to about \$40,000 per year – and approximately just under \$400,000 over the life.

Councilman Mead: Yes. So that gives a number to hang on for the savings. Thank you.

President Kirchner: The other thing that I think is important to note is it does not in any extend the time of the debt. We will pay the debt off in the same amount of time. We will just pay it off at a lower cost, so this is not extending the period of those bonds, it is just simply refinancing them at a lower rate.

President of council asked for further discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

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

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Jaehnig to pass the ordinance as read.

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

Motion passed.

President of Council declared Ord. No. 5062 passed as read.

Councilman Mead: The last item is a brother or sister to this one that we just passed. The one that we just passed was the general obligation for things like roads, buildings, sewers and so on. The next one is one in one of the enterprise departments, which is the Sewer Department. Because of the cost savings involved and the closeness to having these bonds paid off, we made a decision to pay off the old bonds rather than refinance them. There is an actual dollar savings of a couple of hundred thousand dollars to actually pay these off now rather than to wait for the next so many years until they mature and then pay them off. So, it has been advised by the bond consultants and by Dave that this would be a reasonable thing for us to consider. We have considered it. The funds are available and this ordinance asks that we do just that – we front the money to pay off all of the bonds and basically that’s the end of it. As he reads this, you can pick up the legal language.

A motion was made by Mead and seconded by Stuckert to give the first reading only on the ordinance Providing for the Redemption of the City’s Outstanding First Mortgage Sewerage System Refunding Revenue Bonds and the Defeasance of the Related Indenture of Mortgage and Security Agreement and the Extinguishment and Release of the Related Mortgage, and Declaring an Emergency.
President asked for discussion.

Auditor David Hollingsworth: Bob, did you want me to explain – this also gives us some flexibility – under this indenture, this kind of dates maybe because this was the very first bond issue that I worked on my very first year as City Auditor back in the late 80s that we are now paying off. This is the expansion of the sewer plant out on Nelson Avenue. Under that indenture, we have a debt coverage ratio that we have to maintain. In essence, we have to maintain the profitability within that enterprise fund to make sure we cover the debt plus an additional amount. Once we pay that off, the debt coverage goes away. If we have a shortfall in any one year, the trustee of these bonds can force us to raise rates to make that debt coverage. This takes that restriction off. So, it leaves council with some flexibility if they want to adjust the sewer rates, they now have that flexibility. If they want to reduce them or whatever they choose to do. The other thing that is kind of nice about this is that under that indenture, there were a few funds that were required to be established. There was a replacement fund that has a little over \$300,000. There was also a surplus fund and there were a couple of other funds that were required under the indenture. So, the net cash out of the operating account to pay this million-four in principal off is only going to be a little over \$400,000. The rest of it is going to come out of these other four funds where the money sits right now. Because once the indenture is paid off, those funds are no longer required to exist. Where interest rates are now, with what we are getting on our money, it just makes sense to go ahead and pay these off and not even incur those additional interest costs over the next several years.

Councilman Mead: Thank you, Dave. That gives people a little better idea in dollars again of what we are looking at.

Councilman McKay: It will also allow us to build that fund back up because we will not be having to use those monies to pay the payments. I think the calculation was four or five years at the most we would have that cash back.

President Kirchner: Actually, when you look at what we have to take out of the operating account, I believe it will be back up to that within 18 months.

Councilman McKay: I knew it was a short amount of time.

President Kirchner: Yes. It is very quick. While we are on the topic, I would like to thank the Treasurer, Paul Fear, for doing some great work, I thought, for council on this – looking at the arbitrage situation of paying this off and investing our money or paying this off instead of investing our money, or investing the money and reducing the rate. Paul brought some great information forward that I thought really helped council, and I thank you for all of your work on it, Paul.

Paul Hunter: I would like to mention the idea that the water fees may have to rise and this will give us some leeway in the total utility bills should that occur.

President Kirchner: It was one of the things that I think council discussed at length and David talked about is that it gives flexibility to try to be sure that it will not impact households in a negative way if that does occur.

Auditor David Hollingsworth: I might explain too that under our water debt, we also have a debt coverage requirement. So, this gives us the flexibility of being able to, if we are mandated by the trustee to raise water rates, then we have the flexibility to maybe make an adjustment on the sewer rates to offset that increase. So that is the other thing that it gives us the flexibility to do.

President of Council asked for further discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

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

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Stuckert to pass the ordinance as read.
Roll Call: Mead, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Siebenaller, yes.

Motion passed.

President of Council declared Ord. No. 5063 passed as read.

Councilman Mead: That is the last ordinance that I have on the list. I do want to say that this has been a great one. This is something that we have all worked on. Everyone has been involved. I want to thank the mayor for allowing this to happen. I want to especially thank Dave Hollingsworth, our elected Auditor, for beginning the process. He brought it to our attention. I think his bond people may have been helping, but he brought it to our attention. He discussed it with the bond and debt people. He brought them to our meetings. They presented it to us. It sounded good and we did it, so I want to give a big thanks to David Hollingsworth, to Scott Stubbins, Margaret Comey from the consulting firm, and I want to thank the mayor as well for being amicable about the whole thing.

Mayor Riley: And I will pass that back to Harry Jay McVey and all of the folks working at the Sewer Department for making it possible. We had enough money in the enterprise fund to make that happen due to the great way that they operate our sewer system.

Councilman Mead: It's a great thing, I believe. It's a fiscally responsible thing, and it is just another step in the direction of trying to get the budget under control and do anything we can find to bring down the costs of the city. So, with that, thanks again and that is all I have.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay: No report, Mr. President. We do have a meeting Monday at 5:00. There will be two or three items on that agenda, so everyone who can attend, including the committee, will be welcome.

President Kirchner: And needed, I assume, with the committee. Mike, I know we had talked about a water meeting at some point. Have you had a chance to take a look at a schedule and see about.

Councilman Wallace: Well, when I brought it up last week, we also said maybe we could incorporate what we want to talk about with the bond issues in with the budget committee meeting somehow. So, I'm just trying to sit and wait and see how all of this surfaces first.

President Kirchner: Okay. Very good.

Solid Waste/Recycling - Chairperson Wells: I have nothing on the agenda tonight; however, I did tell the mayor that I was at the landfill this week and saw our new scales in action. I think everything is going to be fine. We will be setting up a Solid Waste Committee meeting soon to work on our rates for the tonnage – our conversion. Also, as I drive around the neighborhoods, I see a lot of blue recycling boxes out. I would like to encourage the citizens that don't recycle who consider recycling to get a box. The holidays are coming up and we need to try to do our very best to keep as many recyclables as possible out of our landfill. It is the right thing to do. Save the landfill. That is all, Mr. President.

Judiciary Committee - Chairperson Stuckert: Mr. President we do have an item tonight. It is an item we introduced at the last council meeting. It has to do with amending Ordinance No. 1167.01 and adding 1167.16 to the signage ordinances.

A motion was made by Stuckert and seconded by Jaehnig to give the second reading only on the ordinance Amending §1167.01(a) of the Codified Ordinances of the City of Wilmington and Adding §1167.16 to the Codified Ordinances of the City of Wilmington Electronic Messaging Center Signs.

President asked for discussion.

Seeing none, President called for vote.
Motion passed
Director of Law read ordinance by title only.

Stuckert requested that the third reading be on the Agenda for the next meeting.

Councilman Stuckert: That is all, Mr. President.

Wastewater/Sewer Committee - Chairperson Stuckert had no report.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay: I believe that there were a lot of ghouls and goblins in the downtown area over the weekend and our city building took part in the festivities.

Mayor Riley: There was some clown down there passing out candy. It may have looked like me, but it had this great big red nose – bigger and redder than normal. It was fun. We had a lot of kids. We had a great time.

Councilman McKay: That's a great tradition for the downtown. I hope it continues. I know there were numerous parties at various local restaurants. It's just what our downtown is all about. We will be moving into the holiday season soon. Mr. Jaehnig might have something to say about that. That's all I have, Mr. President.

Parks and Recreation Committee – Chairperson Jaehnig: I do have an update from Lori Williams with the Parks Department. They do have a meeting coming up on Monday. Some of these topics if you have an interest, you may want to attend: First of all, they did just end up there soccer season. For those of you who were not aware of it, this was the first season in which participation was paid to pay type of thing. There was very little negative feedback. In fact, many of the coaches felt that they had better turnout for the kids showing up to practice and actually playing, which may have something to do with the actual buy-in at that particular point. We did have more participants this year than last year, which is a great thing. They just started basketball registration. Those games start in January. They will be playing in the elementary gyms again this year. They had a great meeting earlier in the week on the skate park and how to move forward with that. There will be a lot of details discussed in Monday night's meeting, so if you have an interest in that, please come. That is 6 p.m. next Monday. They will also be discussing a new online shelter reservation program as well as the VIP program, Volunteers in the Park. Those will be a few of the things. They have forty volunteers out on make a difference day, this past Saturday. They got a lot done. They've begun significant ball field work now that the last fall tournament is over, thanks in part to Friends of the Park and their funding. The Wilmington Girls on the Move program is in it's 7th week and there are seven girls and four moms plus several volunteers training together for the Friends of the Park Turkey Trot this Thanksgiving. So, it's a great way to get together and work on things. Lots and lots of things going on. They're doing an incredible job. They're looking for volunteers. They're looking for interest. They're looking for ideas, so please come out to the meeting on Monday evening at 6 o'clock. Thank you.

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

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

Safety Director – Safety Director Russ Burton had no report.

Reports

A motion was made by Wells and seconded by Jaehnig that the Income Tax Report – October 2012 be accepted as presented.

Motion passed.

Reports accepted as presented.

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

President Kirchner: I would like to kick off this section of the meeting with a congratulations to Wilmington High School marching band. This past weekend I had the opportunity to attend the Ohio Music Education Association State Competition. They again received a one for their performance. So, congratulations to them. Lori, I have to say thank you for all of the work you did with Pam and Pam all the work you did with Lori in highlighting, because this award is just an awesome award and we really appreciate everything you guys did to work on that.

Councilman McKay: We have two new people in those departments, and I think their enthusiasm shows. I also am an old band parent and I know what it takes to achieve that at state competition. That represents a lot of work.

President Kirchner: It does. And Mr. Spradlin is just a dedicated, dedicated individual, and those kids work hard. They do. I know you know that. They are looking forward to their trip to Walt Disney coming up here in the next year, I believe. I know I think you chaperoned one of those, as I recall.

Councilman McKay: We did. I think your sister was there.

President Kirchner: She was. We visited. We visited. It's just a great opportunity for the kids, great exercise, great camaraderie and a real celebration of talent in our local area.

President Kirchner asked if anyone else wished to address council while in session.

Councilman Wallace: Mr. President, I would like to make a couple of comments. Just piling on to the band thing; they are awesome. If you went to the games this year, we have the script Ohio, but I like that script W that they did this year. They've added some things. They really are trying. How many years in a row now have we been one in the state.

President Kirchner: I know two because my daughter has been in it for two years. Prior to that, I did not attend the competitions, so I did not know.

[Multiple comments regarding the Wilmington High School band]

Councilman Stuckert: It's a great accomplishment and we have a lot to be proud of with those kids. I also want to mention that it has been pretty good between council meetings, we've had a lot of good positives. I think we ought to mention that we had the meeting with the commissioners on aggregation. As far as the city's part of aggregation, that is moving forward, I trust. And that is going to be savings. That is going to be some significant savings for us. I would like to make a cautionary note here. My wife received a call today from someone that wanted to sign us up for some more of these individual reductions of rates. She knew enough about the aggregation that she said something about "I think we're going toward aggregation." This particular person insisted that you can sign up at anytime. I'm not sure if that is true or not. I think the citizens – we ought to make the citizens aware that we are very close to having the city-wide aggregation available. It's a substantially larger savings than you are going to get on any individual contract. This one today was 7.5 cents per kilowatt hour. I mean...we're looking at possible 5.5 and under.

President Kirchner: Less.

Councilman Stuckert: Less than 5.5. So, I hope our citizens will...I mean, my advice would be I would not be signing any contracts regardless of whether it's a knock on the door or a phone call. The bond thing is excellent. It's a great move. That's savings. The first look at the numbers on the budget are going in the right direction. I feel optimistic about that. So, I think this is a good sign for us moving forward. As the mayor has indicated, maybe we can put a lid on this thing, balance our books out, and then we can just continue to push to bringing new businesses in and that type of thing. I just want to

offer those comments. It's kind of a feel-good time right now, so we might as well feel good. Right?

President Kirchner: I would like, Lora, if we can, say clearly the aggregation process is in full swing and the soonest it can be implemented it will be. People will be notified in the mail of the program. They will not get phone calls. They will receive an opt-out notice, which, if they choose to opt-out, they can. And all indications are we are below 5.5 cents/kilowatt hour. So, any word we can get the citizens to encourage them to use great caution with any offers they are called with or show up in the mailbox, we would love to do it. Because this is a significant savings for every household. We're just excited about the opportunity, so we don't want to see folks miss out on it.

Lora Abernathy: Since this is technically the public session, what is the soonest it can be implemented. Do you have an eta?

President Kirchner: The last time I spoke with Bill Bradish of Palmer Energy, his indication was that he thought we could see savings on our February bills. Now, it requires us to do... we met, as was indicated, the Ad Hoc committee, and I do want to thank the Councilman Mead and Councilman Stuckert, the mayor, and Brenda Woods, our clerk, who moved down there for a meeting to the commissioners. We have apparently chosen a provider. They are working through the details of the contract at the prosecutor's office at the county. I don't know, Brian, have you heard anything over there.

Law Director Brian Shidaker: I have not.

President Kirchner: I do know that it's moving through very quickly – as quickly as they can to get all of the detail nailed down and get this implemented.

Councilman Stuckert: Mr. President, to add on to that. It's a done deal for Wilmington. We passed this in 2003, so we're in. We have aggregation. It's on the ballot for our county folks. I think for those who have not cast their ballot, it would not hurt from my personal viewpoint to urge them that this is a good thing.

Councilman Jaehnig: I agree totally. The important thing is that over two years, the estimated savings is over \$4,000,000 that go right back into our local economy. As Mr. Hunter has pointed out time and time again, that's \$4,000,000 that we're not sending out of this community that doesn't return. That's incredible. The fact that the county is then pursuing this. If they improve that also, we can enlarge the substantially. We have been talking about Buy Local and we've been talking about cycling the dollar and how many times can we spend a dollar in our community. This goes a long ways toward that ability to buy Local and to really drive our own economy by putting money back in people's pockets that was getting sent out of our community. I was at Network Alliance this morning and had a person come up to me and ask me about it. He says, "You wouldn't believe it." I got a phone call this morning from somebody claiming to be with First Energy. They weren't, so I don't want to put First Energy wrong. But they were a broker and they were claiming that your contract was up and you need to renew now. And the person knew that it wasn't up and it wasn't due to be up until August. And thankfully was smart enough to say, "No, that isn't correct." When they pressed the person on it, they found out that they weren't with First Energy; they were a broker that was trying to get groups of people together and get them away from the aggregation. Unfortunately, we have a lot of legitimate and a lot of illegitimate opportunists trying to take advantage of people's confusion about this. The best I can say is be patient.

Councilman Stuckert: I think also since you mentioned Mr. Hunter, we should recognize this is sort of a victory for him because one of the first things he ever came to me to talk about was aggregation. So, he has been talking about this a long time. I don't know what impact he had on the brokers who came to town later and Palmer and them, but he certainly had our ears up waiting and looking for it. It should be a good day for Paul.

Paul Hunter: It is.

Councilman Mead: I join that. Some people don't toot their own horn very much or wave their own flag, but they're back there every week, every week letting you know that there is something you can do if you want to do...whether it's an improvement you can make if you want to. Paul is the guy – Paul Hunter – and I want to wave a flag for him and say thank you.

Paul Hunter: Aw, shucks.

[Laughter]

Councilman Mead: I know we don't always do whatever you want. I know sometimes we all need some gentle persuasion or prodding to keep our lines in a different direction we might be going. So, thanks, Paul.

Paul Hunter: Back at you.

Councilman Jaehnig: I do want to talk about Holidazzle real fast. It is the holiday season. We're getting fired up. The parade and the festival look absolutely phenomenal. We still have some openings for entries. You can fill out an application at hometownholidazzle.com. Everything is online now. It makes everything very, very simple. We also have some sponsor opportunities, so if you can't build a float and you don't want to be in the parade but you want to support us, we had a bunch of letters go out this week, so we do ask for your financial support. We do pull this festival off every year for under \$5000, you know, which is an amazing accomplishment considering everything that goes into it. We are still not quite there, so we could use your support to make sure we have the funds to move down the road. At the same token, we have been running a banner in the parade. The banners are a different prizewinners for the different floats and so forth. It is time to update the banners. One of the banners in the parade is sponsored by Wilmington City Council. There are a lot of names up there that aren't sitting up here any longer, and we really would like to update that banner. For the seven of us to update it, it would be \$35 a piece. So, I am doing a horrible thing and asking you publicly if you would be willing to commit to that \$35 so we can update that banner and get the appropriate names on there.

It's not an EMC is it?

[Laughter]

Councilman Jaehnig: If I could figure out how, I would. And that would be a lot more than \$35.

Unknown: Well, you could change it easy.

President Kirchner: I think that parade is actually the biggest EMC.

Councilman Jaehnig: There you go. Everything is full-bore, full-speed ahead.

Councilman McKay: Just make the check payable to you?

Councilman Jaehnig: No. Please do not make checks payable to me. They can be made directly to Hometown Holidazzle.

President Kirchner: Paul, I know you've gotten up a number of times. It's your turn, buddy.

Paul Hunter: 200 Randolph. This council...I have sat through many of them...this council is tops, I think. Mr. Mead explained those bond issues clearer and in common language that we could all understand. In some years passed, we just blew over them, bang. Nobody knew what was going on. Bob, that is great. One word on aggregation. If you use 1000 kilowatt hours as a baseline, a summer air conditioning, you would have 1000 kilowatt hours. In September a DP&L customer would have paid \$98 for that 1000

hours. Under this aggregation, that comes down to \$50 or \$55 – something in that range. That's huge money monthly. Thanks for the compliment.

President of Council asked if anyone else wished to address council.

Pam Walker-Bauer: Clinton County Health Department. I have Matt Johannes here, who is the Director of Environmental Health for the Clinton County Health Department. He discussed with Mayor Riley whether there were some questions about West Nile Virus and mosquito activities, so I would like to offer Matt up if you have any questions. He's the expert in our department.

Mayor Riley: What were those things called, Pam? Mosquito dunks?

Pam Walker-Bauer: Mosquito dunks.

Mayor Riley: That's what we need to put in stagnant water areas. We will be in touch. West Nile...you guys track these diseases...it's what you do for a living. Keep us posted on what we need to do. I looked up the information on mosquito dunks. Really it's not that much money to protect ourselves and our citizens. I would recommend it. When we get closer to springtime – this winter – we'll need to get some information out – particularly for people who have ponds or they have retention ponds that don't completely empty. Those need to be treated so that we can keep our mosquito larvae killed and down and help protect us. Don, I think you mentioned that.

Councilman Wells: Yes. We talked about retention ponds that are not emptying. They're just stagnant water all summer.

Paul Hunter: The Service Director has the authority under statute to drain those ponds if they present a hazard. It's in the ORC.

Mayor Riley: And it's not really a hazard unless we identify that we have West Nile mosquito larvae. Is it a specific larva or is it a disease they carry?

Matt Johannes: It's based on a specific mosquito species.

Mayor Riley: Matt, I will be picking your brain as we get closer – just recommendations of what we can do and what we can recommend for our citizens to do if they have a puddle of water or pond of water that doesn't drain in their back yard. Maybe it's easier to throw a dunk or two in there when we can get them. I appreciate you being here, Matt.

Councilman Wells: I would just like to say God Speed to my friend Harold Davis who passed away this week – a longtime downtown barber. He cut my hair and my son's hair. He has been around a long time. We're going to miss him.

President of Council asked if anyone else wished to address council.

Sgt. Ron Fithen: Just one thing. Yesterday at 9:00, I received a call from the Secret Service. Normally when the Secret Service calls they give at least two days' notice when they have dignitaries coming to town. They gave me three hours. We had no idea that Ann Romney was coming to town. So, I had to put an operation plan together with Secret Service over that three-hour period. Normally we would call in a lot of resources to do that. With the plan that we put in place with the Police Department we were able to do it. We did not spend any overtime. We were able to do it with three officers and Denny Gherman helped us out quite a bit. So, over that three-hour period, we were able to do the dignitary protection with the Secret Service, with just three people. So, it went really smooth. In the 20 years I've been here, that is probably the smoothest operation I've seen with the Secret Service.

Mayor Riley: You are to be applauded for that as well as Denny. The Fire Department came out to check the occupancy certificate for Sam's Meats where they were at. We had several things going on. My hat's off to Ron and his folks for doing that. Just so you know why it was Ron and not the Chief, the Chief was in Baltimore, right in the middle

of Hurricane Sandy. I communicated with him a few times. He is doing fine. But he was there for some education and training. So, he was up to his eyeballs in floating stuff. But he'll be back; he's doing fine.

Councilman Jaehnig: That's some tough training.

Mayor Riley: He got Hurricane 101 real fast. But Ron, you and the folks did a super job. I had the opportunity to talk to Secret Service while they were there and they were very impressed with you and all of the guys who were out there. So, my hat's off to you. Thank you so much. And Ann Romney says hi to everyone.

[Laughter and banter]

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, November 10, 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.

President Kirchner: I would like to thank everyone for making themselves available today. With this being a special meeting of council, we will dispense with the Pledge of Allegiance. The only item on the agenda today is a budget workshop. Our first look at the 2013 budget. That item is under Finance, and I will turn it over to Mr. Mead to initiate the process.

Councilman Mead: Mr. President, I don't know what mechanics of this thing ought to be. Do you have any idea?

President Kirchner: Well...

Councilman Mead: Why don't you lead the thing off and...

President Kirchner: We can do that. You all received last Thursday a packet with this year's initial budget submissions. I think one of the things that I did notice is this process is obviously much different than it has been previously. Historically, we have met in committees, looked at individual budgets, forward it to a full session of council with the full budget to look at. This year, the Auditor compiled them all and provided us with a copy of what that result was. I guess I will start, my thought would be, with letting the mayor explain the changes that he and the department heads have made at this point that impact the budget.

Councilman Mead: Before we get into that, could David explain again what we are looking at here. So we know as we go across this chart exactly how we compare the 2012 budget with the 2013 budget.

Auditor David Hollingsworth explained the layout of the budget worksheet.

Auditor David Hollingsworth: Sure: If you just want to compare the 2013 budget with the 2012 budget, you just look at the first and the last column. The first column is where the appropriations are at right now.

Councilman Mead: Are you talking about the bold at the top of the column?

Auditor David Hollingsworth: Well, where it says budget 2012, that is the appropriations as of...

Councilman Mead: The total. Is the total the top number?

Auditor David Hollingsworth: That's the cash. That's your beginning cash balance.

Councilman Mead: So, that's not the budget.

Auditor David Hollingsworth: No it's not. Then everything underneath that of the top section would be the revenue sources. And then the total – the total funds available that include the cash balance, those are not just the revenues from the current year, that includes the carryover.

Councilman Mead: So, we're looking at the last number.

Auditor David Hollingsworth: Underneath the 2012, the \$10,500,451, that's the total cash available. That's the carryover cash balance plus the revenue.

Councilman Mead: That's not the 2012 budget.

Auditor David Hollingsworth: No. The expenditures are below that. The total expenditures for 2012 are \$9,333,534.

Councilman Mead: That is the budget.

Auditor David Hollingsworth: Right. That includes any supplementals or transfers that have been made after the last council meeting. The key thing is, that budget doesn't necessarily mean that we're going to spend all of that. That will be reflected in the next column as far as what we have spent. That was through October 19. So, I mean, what you really need, which we don't have yet because the year's not up yet, is December 31 with what we're headed for in 2013. But everything in between, the budget balance, the third column over, that's simply the difference between what was budgeted for 2012 and what we've actually spent. The same way with the revenue sources. It gives you an idea of what we have left to collect over the remainder of the year and what we have left to spend for the budget for the remainder of the year. The fourth column over, is what we... we took a look at the budget balance and then we said, "Is that really reasonable?" Do we really think we're going to collect this much or spend this much in the remainder of the year. So, what we've put in the fourth column is what we thought we were actually going to collect for the remainder of the year as far as revenue sources and what we thought we were actually going to spend. Then the last column, the difference, is the difference between what was budgeted and what we thought we were actually going to spend so we can see what either the excess revenue, the increase in revenues were going to be or decrease and then whatever the increase or decrease in the expenditures based on the budget and what we thought we actually were going to spend for 2012.

Councilman Mead: I just didn't want to get confused with the cash balances. That does not reflect the budget.

Auditor David Hollingsworth: Right. It's just the cash that is available to be spent. Right. I did that just so we can see what the cash balance is going to be at the end of each one of these periods based on what we actually were spending and what we thought we were going to spend.

Councilman Stuckert: David, let me ask you a question. So, you're saying that \$9,941,296 is what we've spent through October 19 of this year?

Auditor David Hollingsworth: No. That's your revenue sources.

Councilman Stuckert: That's our revenue sources. Okay, so our revenue sources will be down to \$4,640,000 by December 31.

Auditor David Hollingsworth: No. That's what we're estimating. That includes the beginning cash balance, though, remember. Because that's what we think we're going to collect for the remainder of the year from those various revenue sources. You hv to kind of back out the beginning cash balances. If we're trying to get to total revenues that we're going to collect for the remainder of the year, you have to back that beginning cash balance out.

Councilman Stuckert: So, roughing 2.1 million?

Auditor David Hollingsworth: Actually, about a million and a half. This is the actual cash balance, the 3.189. The fourth column over. You've got to back that number out of the 4,640,000 that you're looking at.

President Kirchner: When I look at the numbers, David, for 2013 clarity, the very first number on the front page in the far right column under 2013 would be our expected carryover.

Auditor David Hollingsworth: Correct.

President Kirchner: Unencumbered monies from December 31 – January 1.

Auditor David Hollingsworth: That's correct.

President Kirchner: So, when we take that number and go to the second page where the two lines are around the \$10,514,867. Subtract the top number out, and what we have are our estimated revenues for 2013. My math shows that as \$7,637,568 as the estimated revenues. And that number actually is down from 2012. 2012 estimated revenues – I've got it somewhere here - \$7,865,693. So, your estimated revenues for 2013 are down by roughly \$230,000. Two hundred and twenty eight. So, for 2013, the estimated revenues are down \$228,000. Now one of the places I think we've seen a big change there, David, correct me if I'm wrong, would be in Tier II.

Auditor David Hollingsworth: Right. You've got \$206,000 in Tier II grant money that was budgeted and collected in 2012. We do not have that for 2013. Again, those are grant monies. It goes through the General Fund, but it's money that we're going to spend for grant specific project. The same for the income tax revenues. Marque is projecting \$4,000,000. This year, we had \$4.1. We're still on track. If you looked at the Income Tax Report at the last council meeting, it's about \$10,000 or \$12,000 below.

President Kirchner: So, the General Fund budget with that pass-through passes by that amount on both sides. It reduces by the \$206,000, but the income reduces by \$206,000. So, it's a wash because it was grant money. So, your budget for 2013 will automatically go down by 2013 because we don't have the CDBG monies – the Tier II money. Just to be clear, there are still CDBG funds that will come in for the year.

Councilman Wallace: Two questions – either Mary Kay or David – either one. The Then and Now stuff, that shouldn't come out of the budgeted money. Right. That shouldn't come out of the carryover.

Auditor David Hollingsworth: You're going to muddy the water. That really has nothing to do with what we're budgeting.

Councilman Wallace: The reason I'm asking the question is you talked about unencumbered money. So, anything encumbered would come out of these pockets, right, as far as the budget goes.

Auditor David Hollingsworth: Right.

Councilman Wallace: And that won't deal with the carryover.

Mary Kay Vance: The Then and Now doesn't have anything to do with your budget numbers. It's just an informational document that the state requires us to do. It won't change your numbers up or down.

Councilman Wallace: Except for spending money out of last year's budget.

Mary Kay Vance: It's not last year's budget. It's just dollars that they would have spent. When you pay your DP&L bill 12 months out of every year, you always know January's bill is your December's usage. It is still 12 months regardless of when you used it. The Then and Now is identifying that it was a bill that said it was of your December usage, but we paid for it in January. It doesn't change that you paid 12 months' worth. It doesn't change the amount that you did. All it does is tell you that it happened to be an invoice that had a December date on it. It doesn't change.

Auditor David Hollingsworth: It's a state requirement. I would not do it unless the state didn't forced us into it. It creates more confusion than anything else.

Councilman Wallace: I just wanted to make sure that we were not going to come back and play with the carryover balance.

Auditor David Hollingsworth: Let me qualify the carryover balance. We're still two and a half months from the year-end. These numbers are going to change. I hope they don't change dramatically, but they are going to change. It's not going to be exact to the penny.

President Kirchner: So, when we look at column 5, which is the difference, right now the anticipation is that reverse appropriations at the end of the year will be \$818,709. Is that an accurate statement?

Auditor David Hollingsworth: What are you looking at? Where did you come up with the 818? At the end of the expenditures?

President Kirchner: Is that all General Fund impact?

Auditor David Hollingsworth: Correct.

President Kirchner: So, entering this year, you roughly had a 9.2 million dollar budget and a 7.9 million dollar income. The difference being 1.3 million dollars. That would be more spending than we had income. That's why you call it a deficit. If that 818 holds true, that deficit is reduced to just under 500,000. But, of course, as David said, until we get to the end of the year, we don't know that budget number. So, that's the meeting we generally do on the 29th or 30th of December, depending on what day it falls on where we have a quick morning meeting to do the final budget reverse appropriations. And generally, historically, I believe I think we've always been passing the 2013 budget at that time too. Though, I won't say that every time it has been that way. So, if we look at that line on the fifth pages counting front and back, are those items above those lines – those totals – all of the General Fund items or are there other General Fund items below that line?

Auditor David Hollingsworth: That's everything that's going to affect the General Fund. You have other funds that are affected by the transfer line items that are part of the General Fund, but...

President Kirchner: Right, both those exist right there in the third page, so the budget for 2013 General Fund-wise. I know we have to look at the whole budget. Right now, we're talking about General Fund. The deficit is a General Fund phenomenon. None of the other funds have deficits. Only the General Fund has a deficit. Now, we do transfer to other funds out of the General Fund. I don't want to confuse that. But that is the deficit that we have to get to a point of eliminating. So, 8.3 million dollars, \$8,324,873 is the 2013 General Fund budget. Is that an accurate statement?

Auditor David Hollingsworth: Right.

President Kirchner: Okay. So, 8.3 million dollars compared to a revenue estimate of 7.6 million dollars, which means that you are looking at a \$700,000 deficit at this point. Is council all on the same page with where we are at from a General Fund standpoint?

Mayor Riley: Council will notice that on the fifth page, where you do have the \$8,324,873 General Fund budget. If you look straight across the page to the budget of 2012, you will see that is a \$1 million reduction on the 2013 budget compared to the 2012 budget. You will also notice that the cash ending is \$2,189,994. Our instructions were to present a budget that had a 25% carryover. The very last number, cash balance ending, \$2,189,994 being the anticipated carryover is 26.3% of the 2013 budget, so that is the directions we had from council. With David and Mary Kay and Brenda and everyone working very hard, that is the number that we came up with. A \$1 million reduction over last year. I would say again as I said almost exactly a year ago, that this may be the budget that we start with, but this will not be the budget that we end with. We work on the budget year-round. That is how we trimmed a million dollars off of the budget this past year. I would anticipate that in 2013, with the continued help of all of the employees of the city, the superintendents and supervisors in particular, we will continue to trim the budget. We're going to look for ways for increasing revenues if at

all possible and reducing our expenses. So, this is the budget that is being presented, with an over 25% carryover – 26.3% carryover.

Auditor David Hollingsworth: What I tried to do with this format, and I think I mentioned this when I handed it out, all of the funds that received money from the General Fund in transfers, I budgeted their cash balances to a zero balance. So, in other words, I adjusted the transfer number. If it was showing that they were going to have an excess cash carryover balance at the end of 2013, I reduced our transfer to get that number to zero, so you have everything inside the General Fund that is being spent.

Councilman Jaehnig: So there aren't funds sitting there from the previous year that don't show coming out of the General Fund in 2012.

Auditor David Hollingsworth: And there always are, but just to try to make this a little easier to follow, I budgeted those cash balances to zero in 2013.

President Kirchner: 2013 or 2012, David?

Auditor David Hollingsworth: 2013. So, you will see they have no cash balance being projected in 2013 at the end of the year.

President Kirchner: I know unfortunately I was not able to be at the meeting where council discussed the commitment to a minimum of a 25% carryover. And I believe that commitment was unanimous that that was the minimum amount that we thought was fiscally responsible to keep in there. I don't know that it was necessarily the direction of how big of a budget we should get, but it was the starting point that council wanted to be sure we kept. The issue that we've still got is that the \$700,000 is a deficit. Now, based on these budget numbers, at the end of 2013, 25% of 2013's budget will be left. The issue is, if we go into that next year and we don't see a significant change in revenue, we will eat into that carryover with the current structure of the city.

Councilman Wallace: Scott, if I use your analogy, which I think makes some sense. If I look at 2012 budget and I look at the income. If I go back at the income, I end up with 7.4 income. If I reduce the carryover from the actual income of 9.9. $9.9 - 2.5$ is 7.4. I take the actual expenditures of 6.7, that comes out at .7. So, that difference there is 700,000 as well as the difference you're showing is 700,000. I mean, based on that thinking, we've pretty much have broken even this year with a reduction income – in carryover. I think that's pretty darn good. In other words, if we're making less money next year than we made this year, and next year we had 0.7 deficit, and this year we had a 0.7 deficit, we really gained. In other words, our carryover deficit was the same next year as it is this year, but we've got less income.

President Kirchner: That's true in a way, but one of the things that you have to understand is in this year you saw an \$843,000 impact of unexpected revenue with the inheritance tax. So, you actually have seen the income of that in carryover. Had we not received that \$843,000, your income line item would be down by \$843,000. Now the reason that is important is in 2012 of this year is the final year that the inheritance tax exists, so there will be no inheritance tax in 2013 as a possibility there. Let me clarify one thing, in talking with County Treasurer, it is possible that before December 31 of this year, that a passing or passings will occur that will bring an inheritance line item into next year because it occurred in this year. Now, the \$843,000, David, correct me if I am wrong, is the largest inheritance tax income we have ever received.

Auditor David Hollingsworth: It is, since I have been in office.

President Kirchner: Which is...how many years.

Auditor David Hollingsworth: 25 years.

President Kirchner: I don't anticipate that we will ever receive that again. Of course, we obviously hope that that line item is zero. We don't want to see anyone pass. But the

impact to this year's budget was significant. Without it, \$843,000, this year would have had a \$1.5 million deficit.

Councilman Wallace: I think that's where...and this is the thing that always drives me nuts when we get to this. Every year I ask our directors, "Is this the bare minimum that we can come up?" And I get that yes, yes, yes. Then all of a sudden, we get in the middle of the year and we have to buy something, you know, and they are able to scrape funds together in trimming their budget numbers. I don't get that from a budget standpoint. From an internal standpoint, we may have to buy some things. We put together to buy a cruiser. We bought that scale out there at the landfill. We're pulling major monies out of General Fund somehow. You know what I mean. But that is not budgeted and that is the scary part of it. If we don't do those extra things above and beyond this budget. If truly those things are thought about – what we need next year – and those are listed in these number, then we don't have an issue that you're talking about. There liable to be something blow up on us that we don't know about and that we can't foresee at this point. But when you're in a money crunch like this, I just don't think budgetarily we are able to come up with monies for some large ticket item that we didn't plan for next year. And we've done it for three or four years in a row now. That's the thing that drives me crazy.

President Kirchner: And let me address. There are two things there. Number one, coming into this year, last year's budget process and last year's mayor, not Mayor Riley, but Mayor Raizk, had directed that some items that were scheduled to be needed, like those cruisers, be removed from the budget to decrease the size of it. Now, that issue we will address with our department heads today and make sure that everything that is necessary for the operation – and it's a great question, Mike, and I think we need to clarify that – to make sure that this budget does not artificially show a lower cost when they know they are going to have to come back and ask for more. That's a very valid point. But, I do want to say that the issue of budget adjustments where they have made adjustments to move money from one account to another in the Police Department, one of the reasons that is true is because you had a number of officers on in Safety. You had a number of dispatchers on, and you lost those folks because they left during the year. I know in Duane's case, he actually found ways to cover some of those shifts and to reduce the cost so that money was available to move to something he needed. And the management of their budget that way, where they can identify opportunities to save, I think is exactly what we want our department heads to do, and what Mayor Riley talks about in they constantly work on a budget. Now, I will equate it to our home budget so it makes sense. If we have a budget for electric, water, gas, groceries, house payments, all of those things at home, there are ways we can affect the amount we will spend. With groceries, you may do couponing. You may reduce the amount of premium meat that you would buy. You may reduce through thriftiness and free up more money in your budget to do something else with it. If you reduce your cable. Maybe you do away with a cell phone. Things like that can affect your budget. And in the case of our department heads, the mayor has indicated that they constantly work on finding those opportunities, and as long as they can live within this budget and reduce from there, through that currently unknown opportunity that could come, I think that is a great effort, and that is exactly what we want them doing. So, I don't think it's necessarily that they put too much in these line items, they put what they expect to need and then work to reduce them as the year goes on.

Councilman Wallace: My point is not that. My point is going into 2013, if someone needs we've got to buy this item, I would like to see it on paper right now. That's my point. I'm just talking about major items like that. I'm not talking about...because I applaud Duane what he did this year on how he could maneuver monies. We see that on the last item there on the spreadsheet, where we saved money on all of the salaries and things like that. A lot of that comes from his area. I understand those things. It's just that when someone knows they are going to have to buy an earthmover next year and we don't see it on paper and all of a sudden we're hitting June with, "We've got to have one of these today, and it's only going to cost \$5 million." I'm going "Holy cow. We knew this five years ago. Why isn't this on paper? Why aren't we saving for this?" To me, that is their job. I know they do that. But I also know that has also been kept from us sometimes.

Mayor Riley: One of the things I've asked them to do this year, Mike, which I think is somewhat new, is actually look at the budget process in three different ways. One is the operating expenses, which are your paperclips and whatever you need. Looking at your people is the second one, and the other is capital. I asked them to budget for just those big-dollar items. Not the small items, but something that's going to be – a cruiser – would certainly be a capital item.

Councilman Wallace: And we need more cruisers. I understand that. I'm not against buying them.

Mayor Riley: As far as I know, the budget reflects everything that they're planning on buying. Well, unless someone hits a cruiser – but insurance would cover that.

President Kirchner: I think that anytime you see something like somebody hits a cruiser, and engine blows. They're not planned items, and I think we all understand that. But, to get to this year to find out that they needed two new cruisers and nobody put it in the budget is your point.

Councilman Wallace: That's my point.

Mayor Riley: And we do need more cruisers.

Councilman Wallace: Every department needs stuff. I get that and I understand that. I want to budget for that. That's not my point. My point is, we are still working within these dollars. I don't want someone to slap me in the face with something in the middle of the year and say, "Hey, we forgot to put this on paper." That's sort of like these sharing grants that we come up. If we only chip in \$250,000, then we can have this grant to do something. Well, where's that money coming from. That's still a lot of money. These matching grants drive me crazy, because we can't afford matching grants.

Auditor David Hollingsworth: If I may interject, Duane, I think you had \$64,000 allocated. We did take that out of here, because it's always been the unwritten policy in the past that they come to finance and ask for capital items rather than budgeting for them to make sure that we do have the money available to spend for that. So, those were taken out of this spreadsheet – any capital-type items. There weren't that many. I think Duane's was the biggest request of any department. But we did zero those out of here, but only for that reason.

Mayor Riley: We also had some anticipated revenue, if I'm not mistaken, from Wilmington Drug Task Force that we may be able to use for some of this.

Councilman Wallace: Even if there's something that we don't have in the budget right now and we think, "Boy, if we could come up with a way to get that, we want to get that." I'm okay with hearing that too and talking about that down the road. But I just don't want to be hit upside the head with some major expense that we knew that's not trying to be dealt with in here somehow, some way, in some shape.

President Kirchner: To that point, David, can I ask, if we backed capital items out, do you have a report that we can review of what anticipated capital investments are.

Auditor David Hollingsworth: I can generate something. I don't have one now.

President Kirchner: Because the bottom line is, that will affect the General Fund if it's not in an Enterprise Fund.

Auditor David Hollingsworth: Correct.

Councilman Jaehnig: Beside the Police Department, whatever capital items could be sitting out there that are General Fund related?

Auditor David Hollingsworth: I don't know. That was the only one that really comes to mind.

[Multiple people discussing grant-related status of taxi funds]

Auditor David Hollingsworth: That's the one that sticks out. That's money that comes from grants. That's kind of irrelevant.

Councilman Jaehnig: I mean the Fire Department and the Police Department would be the two big capital item areas in the General Fund that we're aware of. Unless there's something came from the courts that you backed out.

Auditor David Hollingsworth: The court's capital items – those are generally...

Auditor David Hollingsworth: Their computers, their chairs...

Auditor David Hollingsworth: Those come out of their computer fund. That is unrelated.

Safety Director Burton: I think as far as the Police, to answer Mike's question, also in the budget preparation the mayor asked Duane and Andy to put out a projected 5-year forecast of capital equipment like trucks. I don't think you guys get a copy of that. I think if council got a copy of that, it would help. Because that's normally like when you say, Mike. It comes up in a Safety or a Finance meeting, it's to buy a cruiser or a squad or whatever that may not be on paper here somewhere. That is out there.

Councilman Jaehnig: I think it's useful to have that besides the budget. If the budget's purpose is to have...this is the operating expenses...this is what we have to spend to operate. If, in the past, we have removed capital items from the operating budget to pass through council separately to approve each individual item, then I think it's a good idea to have at the beginning of each year...these are our potential estimated capital expenditures that we are going to be talking to you about. That way, as the year goes and different revenue streams are identified and the decision by that department and the mayor is made to pull the trigger, it's time to pursue this piece of capital equipment, it's not a giant surprise like Mike was saying. In general, since the beginning of the year through now, there's definitely a better sense of communication. It seems that between the department heads and the mayor's office and working on the same page, while in Finance, while I'm not on the committee, there were definitely supplementals and transfers, they seem to be a lot clearer than they have been in the past and a lot better thought out. Here's the entire plan. Here's what we're doing. Here's where the revenues are coming from. And that type of explanation than what we've had. It's clearly reflected in where we end up at the end of the year. To the president's comment earlier – me personally – I am very pleased with the budget that is proposed. And while their continuous work, and I sure hope that the mayor and the department heads continue to work on trimming budget, I'm pleased with the overall effect before we get into each individual department. So, you had asked our opinions on that, so there is mine.

Councilman Wells: I would like to say something – to clarify one thing that Mike said. The scales were not purchased out of the General Fund.

Councilman Wallace: That was an example. I understand that. I was just talking about major expenses out of the General Fund in particular. I understand that. Let me just say, I'm not against these major purchases. That's not my point. I would just like to see us plan for, like Randy is doing, instead of keeping them from us, so we can get something passed and move forward.

President Kirchner: In this case, what they're telling you is that those are not in this budget. They are not planned for that way. They are looking at the need for them, but the monies do not exist in these line items. So, it would be additional expenditure out of the carryover balance, increasing the deficit, and it's a philosophical question that I think council has to visit as they look at this budget. In the case of the Police Department, Duane has a very effective schedule of cruiser replacement that keeps our department capable of responding and minimizes the impact in a single year of a great number of

investments. He does it a little bit each year as vehicles get to that age. So it is an ongoing and regular item of use.

Councilman Wallace: What's the life of a cruiser, Duane, while you're talking about it.

Chief Weyand: Six and a half years ago – about six years ago, it was about three years. I'm getting about five and a half out of them now.

Councilman Wallace: So, we should be buying one a year, right?

Chief Weyand: One to two. And there is going to be a year or two where you hit one. But like, Rob, I think was on Safety Committee in 2007 when I lobbied to get two additional cruisers. At the time, I said that we were getting three years out of the cars. We run them 24/7 throughout the year. Now we assign two officers to a car and it allows for the maintenance and allows for the lower use of mileage on them. So, we're getting about five – five and a half year out of them. At the same time, your maintenance cost is coming down considerably because our vehicle maintenance line item, which did cover fuel, and fuel at the time was considerably less, was a little over \$100,000. Fuel is up, and our maintenance is still down in that line item compared to six or seven years ago.

Mayor Riley: Bob, I would also note. Denny has a funeral that he has to go to today, which is why he is all dressed up.

Denny Gherman: Wedding.

[Laughter and banter]

Mayor Riley: I appreciate Denny getting dressed up to come in. But, if you have any questions for Denny, I would like to be appreciative of his time, so he can feel free to leave when he wants to.

Councilman McKay: Do you have any propose capital items, Denny.

Denny Gherman: No. We filled out our five-year plan and did not ask for any next year. We do have equipment – our snow equipment is 15 years old, and it's going to catch up with us. But, I have asked for it in future years, but this year we have elected not to ask for it. We have not had any new equipment in the past five years.

Councilman Wallace: Any major changes in your budget from last year to this year?

Denny Gherman: My salary line item is down due to one person retiring that's not going to be replaced. Other than that, everything is going to be pretty much the same. This budget is about 52% of what it was five years ago. We have cut every year. I don't think there is anything else that can be cut if we're going to run our department.

Councilman McKay: The only major thing that could happen is as we discuss briefly at the Streets meeting, there is a possibility that we could be looking at a move. If that happens, then there are plusses and minuses that have to be considered. But that is not part of this budget.

Denny Gherman: No. That's not part of this budget. Correct.

Mayor Riley: Those are just operational things that go on throughout the year. As everyone is probably aware, we have been looking at the possibility of consolidating city services on the Nelson Road properties that we have. Denny's would be one of those that we would consolidate over there, which would free up property on Walnut Street. I don't want to talk about possible sale of property in a public forum, but we would be looking...there's no sense in owning property if you're not going to use it. So, that said that is something that we would look at to help pay for the moves and such.

Councilman Wallace: Mr. Mayor, do we look at the consolidation as a savings overall operationally money-wise. I know it's going to be a savings, don't get me wrong,

because I remember talking about the mechanics and that type of thing, but will that save us money in the long run operationally or not?

Mayor Riley: I certainly believe it will, Mike, in that we are going to be restructuring the way we do some business. We're consolidating. We're getting a lot of the people who do labor in one area, and obviously we have some people who do labor out at the water plant, that do water lines and stuff like that. We do now a lot of sharing back and forth. If we have a major snowfall, everyone who can drive a snowplow is driving a snowplow. We do a lot of sharing of resources between departments already. I think this will make it a little easier to do because they're working right there shoulder to shoulder every day so they can help each other out more. Plus, you have one facility that will not be heated, cooled and taken care of – one less facility to work with.

Councilman Wallace: That's got to save something.

Mayor Riley: Oh, absolutely. I can't give you an exact number, but sure.

Denny Gherman: Another major point at the Nelson Avenue facility, we would be able to get all of our equipment in side. More than half our equipment has to sit outside now and it's taking its toll on it.

Councilman Jaehnig: Especially with 15-year-old vehicles.

Paul Fear: Can I ask David two questions, which are probably pertinent to all of the other department budgets...when we affectively moved property casualty insurance out of the 2012 and allocated it to enterprise funds, we went from 240 to 200, did we allocate liability, vehicle insurance, and property and this type of stuff to the individual departments? Because I didn't see that in any of those except for the 5200 in his budget here. But I didn't see anything in Police or Fire.

Auditor David Hollingsworth: Why? They're all General Fund. It all comes out of the General Fund.

Paul Fear: That's my question...where do they go in the General Fund. 240 went down to 23, is that all we pay for the entire year for everything else?

Mary Kay Vance: We allocated it to the other...

Auditor David Hollingsworth: Any insurance line item. The only thing that effectively affected would be the enterprise funds. We allocated their portion of the property casualty insurance, which has always been paid out of the General Fund. The reason that hasn't been done in the past is because prior administrations were concerned about the debt coverage in burdening the Enterprise Funds. Now you have some flexibility with the Enterprise Funds. I mean, it's only fair that they pay their...it wouldn't be fair for us to pay their salaries out of the General Fund, and it's not really fair for the General Fund to take the full burden of the insurance costs.

Councilman Jaehnig: It's more than just being fair, though, isn't it. Because when I went in and I started trying to look at those type of things, in the definition of the Enterprise Fund, it clearly talked about Enterprise Funds could not have funds coming from the General Fund in order to operate in the form of cash or in-kind services. So, it seems to me that we should have never been dividing that out in that manner. Those enterprise funds are supposed to operate completely independently and on their own. While that does put us at risk at some of our bond coverage issues, it seems like that is the way they're supposed to legally operate.

Paul Fear: My question was the fact that I only saw \$23,000 for the entire year for every other operating department, and I would have thought that the police would be more than \$1200 for their insurance on their vehicles and that type of stuff. I'm was surprised at the small amount that still comes out of the operating. That was my question.

Auditor David Hollingsworth: There is an insurance line item within each of the Enterprise Fund...

[Multiple people discussing liability insurance allocation]

Councilman Stuckert asked if we did the same with the health insurance costs.

Auditor David Hollingsworth explained that already comes out of the each of the line items. It goes into an insurance fund but it comes out of the individual departments.

President Kirchner gaveled the meeting for order.

President Kirchner: I am going to ask that we have one conversation at a time for two reasons. Number one, someone has to type this record, and that is not going to be very easy, but also because I think all of the conversations are important and everyone probably needs the information. So, please, if we can keep it to one conversation at a time, I'd encourage you to write down your questions if you need to ask them when that conversation is complete. To the mayor's point, we are focusing on M&R right now to make sure that we get Denny out of here. So, I would encourage...

Paul Fear: The second question I had, then, was when we showed the benefit insurance, I know we kind of talked, have they been allocated per department per employee cost? Because he says one lower employee, but his benefit insurance went up \$15,000. Is that because we allocated the difference between a single and a family?

Auditor David Hollingsworth: Are you talking about the difference between what's budgeted for 2012 and 2013?

Paul Fear: Yes.

Auditor David Hollingsworth: It could be because of the change of the mix of the employees, the insurance costs, what we got from Liz was actually going to go up a little bit for each employee.

Mary Kay Vance: It's done based on how many employees are sitting in that department.

Councilman Siebenaller: If you are down by one employee, do you anticipate rehiring that position in the coming year.

Denny Gherman: No. We are not going to fill it.

Councilman Siebenaller: The one other question that I had...the vehicle expenses went from \$70,000 to \$34,000 but then there is a line added for vehicle fuel, which is the difference.

Denny Gherman: We just separated the two. It's still the same. We did not increase that line.

Mayor Riley: To that point, that's new this year. The fuel line is new because we kept talking about fuel expenses and the volatility of fuel costs. I said, "Let's just make a separate line for fuel for all of the departments that use vehicles, because we need to know specifically what that is." If there is a variance, yes, you can go look at the pump and sort of figure out what the variance is...whether it's high or low. So, I asked for that line.

President Kirchner: I would offer that one of the things that I think could benefit us there is if council understood the commodity volume. Can we get the estimates on the number of gallons that they will use? I realize that it is an estimate, but it allows very quick math when we see a difference in, say, \$3.25 gasoline now and \$4.25 gasoline at the end of 2013. And I am not making a prediction – I just want to make it clear. I'm just illustrating a point. When you know the number of gallons, you can see the difference in

budget that it can cause. So, since we've separated that line item out, if we can get those estimated fuel amounts.

Councilman Jaehnig: Did each department use the same average fuel cost? Was there an estimated cost per gallon that we worked from, and did each department use the same number?

Chief Weyand indicated that he used \$4.50 and Denny Gherman indicated that he used \$4.25.

President Kirchner: The good news is, hopefully that will be an overestimate.

[Banter]

Councilman Wallace: But to be honest with you, again, we're trying to make an intelligent guesstimate here. And this is pretty good. The numbers they are using have a chance of coming into fruition. So, you know, even if we are off a thousand, two thousand dollars, that doesn't bother me as much as again what we were talking about earlier.

President Kirchner: I completely agree with you. Those small commodity fluctuations...

Councilman Wallace: Even if you use \$4.25 and look at the rough amount per gallon. I appreciate that. Because that can be a reality. That could be off too. We can't control the future there, so I'm okay with those numbers.

Chief Weyand: I'm sure they do the same thing I am. I'm looking at it is, if we hit \$3.50 in January and we're at \$4.80 in December, I'm hoping that the cost averages out and we can make up for it.

President Kirchner: Denny, I'm looking at your organizational chart, and I'm not asking about an individual, I'm asking about what position we have eliminated.

Denny Gherman: One of the crew leaders.

President Kirchner: Okay. So, we're down to just one crew leader. Excellent work, and appreciate you modifying the way the department operates to use those remaining resources – to use your personnel effectively. They do great work. Very good.

Councilman McKay: And reducing your budget. When you had more allocated to it than you had last year.

Mayor Riley: Well, I compliment all of them. Denny does a great job for us. Anybody that needs anything done in the city, whether it's Police, Fire or whatever, Denny's name comes up and he gets it done. I do so appreciate his work throughout the year, plus his willingness to actually just dance faster, because there is so much more going on and he has fewer people, but we seem to still be getting all of these projects done. I truly appreciate it. I would note too, that I talked with David Hollingsworth, and he needs to leave at 9:30. And somewhere around the 9:30 hour, a little 7-year-old grandson is going to come in and expect pappy to go with him. So, I will probably be leaving about 9:30 as well. Just for your information, I didn't want to just surprise you by leaving at 9:30 or whenever Logan comes in.

President Kirchner: I would say after two and a half hours of initial budget session, we should have enough information. Before that time, we will kind of talk about schedule and what we would like to do as far as moving forward in the budgeting process.

Councilman McKay: Mr. President, to kind of consolidate that or move forward, is it your plan to just go through the entire budget? Is that what we are going to try to do today?

President Kirchner: I think that we should try to get an initial review of all of the departments, especially with the department heads that are here, to understand the impacts to the budget that we're seeing. In reviewing, I know Brian had a question about the vehicle and fuel expense. To respect Denny's time, are there any other questions?

Councilman Siebenaller: How does the State Highway Fund and Permissive Tax Fund affect your department? It looks like it's pretty much all street related.

Denny Gherman: It's all related to that.

Councilman Siebenaller: Those aren't...are those General Fund monies?

Auditor David Hollingsworth: Permissive Tax? No.

Councilman Jaehnig: Those are designated that they have to go to that particular...

Auditor David Hollingsworth: Nothing comes from the General Fund that goes to those two.

Denny Gherman: I did have a couple of people ask about the reflectivity program. They did not understand it. Reflectivity is a federal program where all of our signs have to be reflected, such as our new signs, and that has to be implemented by January 1, 2016. So, for the last two years, we have spent \$10,000 doing that as we change them out to get ahead of the job.

Councilman Jaehnig: So we won't have to do it all at once.

Denny Gherman: Right.

Councilman Jaehnig: And we're on target.

Denny Gherman: Any signs that we are buying now are reflective.

Councilman Jaehnig: That includes like street name signs.

Denny Gherman: Yes. The street name signs do not actually go into effect until 2017, but as we replace them now, we are going ahead. There is not that much cost difference. It's just going to be a big savings now to do it now as we go.

Paul Fear: Mayor, is this where the issue with the R&L vehicle license tax comes in...does it go into this fund?

Mayor Riley: Yes. One of the things that I have been working on this year...I've met twice with the Director of the State Bureau Motor Vehicles, Mike Higgins, and his assistant, Duke Hobson. We've had several phone calls. As you recall, a major transportation went from licensing in Ohio to licensing in Indiana, just because of the convenience, supposedly. That convenience factor should be gone now. Through some really good work that has been done by the state in streamlining their licensing program. So, now we're just trying to mend some fences and mend some bridges and get that licensing back in Ohio, which according to the BMV, would have a very positive impact on us. You can't budget hope, but my hope would be that sometime this year we would start seeing some of those funds that used to basically be Denny's budget to start coming back to us. It was like \$800,000 wasn't it, Denny, that we lost?

Denny Gherman: Yes.

Councilman Mead: Mr. Mayor, I had read somewhere in the past that we should have never been getting that money in the first place.

Mayor Riley: According to the BMV, we're entitled to it.

Councilman Mead: So, you think we actually are.

Mayor Riley: Well, according to the BMV, we're entitled to it, so that is what I'm going on. As I've said, I've talked to several people there, and they said the City of Wilmington is entitled to that.

Councilman Jaehnig: Is that because we're the county seat?

Mayor Riley: I'm assuming. We have the processors are here. Maybe because it's a 45177 area code. I don't know what the reason is, but I'm tickled to death with it.

Councilman McKay: Well, there's a split. The county gets...

[Discussion of licensing fees]

Councilman McKay: You might note here too on Denny's budget, the street improvements have taken pretty much the biggest hit. There's about \$100,000 decrease from last year's budget to this year's budget – from \$175,000 to \$75,000 – so don't look for a lot of streets to get improved.

Denny Gherman: One of the things that we have been doing, we do have a pothole patcher that we've been using almost daily. That is a Band-Aid, but it's more of a permanent fix than cold mix or anything. We have been using that to salvage all the streets. It's been a real asset.

Councilman Jaehnig: That particular fix is much more durable, right?

Denny Gherman: Yes.

President Kirchner: Denny, how much overtime do we have estimated into the salary line item.

Denny Gherman: I estimated 7%. It's very hard to estimate for our department. With the winter of last year, obviously, we are way ahead, but if we have a bad winter, being that short that many people, it's going to hurt. Again, as the mayor said, we are going to have to rely on other departments to help out with that.

President Kirchner: Now in this year, we obviously had a very wet winter coming into the beginning of 2012. Opposed to snow, we had a very mild winter and a lot of rain. Is that some of the savings we have seen in this year's budget was we were able to not have as many snow issues, as many overtime hours, as many folks in trucks driving all day and night?

Denny Gherman: Yes. That was a major factor.

Mayor Riley: As well as salt.

Councilman Stuckert: So, we will still have last year's supply of salt, basically.

Denny Gherman: No, we do not. We actually, due to the low winter, we did not order salt last year. This is the first year that it has been required. In the past, we had contracted for 1200 tons. We had never had to use it in the past. This year, with everybody being down, we are obligated to buy that. We still have to buy it for last year as well as what allocated for this year. Yes, Don?

Councilman Wells: What about the beet juice program. Did we discontinue that?

Denny Gherman: No. I don't know how many of you are aware. We did buy beet juice last year and the equipment to apply it. Due to the winter, we did not use it at all. A lot of cities use beet juice; they mix it with the salt. My intention is to use it after a snowfall. Davids Drive, 134, Nelson Avenue, areas that drift bad, we have to go out every two hours after a snowfall. It snows for two or three days and then we have two or three days of that. With the beet juice, if we put that down, it will cut down on that overtime. That

is primarily what we are going to use that for. Last year, we did not use any at all due to the nature of it. It should be a major cost savings overall.

[Discussion of whether beets are grown locally]

Denny Gherman: They are actually grown in Michigan.

President Kirchner: That would be the Grow Food Grow Roads program.

[Laughter]

Denny Gherman: The beet juice will actually work better than the salt or calcium chloride or any of the corrosive materials that are hard on the trucks and the vehicles on the road. Beet juice will not hurt any car finish or anything. It's being used by a lot of cities. They start out small and then they use it more and more every year. It's been a real successful program.

President Kirchner: I'm fairly confident that young children around this country are very happy to see a use for beets.

[Laughter]

Councilman Stuckert: Seriously, do we have any way of making sure that the farmers who grow beets around here are aware? Can we increase our beet output.

President Kirchner: My guess would be, you would have to look at that whole processing approach. I think it's a little out of scope, but perhaps if we do have a beet farmer.

Councilman Jaehnig: Well, this area of the country is not good for root crops. We have too much clay in our soils and so that's why you don't see a lot of root crops in this area. Northern Ohio, Southern Michigan have a lot more sand in their soil and it is much, much better for root crops. So, trust me, the farmers are well-aware that the opportunity is there. Unfortunately, the land does not cooperate.

Councilman Siebenaller: Where do we budget for the salt and the beet juice and everything.

Denny Gherman: That comes out of Street Supplies.

President Kirchner: You know, one item that I did want to check on with all of our departments is property taxes. Does your department have any property taxes it pays?

Denny Gherman: Yes. Ours is very small. It comes out of our incidental item.

President Kirchner: And what is that property that we are paying on? The reason that I'm asking is because any property for municipal use, we should not be paying property tax. And if we need to get these filed to get them abated under municipal use.

Denny Gherman: My understanding is where the service garage is, the garage itself is not taxed; it's the lot behind. I never understood why. They say it's the lot behind which we use for a storage area.

Mayor Riley: Brenda, Larry and several other people are looking at all of the parcels. The city owns a boatload of parcels of land around the city. My direction to everyone has been that if we are using the land, we should simply be exempt. If we are not using the land, it should be for sale. We are not landlords. If we have property that is not being used for municipal purposes, rather than paying taxes on it, let's see if somebody wants it so we can get out from underneath. I'm surprised about the lot behind you, because I think we have some things stored on there, don't we?

Denny Gherman: We do. Our property tax is only around \$40 a year.

Mary Kay Vance: Some of that is the street lighting assessment. We are not exempt from our own street lighting assessments. There are those few things that we are not exempt from, but the property themselves, a couple of years ago we had, I think, Lauren Raizk and Laura Curliss went through all of the properties and went through that application process. So, I'm assuming that Brenda is working on those again. It's an ongoing process. But I know they addressed those at Denny's plant, but it's worth taking a look at again.

Denny Gherman: It has come down from 90-some dollars about seven or eight years ago down to about 40.

President Kirchner: Obviously, \$40 is not a huge amount of money. If that is the street lighting assessment, that is fine. It...it seems to me as I analyze the budget we had some larger property taxes that we did pay and not necessarily in your budget – I'm talking about the budget overall. It's been a while since I went through. Actually, I can do some analysis right now.

Denny Gherman: With the Randall Company?

President Kirchner: Yes. I know the Randall Company is unique and we are actually paying on the portion that we are not using municipally. Is that correct? Or are we paying on the whole thing at this point. That would be my question.

Service Director Reinsmith: I think...

Mary Kay Vance: It's come down. It is half of what it was, I think, the year before. I don't handle that, so I can't respond to what the timing is. Because once you take over a piece of property as a municipality, I think it's a year before that exemption can go into place. I only know these things peripherally, so don't take me as the expert.

Service Director Reinsmith: I know they submitted the information to the tax department about the square footages and acreage of the two parcels.

Paul Fear: That comes out of the Enterprise Fund anyway.

Service Director Reinsmith: Yes. That comes out of the Enterprise Fund.

Mary Kay Vance: It's still worth addressing, and I believe they're doing it. So, the answer is, they are looking into it. I mean, I don't know why we need to discuss it any more.

Councilman Jaehnig: Mr. President, do we have anything else that we need Denny for, or can we move on?

President Kirchner: That's up to council. Council?

Councilman Wells: Are you a pallbearer at this wedding?

[Laughter and banter]

President Kirchner: I've taken a quick purview of the 2012 budget, and you have a total of \$89,075 in property tax or taxes line items. And I don't know how much of that would be street lighting, but definitely it's a place where there is some potential to be had, and I don't know how much of it is the Randall Company.

Service Director Reinsmith: I know those are big numbers down there on the property taxes.

President Kirchner: I believe that one is \$51,600. So, it's over half of it. Then the Union Hall, we probably are still paying on it, but we aren't using it municipally.

Service Director Reinsmith: I know another one is the property that Jerry owned – the house over on Wall Street. We've sold that and that was about \$800 a year, so that will come off of this.

President Kirchner: \$825 I think. We've got...for the General Fund, \$32,800.

Mary Kay Vance: Part of what is in the General Fund, because you brought it up is the only reason I'll respond to that, is in that line item is where we, the City, pay Union Township for the parcels that we have annexed in. The county does the calculation for us – the annexation agreements where we keep Union Township whole on property taxes. So, there is a portion of that that is not real estate tax that is from our property that we're paying now. Part of it is the real estate tax that we're paying to Union Township.

President Kirchner: Payment in lieu.

Mary Kay Vance: Yes. So, it's not all real estate tax...just FYI...that's in that line item.

President Kirchner: I don't know if we can get a breakout. I do think we have to look, as Councilman McKay indicated, perhaps Asset, Acquisition & Use can call for a meeting to take a look at all of the City owned properties that we are currently paying on and determine. Because I'm in agreement with the mayor, if we're not using it for a municipal reason, then it probably needs to be for sale. Just like Jerry's house was – the Water Department's house. Not Jerry's house.

Councilman McKay: Well, it sounds like the mayor has already directed folks to be looking at it. If we could just get that compilation, I don't think that would be too hard to do.

Mary Kay Vance: It's not going to change your budget. That won't happen overnight either – getting rid of properties and all of that.

Councilman McKay: No. If we could just say this is what it is.

President Kirchner: And I think having a clear picture of – for the monies that are to the townships for annexations, obviously that is going to continue based on the contractual agreements under which we did the annexation. But, when we look at the \$89,000 in this year that is under that heading, if you separate that out, understanding the impact, because anything for municipal use shouldn't have anything but street lighting, and we need to make sure that is at the minimum.

Mary Kay Vance: And that hopefully is what they working on.

Councilman Jaehnig: Since we are talking about street lighting, if we could look at the street lighting fund. Those are taxes that come in through assessments to pay for the street lighting, correct?

President Kirchner: Correct.

Councilman Jaehnig: And that particular fund seems to be growing, but those monies cannot be used for anything but street lighting. Correct?

Service Director Reinsmith: Yes. If we were to add lights, then it would come out of that fund.

Councilman Jaehnig: So, as we add additional lights or add additional roads that need additional lighting, the purpose is to build that fund up to be able to pay for those things. Is that correct?

Service Director Reinsmith: Right.

Councilman Jaehnig: Okay. Because with the electric aggregation, there was a portion in that that also dealt with street lighting for the city and a reduction in costs for the city's

cost in street lighting and a clause for them also to pay for the conversion of those lights to LED's to be more cost effective in a cycled plan. So, I was just kind of curious.

Mary Kay Vance: They do that analysis annually, and you pass that street lighting assessment. We have to have it...

Councilman Jaehnig: So that changes yearly.

Mary Kay Vance: If there will be some effect on that, it will show up when we do that analysis and plug it in to next year.

Councilman Jaehnig: I guess I forgot the annual thing we visited.

Mary Kay Vance: So it will come back to you.

Councilman Jaehnig: So we will adjust it as needed.

Mayor Riley: These are issues that we deal with throughout the year. We get requests for streetlights really fairly often. People are asking for more lighting. It is one of the concerns of our citizens. In fact, I had a lady just last Sunday complaining about the main street right here on South Street in front of the city building, questioning why we only have lights on one side of the street – the east side of the street is really dark. It was an elderly lady, and she said she was afraid to walk that side of the street at night. Of course, she noticed it because it's dark earlier now and she was concerned about it. So, street lighting is always going to be an issue and it is always going to be something that we get frequent calls about – either the lights are out or they have identified an area by their residence where they need a light.

Councilman Wells: That mural parking lot, the other night I walked through there and neither light was on.

Mayor Riley: Neither one?

Councilman Wells: Neither one. It was dark.

Chief Weyand: There was someone over there fixing them on Friday.

Service Director Reinsmith: We did a survey a week or so ago at night and we found 142 lights that were out.

Mayor Riley: Were out or were flickering.

Service Director Reinsmith: So, we reported that whole list to DP&L and they are in the process of repairing them.

Councilman Wells: That's good.

Mayor Riley: Also, I would note that the city owns some property – I've been trying to think how to phrase this, and I can't think of a good way to phrase it other than it's worthless property. Absolutely worthless. If you go to the corner of Spring and Locust Street, the northeast corner of that intersection, there is a little stream that comes from the city down towards Swindlers and goes underneath Al's Sweeper Shop. The stream right there that we own two parcels right there. I have no idea when we came into ownership of that. It's probably been forever.

Service Director Reinsmith: It was years ago. Hale Hospital used to be located there. And somewhere when they did away with the hospital, I think the land was donated to the city for some reason. That was years ago. We occasionally mow it. People complain and we go down and mow it.

Mayor Riley: There are some parcels like that that are just absolutely not marketable at all. I would love to come up with a way of getting rid of those parcels, but nobody wants them.

President Kirchner: But in that case though, Larry, on those particular parcels, isn't that part of ensuring that we can drain water in that area?

Mayor Riley: No. This is not part of that. That's on up Thorne in that area. That we can not pay taxes on because of the use. We're using it for flood mitigation, but that is...

Service Director Reinsmith: And we bought a lot three or four years ago – remember down on Mulberry, the house that was caving in. And we ended up buying that house and we tore it down. I know it came out of Harry's budget because they said it was stormwater related. But we own that parcel there. It just sits there and we have to clean it up occasionally.

Councilman Wells: Is that where we put the guardrail up?

Service Director Reinsmith: Yes. So, we have little pieces like that all over.

Councilman Wallace: If we made all of those part of the city parks.

Mayor Riley: Lori Williams would kick your tail.

[Laughter]

Councilman Wallace: No, I'm not putting on Lori, but would that be a tax abatement for us, if it became a park?

Mary Kay Vance: We're not paying anything on them now.

[Multiple discussions of locations of properties]

Mayor Riley: We're getting off of budget. But, those are the kinds of things we're looking at on an ongoing basis. But if it costs \$12 for the property tax on one of those properties, it's going to cost us more than that probably to go through all of the legal gyrations we need to do to get it off the tax record. Those aren't really high priority, but they are things that I have Brenda looking at on a routine basis.

President Kirchner: Okay, the next section of the budget, we have Phil here. Why don't we go ahead and take a look at Taxi and see if anybody has any questions. Of course, the primary money source for that are state and federal grants, and the amount of monies that go into it are the local match requirements. The impact to the General Fund is the transfer to the Taxi Fund, and it is budgeted in 2013 for \$236,156, which is a roughly \$20,000 increase over the current year. Now, Phil, has the match in any way changed – the match requirements as far as how much is required from local.

Phil Floyd: No. As I pointed out during the public hearing, the difference is that I am looking to request to purchase four vehicles – replacement vehicles. So that's where the biggest difference is from last year.

Councilman Jaehnig: Am I correct though, Phil, in remembering that what we budget, we have to budget for legal purposes because of the match, but it isn't what we always expect. Is that correct? But we have to set it aside to be able to get the funds, but we quite often come under. Every now and again we spend exactly what we budgeted, but...

Phil Floyd: We have to show it available, and part of the contract signing is indicating that money is available in the General Fund if needed.

Councilman Jaehnig: What are your feelings as you start moving into 2013.

Phil Floyd: Very, very, very difficult because of the uncertainty – mainly gasoline. We use an incredible amount of fuel, of course, and maintenance costs. Those are the two variables that are totally uncontrollable. Other areas that we have control of, we've reduced from 2012, but transmissions, engine replacements. We're a year behind on replacing vehicles, so our maintenance cost is higher to maintain. So, it's very difficult to answer that question for you. We just do our very best, as we have done in the past, staying within the budget. And we have been fortunate to not have to come and ask for a supplemental and this year likely we'll be in good shape. We'll be under budget. The state is two months behind now in providing E&D funds. \$65,000. Last year it was a month behind, and it really causes a cash flow problem for us. That is our biggest challenge, but we're getting it done.

Councilman Jaehnig: Phil, unless it's listed differently, I'm not seeing maintenance on this.

Phil Floyd: Maintenance is Vehicle Contracts and Services.

Mayor Riley: We have one person who does maintenance on the cabs, so some of the maintenance costs would be under salaries.

Phil Floyd: Correct.

Councilman Jaehnig: Now, with the replacement of four vehicles, potentially would our maintenance costs be lower because we have four new vehicles compared with four old vehicles.

Phil Floyd: Potentially, yes. As the age and the miles build up, more maintenance is required.

Chief Weyand: Keep in mind, when he orders them on state contract, he won't take possession of them until June.

Phil Floyd: Actually August or later.

[Inaudible discussions]

Councilman McKay: So, you're looking at your capital increasing of about \$35,000, but you're only asking for an increase from the city of \$20,000. Am I looking at that right?

Phil Floyd: No.

Councilman McKay: Well, help me look at that.

President Kirchner: \$64,000 I think is the increase...

Phil Floyd: We have to split. They did change how maintenance is allocated from operating to capital. This was done two years ago. But the actual amount that we will be responsible for, if we purchase four vehicles, is \$30,799. Capital maintenance is \$32,945. So, you can break down to each vehicle to the share we owe and will be responsible for. But we show the request hoping to get that approved by the state and by you all. Again, that's where the increase from last year and what we have to show as available.

Councilman McKay: You're showing fares increasing. In my math, and thank you Mr. President for correcting that, but you're capital vehicle expense if you purchase everything is \$64,000 higher.

Phil Floyd: But that includes that separation of capital maintenance.

Councilman McKay: I'm sorry. You were trying to explain that and I wasn't listening.

Phil Floyd: Yes. That includes that figure but it still again the total is what we have to show is not that high.

Councilman McKay: I was complimenting you because you're only asking for a \$20,000 increase.

Phil Floyd: Yes.

President Kirchner: Mary Kay has been waiting to make a comment.

Mary Kay Vance: Full disclosure because we working on the ordinance, the legislative piece that you'll see when you get ready to give this a reading, and the separation of all of the liability, the property casualty part of it, you know where were talking about how we spread it out to all of the departments, was not available when Phil sent his original budget to the state. So, you will see an additional line item, and David did not have it either from Phil. It was not part of his. When you get your actual ordinance, there will be an additional line that says the property casualty insurance that will be Phil's portion of that property and liability insurance, and it's \$8,666 to be exact.

Mary Kay Vance discussed in detail the name of the line.

Mary Kay Vance: I just wanted to explain that to you because when you see the ordinance and you lay them side by side, they will not match by that amount from what you're looking at today.

Mayor Riley: This goes back to our cost allocation.

President Kirchner: The question would be, will that change the transfer amount due to them.

Mary Kay Vance: No.

Councilman McKay: That's even better.

President Kirchner: Well, obviously it's one pocket to the other. Moving that cost out to him and increasing the amount coming out of the General Fund when we had historically paid it out of the General Fund, so the true increase that you're seeing in their need is the \$20,000 minus the \$8600, so it's around \$11,400, so it's even better.

Mary Kay Vance: I just wanted to make sure you knew that because someone could lay those side by side and be confused as to why the bottom line could have changed when you get that ordinance, and I don't want that to happen.

Councilman McKay: Fare increase – is that just ridership. You're not having an increase in fares that you're anticipating?

Phil Floyd: No. We're just estimating that ridership will go up a little bit.

Councilman Wells: How much do we pay a driver? How much is their wage?

Phil Floyd: \$8.89 to start.

Councilman Wells: And then what's our most paid driver?

Phil Floyd: Sorry?

Councilman Wells: What's the limit on that?

Councilman McKay: Are you thinking about the future?

Councilman Wells: I've had people talking to me about this.

Phil Floyd: We have some drivers at \$10.29. The starting is \$8.89, so mostly those that have been hired in the last four years are still there.

Councilman Wells: Now how do you give those out? Is it a merit thing or seniority or what?

Phil Floyd: No. It comes from you all.

Councilman Wells: No, I mean how do you determine it. Is it by length of seniority or...?

Phil Floyd: There are step increases based on what you all sign. It's the same as all other city employees.

Councilman Wells: And how many drivers are there?

Phil Floyd: 43 drivers right now.

President Kirchner: Phil, when you look at your vehicles, what kind of vehicles are we looking adding to the fleet at this point. I know we went through a period where they made us get the larger vans and there were a number of riders that did not care for them. I suspect our fuel economy was worse. What will be the direction that we can move forward now?

Phil Floyd: For 2013 I would request two of the standard minivan replacements and two of the larger wheelchair-accessible vans.

President Kirchner: Okay. What kind of a vehicle life do you see across your fleet. Is it different for the different pieces or do you get about the same out of all of them?

Phil Floyd: We try to spread out the mileage. We watch mileage and we send out vehicles that have less miles to try to keep them somewhat even. The criteria for the state is five years or 150,000. We can then, at that time, ask for a replacement. As I say, we are a year behind, so we're at six years on those that can be replaced. There is a process that we go through the state to request disposal and then request a replacement. We have some vehicles that are at 200,000.

President Kirchner: Have to looked into the potential of CNG – compressed natural gas.

Phil Floyd: Yes. I had a discussion last year with Chris Schock and we did a lot of work with that. I've done a lot of research on it.

President Kirchner: It's based on – because I had had some conversations with Chris – I know he had been getting some data from you. The indication was that we had the potential to have some slow fill units that we could use those vehicles and they actually could be bi-fuel. They could be gas and natural gas, so if you ran out on a long drive or something, you could stop and get gas. Have we looked at implementing anything along those lines to reduce the cost of the mileage.

Phil Floyd: Not in the immediate future. The state also is researching and provides lots of information on that and also guidance on whether or not it is feasible. Right now, with the analysis that I have done, the cost to change over each vehicle and then set up a system of fueling, we don't see a cost benefit.

President Kirchner: Now, when you say "set up a system of fueling" are you talking about a quick pump or like a fuel station.

Phil Floyd: A slow fill system.

Mayor Riley: Which will take about eight hours per vehicle.

Phil Floyd: Which would not be feasible. You would have to do that overnight. You would have to have a person there to monitor. You're adding a person then. So, right now it doesn't look like it would be beneficial. And the monies just aren't available to do that. We're looking into possible grants. My representative at ODOT right now is checking into researching that for us to see if there is something out there that we could get help with.

Mayor Riley: From an operational point of view, we are looking at all possibilities. We are looking at using compressed natural gas,...

Phil Floyd: We're looking at alternatives – electric hybrid.

Mayor Riley: Chris Schock is giving us some information. He has done a lot of work for us looking at compressed natural gas, the cost of converting the vehicles, the overall cost of using natural gas and those things. We're just not in a position right now where I think we can make that leap. Some companies have done that. I believe primarily. I know Rumpke has used compressed natural gas on their trucks – their trash trucks – but they haven't done all of them. I think they're doing it on a...

Phil Floyd: Experimental

Mayor Riley: Experimental. That's a good word for it. Thanks, Phil. Because they don't know exactly how it's going to pan out. They're getting some funds, I believe, they're getting some grant funds to do those types of conversions. We'll continue to look at it, and if we can come up with compressed natural gas or hydrogen or steam, we will consider it. We're looking at it on an ongoing basis.

President Kirchner: Does council have any other questions specific to the taxi budget at this point? Thank you, Phil. If you want to leave at this point as we go through this, you're welcome to. But you're welcome to stay as well. One of the things that I do want to throw out to council. I did a little math here real quick, and let me make sure, Mary Kay, that I'm getting this right, based on the benefit insurance line item, are we calculating a 22.7% increase across the board on the benefit insurance?

Mary Kay Vance: I don't know what that percentage is. I just used the figures that we received from Liz. I didn't figure a percentage.

President Kirchner: Okay.

Mary Kay Vance: Perhaps.

President Kirchner: That's just using the numbers that are here year to year. It's a budget line item that affects every department – every budget, and it is a significant portion of expenditure for the city. I think it's one of the areas we are going to have to look at trying to find some cost containment. With the self-insured nature of the city, obviously there is a fluctuation – maximum liability or in good years where our people are healthy and have no issues and claims are reduced, there is obviously a potential for less money than we have budgeted. But, last year's insurance, let me say this clearly, starting April 1 of this year, last year's budget process coming into 2012, the cost of insurance went up 10%. Based on this number that we're calculating into the budget, the potential for a 20-plus percent increase. Overall, it's a potential 2.3 million dollar liability in 2012 plan, which a 20% increase would take us somewhere around 2.7. So, it's one of the items that council is going to have to have some conversation on with the administration and take a look at cost containment, cost sharing, benefit levels. Every year that number becomes kind of a guess at this point because we don't renew until April 1. One of the things that I know we've talked about before that I would like to see is a shift to a longer plan this year and moving that renewal to more of an October 1 date so that for budgeting purposes at the end of the year, you actually know the cost in the year going forward. All right, at this point, the next part of the fund we have Duane here, so we can move to the Safety Budget. Duane do you have any general overviews to changes made in your budget.

Chief Weyand: Pretty much, salaries were down a little bit – that is down, but we still act with the ability to fund the officer we just hired and that still includes an officer that we plan on replacing later in the new year because we had a retirement. Other than that, most everything stays the same. You will notice the only major difference there is maintenance contracts. Each year we have contracts for software and contracts for dispatch equipment, and every now and then the vendors raise the price. The one significant cost that comes to mind that has gone up considerably is our Miami Valley Crime Lab. We pay to have stuff processed through there, and I'm almost certain that probably makes up for the entire difference in the maintenance contracts. As you know, this past year we had a homicide, so the way we budget it out, is that when you have those things and you incur a lot of cost, they eventually start passing that stuff on, as well as this year we had two or three rapes and we had some DNA. DNA is about \$1600 a test. Since you pay a flat fee for your maintenance contract through Miami Valley Crime Lab, the following year they will stick it back to you. So, we ended up getting...

[Discussion of the meaning of DNA]

Chief Weyand: The previous year we had a bunch. This year we had several. We have a person sitting at the jail right now who just got convicted this week of seven F-1 rape convictions of a child. So we had to get a DNA on that. Those are the things, like I say, that really eat up the cost. We do some fingerprints and we do some other stuff. The DUI blood tests and things like that – they aren't the high-end costs, but the DNA is where the cost is. So that's why our contract with them is up because they just basically pass the cost back to you the following year. Most of the stuff will remain the same. You probably see a couple of things in here that are new – that we haven't had in the previous years. For instance, WebCheck, we did ask for a supplemental or I transferred money in, but we had to keep that. WebCheck allows us to fingerprint all of our city employees. Also, we have to fingerprint our own employees. There is a mandate that we have to do background checks on all of our own people every five years. So, we'll probably finish up the few we have left in our own house and fingerprint them this year. Education and Training should be about the same.

Councilman Wallace: Why would we have to fingerprint the same person every five years.

Chief Weyand: It's a mandate. We use the Bureau of Motor Vehicles system, we use to run license plates, criminal history checks and that stuff – in order to have a MOU in place that allows us to access the information from the state of Ohio it's a mandate that we background check all of our employees every five years. The way we do that is the WebCheck system.

Councilman Wallace: My fingerprints, I know they change a little bit, but not that much.

Chief Weyand: Right. They're not changing, but the system, the mechanism in place to allow you to do that check for a criminal history is through fingerprints. Because anyone could come in there and say, "I'm Mike Wallace and I just got arrested from some child sex offense somewhere else." If they fingerprint me and run me through as Mike Wallace, then when you get fingerprinted and you say you're Mike Wallace, they're going to compare the two fingerprints and say, "Wait a second; one of these guys isn't who he says he is." So, even with BCI, fingerprints are classified and filed by the patterns. They're not patterned by names, because the fingerprints will never change. So that's why we fingerprint everyone.

Councilman Wallace: We did a criminal chest on a guy that was trying to become a coach at the high school, which we do. We do a background check. They came back as he was involved in things that we couldn't hire him, and it was false. It was like an uncle or another relative of his, and it took him over a year to get that cleared out before we could hire him to be a coach.

Chief Weyand: We have that a lot of time where we have a twin that will come in and say he's the brother, and once his fingerprints are on file as the other, that's the problem you run into, so you have to spend some time to get that straightened out.

Councilman Wallace: I'm sorry. I didn't mean to get...

Chief Weyand: That's okay. It's interesting. They're filed away by fingerprint, not by name. You'll see we zeroed out College Reimbursement. Last year, when we had someone that applied for it because it's a contract thing, I'll either come back and get a supplemental or I'll find money to make it happen. But we don't really budget for it. For the most part, everything stays the same. You'll see facility maintenance and you probably wonder why the police department has facility maintenance, we do have our impound building, which is basically the old cab company building. That's where it's at. Every now or then we'll have a roof leak or we have something over there that needs to be addressed – electrical issues – so that's why we have a little bit of money to pay for that. We do house some evidence items in there. For instance, we had Jim Xidas' car in there. We have to have a place to keep that. We still have the car because there's an appeals period we have to hold onto that for. So, we still have to maintain the building and kind of keep stuff safe over there. So that is why there is a facility maintenance line in there. Some of the other stuff you'll notice – radio maintenance. We still do have portable radios and radios in dispatch that we do try to keep track of. Fuel is separated out, as the mayor suggested. Our vehicle maintenance is \$20,000, which hopefully we should be in good shape there because we have a pretty program in place as far as fleet maintenance. In our CAD system, our computer-aided dispatch, our record management system is the right word, I track all of our inventory, not for just cars but for everything we buy, we put into our record management system and we keep track of the maintenance. We are pretty forward on keeping all of the oil changes, transmission changes, fluids and stuff like that – keep everything serviced to drag out the life of it.

Councilman Wells: Where do we get our maintenance done? We shop around?

Chief Weyand: I shop around each year for the best price. Not only do I look for the best price, but I also like look for buying power too. For instance, the best price going right now that I feel is the bang for the buck is the Wilmington Auto Center for a lot of the stuff we get done. But they don't provide our parts. So then I shop for parts. So, for instance, like when we buy Dodge cars, I go back to the place we bought them and I look at the rotors at this price or this price and get them pretty much at cost. And I'll buy them at bulk and then just hold onto them. Because I know every year we're going to put 20,000 miles on a car. And with 20,000 miles comes four tires, four rotors, and two sets up pads, so I factor those into my cost of doing business. As I start next year, I'll start looking to buy these things and where I can get the best price.

Councilman Wells: Thank you.

Chief Weyand: Like I said, really none of the other stuff changes from previous years to this year. The only difference you'll see is that the canine was higher for this year versus next year and a lot of that is money that will be transferred in. The one cost that I will point out, and I think Scott addressed this, was the benefit insurance. That is \$85,000 higher than it was the year before, which really adds a considerable amount to what I was trying to save.

President Kirchner: I did the math on it. It's a 23.8% increase. So, it is significant.

Chief Weyand: On the next page, equipment parts and supplies, we trimmed that down a little bit. A lot of the stuff we have been able to maintain and we haven't had to keep replacing. Uniforms we brought that down a little bit and are getting a little longer life out of them. Firearms and ammo has gone up a little bit. Unfortunately, you're competing with the military for ammunition and stuff goes up each year. Impound costs – if you're not familiar with that – that's a wash. We pay the wrecker when they tow the cars into our impound lot and then when the people get them out, they reimburse us, plus we collect storage on the cars. We only do that in certain cases, like when we arrest someone for DUI or when the person is driving under suspension or if the car is used in the commission of a felony. Anything we pay out of that, we get back. Other than that, that's the extent of the Police side of that with the exception of the Motor Vehicle, which was discussed already.

Councilman Wallace: Duane, I read yesterday where this guy that was, I guess he

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 - President Kirchner:

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, August 2, as amended.

Motion passed.

Minutes approved as amended.

Mayor - Mayor Riley –

Auditor - Auditor David Hollingsworth:

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

Finance Committee - Chairperson Mead:

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells had no report.

Wastewater/Sewer Committee - Chairperson Stuckert had no report.

Judiciary Committee - Chairperson Stuckert had no report.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay had no report.

Parks and Recreation Committee – Chairperson Jaehnig had no report.

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

Service Director - Service Director Reinsmith had no report.

Safety Director – Safety Director Russ Burton had no report.

Reports

A motion was made by * and seconded by * that the * be accepted as presented.

Motion passed.

Reports accepted as presented.

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

President Kirchner asked if anyone else wished to address council while in session.

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, November 15, 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.

Chief Weyand was also present.

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

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

President of Council

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last regular meeting, November 1, as presented.

Motion passed.

Minutes approved as amended.

President Kirchner said that yesterday he attended the farewell ceremony for former Clinton County Commissioner Darleen Myers. He asked for a moment to recognize the impact on the fabric of this community that she had through 4-H Extension, the Commissioners' Office, and much charity work. He said that she was very focused on Clinton County and did great service for the community.

Mayor - Mayor Riley agreed with President Kirchner and stated that the ceremony was very classic and simple. He spoke about working with her in the Clinton County Commissioners and how she used to call him and Mike Curry "her boys." He said that he would miss her. He said that she was an inspiration and stated that she set a standard for the community that would be difficult for anyone to meet.

The Mayor announced that he wanted to recognize the importance of GIS (Geographic Information Systems) and described it as the magic of maps. He gave an example of how he once had a situation in which a constituent was trying to determine if Webb Road had ever continued further than its current stopping point. Although no one living could remember a time when Webb Road was extended, through infrared mapping Joe Merritt was able to identify where a road had once existed. He stated that he had been a map junky his entire life and was pleased to present a proclamation to Joe Merritt and County Engineer Jeff Linkous. The proclamation read as follows:

Whereas, A geographic information system (GIS) integrates hardware, software, and data for capturing, analyzing, and displaying all forms of geographically referenced information; and

Whereas, GIS is an important part of geography awareness by allowing us to view data in ways that reveal relationships, patterns, and trends in the form of maps; and

Whereas, Geography Awareness Week is November 11–17 and during this important week it is appropriate that we promote GIS and geographic literacy throughout the community and within our schools; and

Whereas, The City of Wilmington is committed to expanding GIS knowledge to the schools and general public in order to showcase how GIS helps answer questions and solve problems by looking at data in a way that is quickly understood and easily shared.

NOW, THEREFORE, I, RANDY RILEY, Mayor of the City of Wilmington, Ohio, do hereby proclaim November 15 to be GIS DAY IN WILMINGTON, OHIO and hereby urge all citizens to participate in GIS Day activities in Clinton County and the City of Wilmington, Ohio.

[General comments of appreciation and thanks]

[Applause]

Mayor Riley pointed out that there are purple lights in the windows of the municipal building. He said that it was not in recognition of the holidays but in recognition of Pancreatic Cancer Awareness month. He stated that we have lost many friends and neighbors to this disease. He said as a cancer survivor himself, it meant a lot to him. He explained the problem with pancreatic cancer is there is no early testing for it. He asked Shirley Mitchell to come up to the front of the room and explained she was there supporting Pancreatic Awareness and explained how they put the purple lights in the windows for the city building. He presented a proclamation as follows:

Whereas, This year, an estimated 43,920 people will be diagnosed with pancreatic cancer in the United States and 37,390 will die from the disease; and

Whereas, Pancreatic cancer is one of the deadliest cancers. When symptoms first present themselves, it is often too late for an optimistic prognosis. Seventy-four percent of pancreatic cancer patients die within the first year of their diagnosis. Ninety-four percent of pancreatic cancer patients die within the first five years. It is the fourth leading cause of cancer death in the United States.

Whereas, There is no cure for pancreatic cancer and there have been no significant improvements in survival rates in the last 40 years; and

Whereas, The good health and well-being of the residents of Wilmington, Ohio are enhanced as a direct result of increased awareness about pancreatic cancer and research into early detection, causes, and effective treatments.

NOW, THEREFORE, I, RANDY RILEY, Mayor of the City of Wilmington, Ohio, hereby designate the entire month of November to be PANCREATIC CANCER AWARENESS MONTH throughout the City of Wilmington, and ask all citizens to put a Purple Light in their window or wear a piece of purple clothing during this month in honor and recognition of citizens we have lost to this devastating disease.

Shirley Mitchell explained that they attend Pancreatic Organization meetings every month. She said at a recent meeting in Blue Ash it was announced that by early spring a research center will be ready for clinical trials on a new drug. She said the drug will be mixed with saline and will be transfused intravenously. It attaches to the outside of cancer cells and will kill them immediately. She further explained that the drug would be used for both early and advanced stages. She mentioned that they were doing the research in Kentucky because the Commonwealth of Kentucky matches the grant money whereas Ohio does not. She said she felt if a choice exists between saving human life and saving money, they should choose human life. She thanked everyone for their support.

[Applause]

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

Ad Hoc Committee – Chairman Scott Kirchner presented legislation in support of Generation Supply and Street Lighting Agreement and authorizing the mayor to enter into a

contract with DPL Energy Resources. He explained that DPL Energy Resources offered a special additional savings to the city for their street lighting and utilization as part of the aggregation. It was estimated that street lighting savings could be approximately \$34,000 annually, and the savings to City of Wilmington facilities would be approximately \$81,000 compared to the current savings. He explained that it was on for three readings and an emergency because of deadlines. He asked for questions or comments.

Councilman Jaehnig pointed out that the numbers that the President gave out in terms of the street lighting had to do with assessments that the citizens pay each year for street lighting. He explained that the savings were actually direct savings that the citizens will experience, not necessarily the city.

President Kirchner agreed and said that it would result in a lower tax bill for property owners.

Service Director Reinsmith asked if it included the larger facilities.

President Kirchner said that Larry had done a lot of work in providing information on the energy utilization of all of the facilities that allowed for Palmer Energy to do the analysis that resulted in the savings. He said that Palmer decided that this was the best savings opportunity for the citizens and for the city. He thanked Larry for his help.

Paul Hunter asked if it would result in a higher rebate to the city.

President Kirchner said that this was a direct reduction in the utility rates.

Paul Hunter said that he understood that but was asking about the side part of the aggregation that gives cash to the county, city and villages if they aggregate, over and above everything else. He said it was about a thousand dollars each year.

President Kirchner said he did not remember seeing that in the agreement. He also said that this was separate from the aggregation agreement.

Councilman Jaehnig also said this was separate from the aggregation.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on a resolution In Support of a Generation Supply and Street Lighting Agreement and to Authorize the Mayor to Enter into a Contract with DPL Energy Resources, Inc., and Miami Valley Lighting, LLC, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Jaehnig and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by Stuckert to pass the resolution as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2306 passed as read.

President Kirchner thanked council for their support and noted that Law Director Shidaker was very instrumental in getting the contract reviewed and the resolution ready for the meeting.

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

Finance Committee - Chairperson Mead presented an ordinance making miscellaneous transfers. He read each six transfers on the ordinance. He explained that the transfers were

being made at the end of the year to handle certain expenses from other parts of the department budgets.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President of Council declared Ord. No. 5064 passed as read.

Councilman Mead introduced legislation to make supplemental appropriations. He explained that all of the items being appropriated were coming from one fund to another fund and had no impact on the General Fund. He read each item on the ordinance.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes.

Motion passed

President of Council declared Ord. No. 5065 passed as read.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells had no report.

Wastewater/Sewer Committee - Chairperson Stuckert had no report.

Judiciary Committee - Chairperson Stuckert introduced the third reading on an ordinance providing regulations for Electronic Message Center signs in the City of Wilmington.

A motion was made by Stuckert and seconded by Wells to give the third reading only on the ordinance Amending §1167.01(a) of the Codified Ordinances of the City of Wilmington and Adding §1167.16 to the Codified Ordinances of the City of Wilmington Electronic Messaging Center Signs.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Stuckert and seconded by Wells to pass the ordinance as read.

President called for vote.

All members voted yea.

Motion passed.

President of Council declared Ord. No. 5066 passed as read.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay said that he would allow Councilman Jaehnig to discuss the big events coming up in the city.

Councilman Jaehnig said that everything looked wonderful for the upcoming Holidazzle event. He thanked the sponsors, especially DP&L and CMH, who are the main festival and parade sponsors. He said that they have the funding they need to get down the street and add a few new twists to the event. He said there are a few spots still left for late entries. He said almost 45% of the entries were new this year. Councilman Jaehnig said people were coming from as far away as Akron this year. He added that the night before Holidazzle, the Murphy would be offering up two free movies, Happy Feet and Polar Express.

Councilman McKay mentioned that in the paper there was a story regarding the renovation of the Escape Lounge and that was exciting news for the Sugartree Corridor project. He thought it would be a great addition to the downtown.

Parks and Recreation Committee – Chairperson Jaehnig said that it was time for the Turkey Trot 5K and they are still taking registrations for runners and walkers.

[Banter about participation in the Turkey Trot]

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

Service Director - Service Director Reinsmith had no report.

Mayor Riley announced that he and Donnie Maher went to Crawford County last week to look at the landfill facility there that was operated by Santech. He pointed out that Steve Taylor from Santech was in the audience and welcomed him to the meeting. He said it was an eye-opening experience and that the operation of the landfill there was very good. He thanked Steve Taylor for hosting them and said they would be reporting more on their findings.

Paul Hunter asked if the landfill in Crawford County was an open market landfill where all commerce can dump there. He asked if it was owned by the county.

Mayor Riley said that it was owned by the county but they had marketed it to outside the county. They set a limit on the tonnage taken in per day. He said that they operate at a profit for both the county and for Santech.

President Kirchner asked if leaf pickup was in process.

Service Director Reinsmith said that they were doing leaf pickup but there have been a couple of days where the department has not had the manpower to do it. He said that they have been out doing it, though, and it will continue.

[Discussion of details of leaf pickup]

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

Reports

A motion was made by Wells and seconded by Jaehnig that the Auditor-Treasurer Report – October 2012, and the Hotel Lodging Tax Report be accepted as presented.

Motion passed.

Reports accepted as presented.

Councilman Jaehnig commented to Larry Reinsmith that he heard that the Baymont chain had been sold and was under new management. He said he had seen trucks out there.

Service Director Reinsmith said the trucks were from a security company and were out there 24 hours a day. He said he had also heard rumors of the sale.

[Discussion of Baymont Inn]

Service Director Reinsmith announced that a new Subway was coming in soon on the south end of town. He also said that Buck-A-Roos should be opening in the next day or so. He explained that it was a buffet but was cafeteria style where they serve you each individual item. He said that there were rumors of it being a sports bar, but it was going to be a cafeteria.

[Discussion of restaurants]

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

Councilman Wallace mentioned the passing of Pete Little recently and stated that it was a loss to the community.

Councilman Siebenaller thanked Jeff Linkous and Joe Merritt for a presentation they did with his 6th grade Social Studies class on mapping.

President Kirchner asked if anyone else wished to address council while in session.

Seeing no one else who wished to speak, President Kirchner turned the meeting over to Councilman Mead for the Finance Committee's discussion of budgets.

Finance Committee – Budget Reviews

Councilman Mead asked President Kirchner to preside over the budget portion.

President Kirchner announced that they would discuss the Water Department budget and welcomed Jerry Rowlands.

President Kirchner asked Jerry Rowlands to report on water sales in 2012 in comparison to what expectations were.

Jerry Rowlands said that metered water sales were up until March 2008. He said that since that time, every chart has been lower than the month before. In June of this year, for the first time, we have had an increase. He said that for each month since then, the revenues have been higher than in 2011 and 2010. He said he thinks we're leveling off and heading in the right direction.

Councilman Mead asked how it compared to before the DHL expansion.

Jerry Rowlands explained that we're running 430,000 lower than what we did in 2007, which was our high year. He said that he experienced a loss of revenue in 2000, but this was bigger.

Mayor Riley said that the water revenue was dependent on the population trends and that we had lost people to job losses. He said the other big factor was industrial use and Alkermes was the biggest user. He said if we could attract a heavy water user, it would be great for business. He went on to say that someone in the food industry would be a good water user and that he and others are working every day on the economic development aspect.

Service Director Reinsmith said that he had heard some positive news about expansions and new water lines being put in.

Jerry Rowlands said that two years ago in May Alkermes had shut down one section and that amounted to 5000 a month. He said it would be nice for them to get that meter going again.

President Kirchner remarked that it was good that we were seeing positive trends. He asked Jerry to point out any places in 2012 where he was able to show savings.

Jerry Rowlands pointed out that the salaries were a little higher. He explained that he never appropriated a salary for a relief operator because Mayor Raizk decided not to replace the relief operator so it did not get added to 2012 salary. He said they also had an operator leave and they were not running the plant like they used to. He explained that since mid-August, they have not run the plant 24/7 because he does not have enough operators. He said with a relief operator, they would be able to run again like usual. He hopes to replace the operator that left and the relief operator because it is wearing the other two out. He said there are weeks where they put in 40 hours of overtime. He says that sometimes they have to work double shifts. He explained the details of how it is more difficult to run the plant in the colder weather. He discussed in detail the problems with being short-staffed and how difficult it has been for the existing operators.

Councilman Wallace said that part of the problem is the salary freeze that we have had since 2008, our operators are not making competitive money with other plants. The city's pay rate is below other plants, so we are training people to become good operators and then they find a better-paying system for which to work.

Jerry Rowlands added that it takes a long time to interview and train for a job.

Councilman Wallace asked how many they have lost.

Jerry Rowlands said that they have lost one in the last 12 months but they were already down one. He said in a year and a half they have lost two, and in the past four years, they have lost three.

Councilman McKay asked if the 2013 budget included the new hire.

Jerry Rowlands said that the new hire was included in the budget and explained that the operator that he lost was a higher salary, so there is some savings because the new operators will be at a lower level.

Councilman Wells said that it seems like they are pretty lucky to find a job somewhere else because if you read the big city newspapers it seems like there are all kinds of areas with gloom and despair that are laying off and cutting back and doing stuff.

Jerry Rowlands said that water operators are always hiring, so it is opening up for jobs.

Councilman Wells asked about the differences between groundwater and surface water systems.

Jerry Rowlands explained the technical aspects of the differences between the two systems and explained that The City of Wilmington Water Plant was one of the most complex plants around in terms of treatment. He said it used to be categorized as a Class 4 plant but had been reduced to a Class 3 for capacity reasons.

Councilman McKay said that the biggest difference he saw in the budget was the ODNR budget.

Jerry Rowlands said that he trimmed the ODNR because he thought it would be lower this year. He said this year O&M was only \$103,000. He said last year was \$330,000. He went on to say he was not sure what it will actually be.

Councilman Jaehnig asked if these were the same issues that the administration had met with the Army Corp of Engineers and ODNR over to see if they could give better figures in advance.

Mayor Riley said that when he spoke to the Army Corp of Engineers and ODNR he explained to them the hardship of the O&M payment. He told them if there was anything at all they could do to help the city out, he would appreciate it. He said that one of the

problems was the city had no idea what they were paying for with the O&M payment. He said that it is an obligation of the city to pay for the some of the maintenance and repair of the reservoir. He said that he instructed Jerry and the Auditor's office not to pay for a bill that wasn't itemized. He said he believes that helped somewhat and that they are being more cognizant about what they are paying for.

Jerry Rowlands said the bill normally comes at the beginning of April and is due on June 1.

Councilman Wells asked what the status of the marina is.

Mayor Riley said that he believed they were going forward with that. He relayed that he originally had heard the city would be billed 12.7% of the \$4 million-plus that they were spending on a marina. When meeting with the Corp of Engineers and ODNR, however, both said on the record that that would not happen and that the city would have no obligation to support that type of development.

[Discussion of the marina]

Jerry Rowlands said one concern was the gas tanks out there and potential for leakage and spillage.

Service Director Reinsmith added that one of the most important things the EPA emphasizes is the protection of the watershed. He said that he believed the lines were under the water, yet the State of Ohio approved it.

Mayor Riley said that he had seen the plans and they were supposed to be able contain any leakage that might occur and clean it up.

President Kirchner asked how much of the salary line item was estimated for overtime pay.

Jerry Rowlands estimated it at \$50,000.

Councilman Jaehnig noted that it was about 7% and pointed out that in the current year, any savings in salary from not replacing employees would have been eaten up in the overtime required to keep the plant running.

Jerry Rowlands stated that if he had had another pay period this year, he would not have had money to cover it. He also explained that the remaining operators are very burned out with the over-scheduling and being away from their families and need relief.

President Kirchner asked for clarification on how Jerry Rowlands adjusted the schedule during the warmer season and how that made them able to shut down for one shift.

Jerry Rowlands started to explain the schedule, but Mayor Riley asked him to not give details for security reasons.

Jerry Rowlands said that they shut down the system during the day sometimes to cycle the towers.

Service Director Reinsmith mentioned that there were a couple of times recently where they got very low.

Jerry Rowlands said that it is more difficult to recover now without the proper personnel.

President Kirchner asked if the increased capacity versus utilization in the warmer months could be considered when planning staffing fluctuations, hours of operation and vacations.

Jerry Rowlands said that it was a balancing act because you have to keep the towers full for fire flow and have to run perfect for water quality.

Service Director Reinsmith added that they also have to turn the towers over to keep the water fresh.

Jerry Rowlands said that there is a day here and a day there for flexibility but when people take vacations they usually would like a week off at a time. He also said that he has one veteran who has 31 years in and is talking about retirement and his Chief Operator is 61 years old and could also leave at any time.

President Kirchner maintained that he was not challenging the need for people. He said he just wondered if they have the flexibility in the summer to try to dial back on the level of time and have more flexibility for the employees for vacation, for time with their families and for regular schedules.

Jerry Rowlands explained that it was a big challenge to create a schedule everyone was happy with when they transitioned out of the 24/7 schedule.

Mayor Riley said that he appreciated the job that Jerry and the entire staff at the Water Plant had done. He said that we ask people to do more with less, especially during these tough economic times, but it gets to a point where that is not possible. He said that he thought that Jerry and his folks are getting very close to the point where they are stretched to the absolute limit. He stated that they are key individuals. If people turn on their taps and there is no water coming out, that has a huge effect on the citizens.

Councilman Siebenaller asked about the engineering and consulting lines.

Jerry Rowlands says that he has not had to use it in the past couple of years. He has been able to make do in-house.

Service Director Reinsmith stated in the near future we might be dealing with replacing the filter system but there should not be engineering needed this year.

Jerry Rowlands explained in detail regulations that will be starting regarding testing worst case scenario sample sites. He explained that with the surplus of above-ground storage, it is difficult to keep things fresh. Because of this, there may be some sites that will not meet regulations and will be under findings and orders and will require additional filtration. He estimated that it might be about \$4 million to add another carbon filter system to the water plant.

[Discussion of filtering system and above-ground storage]

President Kirchner asked if the city could reduce the amount of above-ground storage.

Jerry Rowlands said that the EPA has suggested looking at that but there are things to consider such as the safety concerns with the instability of an empty tower. He stated that he instead has been trying to manipulate the distribution to maintain the system.

[Further discussion of above-ground storage and capacity needs]

Jerry Rowlands stated that there has been a surplus of above-ground storage for a long time. He also said that some of the quality problems that exist currently did not exist prior to implementing the above-ground storage program that the city uses.

Service Director Reinsmith mentioned that Crysteco used to be a very large user and Ahresty used to use more in the past.

Mayor Riley said that one of the strongest economic development tools we have is our water supply.

Treasurer Paul Fear brought up the cost of hiring a new person with benefits versus the cost of paying an existing person overtime.

Councilman Jaehnig said the magic number to look at was between 7% and 12% overtime. If you get below 7%, you have too many employees. If you get above 12%, you are paying

too much overtime. He said in a corporate world, that's the point where paying the benefits for a new hire start to outweigh having to pay overtime.

Treasurer Paul Fear asked what the debt coverage looked like for the Water Department.

President Kirchner said that he wanted to schedule a meeting to look at the coverages.

Jerry Rowlands said that overall he cut around \$180,000 from his budget from the previous year. He went through each line in detail and explained where reductions were made.

President Kirchner asked if there were capital needs in the upcoming year.

Jerry Rowlands said that there were no vehicles, but there may be some capital needs that will need to be addressed in the next year but he was planning on taking them to committee when needed. He said that the five-year capital plan was in their packet. He explained in detail capital items that might need to be purchased in upcoming years and the costs of repairing and maintaining equipment and towers.

Service Director Reinsmith suggested that finding a corporate sponsor to paint their logo on a tower might defray the cost of maintenance.

President Kirchner said that it looked like the department would require \$72,600 in capital needs.

Councilman Jaehnig said that it seemed further discussion was needed on rates and coverage. President Kirchner asked Mike Wallace if a committee meeting could be set.

Councilman Wallace agreed that a meeting was needed and said that once they are through the 2013 budget process, they can start looking at those issues.

President Kirchner said that they would need to look at the sewer rates at the same time. If there was impact to the citizens with the water rates, perhaps it be balanced out with a change in sewer rates. President Kirchner asked if there were any other expenses anticipated that were not in the budget.

Jerry Rowlands said that the only thing he really needed were two employees. He said that they are self-sufficient out at the Water Department because they fix everything on their own. He said that he had a concern about the Water Fund numbers. According to his calculations, by 2015 the city would not have any money in the water fund. He explained that every year they take between \$400,000 and \$600,000 out and they could not do any of the capital things needed. He predicted if things did not get better by the beginning of 2015, they would not have enough money with which to operate.

President Kirchner thanked Jerry Rowlands for coming to the meeting and thanked him on behalf of the council and the citizens of Wilmington for working hard to save every penny he can and doing such a good job.

President Kirchner asked if the council wished to move on to the next department budget as it was getting late in the evening.

Councilman McKay said that it would not be fair to Donnie Maher to stop the meeting after he waited for so long to do his portion.

President Kirchner asked Donnie Maher to present his budget.

Donnie Maher said that he cut the budget from 2012 to 2013 by \$420,000. He said revenues were bouncing all over the place. He explained with changes in the charging structure, they just would not be able to clearly estimate what the revenue would be.

Councilman Wells said that he sees in 2012 we had \$320,000 in revenue and this year we would be going to \$557,598, so actually we are doing better than anticipated.

Donnie Maher said as far as collections, yes.

Councilman Wells asked if the changes in fee structure have helped then.

Donnie Maher said the residential and commercial fees have not changed but we some huge revenue items with the Textron project cleanup. He said that there would still be about the same revenue in 2012 as 2013. He said that salaries are down because of construction done in 2011 and 2012. He added that we saved almost \$200,000 in our new construction because the city did the finish work themselves; this did require a lot of overtime and fuel. Because there was no construction this year, the salaries would be down. He went through each line in detail and discussed increases and decreases. He said that he had no capital equipment expenditures listed but he does have a wish list. He explained that he split out the architectural and engineering and monitoring line items so that he could get a better handle on how that money is spent.

President Kirchner asked if Hull & Associates now does itemized billing.

Donnie Maher verified that Hull has started itemizing bills since the conversation that President Kirchner had with him in April.

Service Director Reinsmith said that they wanted to make sure they were getting a good price for the services so they price compared and other firms came in much higher than Hull & Associates.

Councilman Stuckert asked what administrative cost allocation is.

Service Director Reinsmith explained that it was the landfill's share of administrative costs based upon employees.

President Kirchner said that it is a cost for personnel in the administrative offices for doing payroll for each of the departments. He said that it shows up in the General Fund as an artificial reduction if the budget goes forward. He said it has been moved into Water and Sewer and Solid Waste/Recycling. President Kirchner further stated that it was an action that was initiated under David Raizk and then the administration backed away from it because it drives the operational costs of the Enterprise Fund higher.

Mayor Riley explained that it was standard practice throughout government. He said that the county had done cost allocation the entire time he was there. Each department pays for the services that they are utilizing.

Councilman Jaehnig said that in the definition of an Enterprise Fund it clearly stated that General Funds could not be used to operate the fund in cash or in-kind services, so why it was split the way it was before, he was not really sure. He said he thought that the General Fund had probably been covering this to adjust the bond coverage.

President Kirchner said that it was a fairly new ruling from the state for accounting purposes. He said that historically costs were not allowed to be allocated out into the Enterprise Fund but he thought that in the past five years the state had changed the ruling. He said that the concept is if you didn't have a landfill, would you reduce a body out of the Auditor's office? He went on that it was just the movement of cost from one budget to another, but he thought that it would drive at keeping rates higher for water, sewer and trash to cover the administrative fees.

Councilman Jaehnig argued that if the Enterprise Fund didn't have an administration, they would have to hire out these functions on their own at a greater cost.

President Kirchner said it would not necessarily be at a greater cost.

Councilman Jaehnig argued that it was definitely would be necessarily higher. He said if you had a part-time person doing payroll now and they have to hire someone full time to do payroll, it would be a greater cost.

President Kirchner said he was an engineer and that in God he trusts, all others bring data. He said without actual numbers, there is no assumption. He said that ADP does an effective and an efficient job of doing payroll. He said the question was do you have the excess capacity in the general administration anyway to cover all of the city services. If you have those resources anyway and they have the capacity, do you really need to put this cost out there? He went on to say that up until the time the state changed the ruling, it had always been a part of the cost carried by the General Fund. He thought that it was not incorrect but it does raise the cost of operation of those other departments and therefore raises the cost to the taxpayer.

Councilman Wells asked Donnie Maher where the tire wash figured in.

Donnie Maher said it was not in the budget.

Councilman Wells asked if they would need it and how much it would cost.

Donnie Maher said they probably would need it and it would cost anywhere from \$6000 to \$40,000.

President Kirchner asked how much of the salary line items would be overtime.

Donnie Maher explained that anytime the refuse collectors are pulled off of the trucks to work in the landfill, they are paid a 10% bonus plus any overtime that they work. He said he would estimate it at 4%.

President Kirchner asked about landfill salaries.

Donnie Maher estimated that at about 10%.

President Kirchner asked for the actual numbers so he could do the math himself.

Donnie Maher clarified that President Kirchner wanted the holiday pay, overtime and the 10% bonus figures.

President Kirchner said that he needed all of the information because he wanted to understand the impact of different positions to the salary line item.

Donnie Maher went through his budget line by line, highlighting the fact that they did not plan any construction, which would be saving on fuel costs.

President Kirchner asked how close they were to opening another cell.

Donnie Maher explained that Phase II just started and they would be in that for three years. He said Phase III and Phase IV were projected.

President Kirchner asked when they would begin construction on Phase III.

Donnie Maher said that construction for Phase III would not take very long and explained the construction process in detail.

President Kirchner asked Donnie Maher to talk through his capital projections.

Donnie Maher said for 2013 he didn't really have any. He mentioned that he has a worn out truck, a skid loader and a welder's truck on a wish list but they were not urgent.

Councilman Siebenaller asked if the tire washer on the list.

Donnie Maher said that they were doing some research and may just purchase large gravel.

Mayor Riley said that if they could keep the trucks out of the mud when they go up and down the hill, then you eliminate some of the need for tire wash.

Councilman Jaehnig pointed out that there is a lot of maintenance with a tire washer.

President Kirchner asked if the mechanics truck was something that was used on routes.

Donnie Maher explained that it was a parts running truck, it was used every day, and it was in very bad shape.

President Kirchner suggested that maybe they could use one of the old taxi vans.

Donnie Maher explained that they needed a pickup truck with toolboxes that you could work out of.

President Kirchner suggested that they could still modify one of the vans to have toolboxes on the side.

Donnie Maher explained that it needed to be either a three-quarter or one ton truck.

[Discussion of trucks]

Councilman Jaehnig asked if the design of the budget was to build up a cash balance between the construction periods in order to save for the next Phase. He asked if it looked like it was on target for the next construction.

Donnie Maher said that he would like to think that we were in line but he was not sure.

Service Director Reinsmith mentioned that they have some large capital needs.

Mayor Riley reminded the council that many options with the landfill were being reviewed.

President Kirchner asked if there was anything of note on the recycling portion of the budget.

Donnie Maher briefly discussed the recycling program.

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Saturday, November 17, 2012, at 8:00 a.m. with President Scott Kirchner presiding.

Call to Order

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

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

President of Council - President Kirchner said that the only item on the agenda was the work session for the 2013 budget.

Finance Committee – President Kirchner announced that they would be starting with the Fire budget. He asked Chief Andy Mason to describe any savings they had in 2012 and move into the 2013 appropriation requests.

Chief Mason said that they had two people quit, but there would not be an actual savings because they plan to rehire and have just started the rehire process. The rehire will happen after the first of the year. He said there is an increase in the salary line item because the 2012 was 7% overtime budgeted and the 2013 was 10% overtime budgeted. That will hold unless they see a significant increase in manpower. He explained that he tracks it every two weeks and we are currently at between 10.6% and 10.8% overtime. He said the lowest he had seen it since he had been chief was about 4.5% when they had the most people. He said the highest he had seen it was 14%.

President Kirchner asked him if he had an idea of how much of the overtime was due to losing personnel and how much is due to the number of runs.

Chief Mason said that he did not have it broken down that way. He said they would hit about \$100,000 in overtime this year. He thought that about half of it was from lack of people and the half was increase in runs.

[Discussion of details of staffing]

Chief Mason said he hoped that overtime would be around 8% for next year with the new hires, but since many factors affect overtime requirements, an accurate prediction was impossible.

Chief Mason said other than that, there were not a lot of changes in his budget.

Auditor David Hollingsworth clarified that the new hires were factored into the budget including the cost of benefits.

Councilman Stuckert asked what the direct deductions line is.

Auditor David Hollingsworth said that was what the county withholds as far as administrative fees for collecting real estate taxes for levy monies.

[Discussion of real estate taxes]

Councilman Wells asked if we were renting the fire station on Rombach.

Mayor Riley said that in the past week they sent a lease proposal to the license examiner at OSP to continue the discussion about leasing it out. He said they are interested but we would have to see where it goes.

When asked by Councilman Wells if the money goes into General Fund or the Fire Fund, Mayor Riley said it would go into the General Fund.

President Kirchner asked if we knew what would happen with the property taxes if it changed from municipal use to a leased property. Mayor Riley, Mary Kay Vance and Auditor David Hollingsworth said they were not sure what the implications were since the OSP was also a government entity.

President Kirchner also asked what the property tax was on the building. Auditor David Hollingsworth said he did not know the number off the top of his head. Chief Mason said that they were only considering less than a third of the building going to OSP.

[Discussion of tax implications of property use]

When asked by Councilman Wells who would pay utilities on the property if leased, Mayor Riley responded that the lessee would pay a portion of the utilities.

President Kirchner asked if the percentage of increase in insurance costs was 23.5%. Mary Kay Vance said she did not calculate the insurance costs as a percentage increase; they used actual numbers. Councilman McKay asked if the increase was because of an increase in number of employees. President Kirchner said that the 2012 budget already had the new personnel in it. He said the increase was in the cost of the insurance. Auditor David Hollingsworth explained that the increase could also be due to differences in single versus family coverage as well.

Mary Kay Vance said the insurance calculation is different from year to year because of the anticipated difference in the cost that we have gotten from the broker – what she thinks could be the increase. She said that nine months of the budget has that factored into it. When President Kirchner asked if they built the first portion of the budget on the current known cost and then budgeted the last nine months on what the estimated increase might be, Mary Kay Vance verified that was correct.

Auditor David Hollingsworth said that the actual estimate for the premium for next year for insurance has about a 10% increase in the family plan. He said it goes from \$1725.87 to \$1886.75.

President Kirchner observed that the Transfer to Fire Fund line was down \$69,352 this year. He asked if that was because of EMS billing.

Councilman Jaehnig offered that there was \$25,000 of rental and leasing income that was not expected.

Mary Kay Vance explained the process of amending the certificate to the county as changes in revenue happen throughout the year.

Mayor Riley said that he had asked Chief Mason to stay aware of any potential lease opportunities in the future. He explained that sometimes within the county, the city lends equipment out as part of mutual aid agreements. He explained that we are able to rent out equipment to entities outside of the county at times, and because we have excess equipment, there is a potential for income through this.

[Discussion of potential leasing income in the future]

President Kirchner observed that there was an increase of \$114,000 in the Fire Budget, which was composed of increases in the salary line item, increased worker's compensation, increases in benefit insurance and Medicare, and transferring the Fire Department's portion of the liability insurance from the General Fund into the Fire Fund.

Councilman Wallace asked if all of the gasoline charges were in the 530 fund.

[Discussion of the fuel used by the Fire Department]

President Kirchner asked if the move to Fire Station I would decrease utility costs.

Chief Mason said he did not believe there would be a large decrease in the next year because of the terms of the leasing contract with OSP. He said that he thought they should wait for a year to see how utilities are actually affected before changing the budget line item for utilities.

President Kirchner said that it did not appear that the leasing income was placed in the budget for 2013. Mayor Riley confirmed that was correct, as the city does not budget hope, and the leasing contract had not been finalized.

[Discussion of the specifics of the potential leasing contracts]

Councilman Wells asked if the carbon monoxide system out on Rombach was working okay, and Chief Mason said that there was an issue with one drop, but the system was functioning fine.

Councilman Wells asked if the exercise equipment was still out at Station 2, and Chief Mason said that it was still in the back part of the building.

[Discussion of the possible locations of exercise equipment]

President Kirchner observed that the transfer from General Fund to Fire Fund would be \$123,000 more.

President Kirchner asked about how many years were left on the USDA loan for fire equipment. Chief Mason said that it was a 10-year loan and we were in year six or seven. He explained that it was for the 75-foot ladder truck. When President Kirchner asked if that money was transferred in from the General Fund, Mary Kay Vance said that it was transferred from the 535 Fund. David Hollingsworth explained that the money in the 535 Fund had been earmarked for capital equipment improvements.

[Council reviewed the 525 Fund – Fire Pension Fund]

President Kirchner asked where the transfer comes from on the Emergency Ambulance Fund – 530, and Auditor David Hollingsworth explained that it comes from the General Fund.

When Councilman Jaehnig asked how EMS billing is routed, Auditor David Hollingsworth said it flows through the General Fund.

President Kirchner said that noted that there is a drop-off in EMS billing. Chief Mason explained that the drop-off in billing is caused by a variety of factors. Even though the run volume goes up, they are not all transported. He added that there has been a significant increase in the number of people who are picked up that have no insurance, so no collections can be made. He further explained that Medicare gives a fixed amount that they will pay for runs. Mayor Riley added that raising the rates would have little impact on the revenues because of the case mix.

Councilman Wallace asked if the new healthcare laws would affect the billing. Chief Mason said he did not know.

[Discussion of EMS billing program and issues]

Councilman Wallace asked if the medical items that they used to be able to pick up in the emergency rooms now came out of the incidentals and noted how expensive those things could be. Chief Mason confirmed that they paid for those items out of incidentals.

Councilman Jaehnig asked where the money received from contracts with townships was located in the budget. Auditor David Hollingsworth said it was in the General Fund.

Councilman Jaehnig asked if we had an idea of where the Fire Budget was in terms of total revenues coming in versus expenses. Safety Director Burton said that the EMS billing and contracts were a little over \$1.4 million and that the Fire Budget was at

around \$980,000. Mary Kay Vance interjected that the payment for the bond that includes the Fire Station is paid out of the General Fund. She said that the last time she prepared an analysis for council, the Fire Department was short by about \$100,000. She said that the Fire Budget was probably in the same shape as it was then or may be a little shorter than it was before because of reduction in EMS billing.

Chief Mason said that when it is all said and done, the Fire Department probably costs between \$300,000 and \$400,000 additional to the General Fund. Mary Kay Vance said she did not think that it was high and said that they could run the scenario and get the numbers back to council.

Councilman Jaehnig said that he had not expected it to be revenue-neutral but just wondered how much the Fire Department costs.

[Discussion of township contracts line item]

President Kirchner noted that it looked like there would be increase in property tax and asked if that figure was correct. Mary Kay Vance said that is what the County Auditor certified to the City.

President Kirchner asked why the CAT tax was going down. Auditor David Hollingsworth said they get a schedule online on the State's website for those figures and that those numbers would be going away as of 2017 or 2018. He said it was being reduced on a graduated schedule. He explained that the idea was they were giving us time to replace those monies with other revenue sources.

President Kirchner noted that there would be a \$36,000 increase in funds transferred into the emergency ambulance fund. He asked Mary Kay to provide a report that would include an analysis of all monies related to the fire fund revenues and expenditures as he thinks the Fire Budget will continue to see challenges in terms of revenue stream.

President Kirchner asked Chief Mason to explain an increase in the salary lines for EMS of \$49,000. Chief Mason said that it had to do with going from 7% to 10% in overtime. He said it also had to do with buybacks of vacation and sick leave.

[Discussion of various aspects of emergency ambulance salaries]

President Kirchner and Councilman Jaehnig debated differences in the Emergency Ambulance Salaries line for 2012 versus 2013. Chief Mason explained that in order for him to explain the difference, he would need to pull all of the numbers from when he created the 2012 budget last year. President Kirchner said that was the information that he wanted.

Councilman Jaehnig said that his assumption is the 10% overtime figure was overly conservative and that would account for the shortfall that was occurring for this year. Auditor David Hollingsworth said that they could take the W-2s from 2012, back out the base salary, and then the difference would be the overtime and holiday pay and other things.

[Discussion of overtime and personnel issues]

President Kirchner said he thought it was important to understand if we were compensating enough or if we were overcompensating. He said he wants to make sure we are looking at the detail enough to understand how to plan for the budget. He wants to make sure we are using effective numbers based on actual service to make sure that we have a budget that works. Chief Mason said that he would get him more extensive numbers after the first of the week on how the overtime was figured.

When Councilman Jaehnig asked how overtime is issued, Chief Mason explained that a few years ago a seniority call list was established. It is a rotating list.

President Kirchner asked how the vehicle fuel line item was calculated. He asked for the cost per gallon. Chief Mason said that he did not calculate it on a cost per gallon. He said he used fuel bill history as a basis for cost estimation. President Kirchner asked if they used the city pumps, and Chief Mason answered that they did. President Kirchner then asked Larry if they could then split out the usage by the Fire Department. Larry said that the city has the ability to pull fuel quantity by department.

[Discussion of vehicle fueling procedures]

President Kirchner said it was important to understand how much fuel was being used so it could be better understood how price fluctuations would affect the fire department budget. Chief Mason said he could compile a fuel usage history report.

President Kirchner turned discussions to the Fire/Emergency Ambulance Fund -535. He noted that the property tax line was increased. Auditor David Hollingsworth said that the county provides that number and suggested it was perhaps due to collections of delinquent taxes.

President Kirchner asked what the lease payments were for in the fund. Chief Mason explained that it was for grass trucks that are being purchased over a 10-year period.

Councilman Stuckert asked about the reduction in the equipment maintenance line. Chief Mason explained the differences between expenditures that were needed in 2012 that are not anticipated in 2013.

President Kirchner asked if the city knows why we are paying \$427 in taxes in the Fire Budget. Mary Kay Vance said that it was property tax on one of the Fire Department properties. President Kirchner asked if it was for municipal use, why would be paying that line item. Mary Kay Vance said that it was the same answer as she had given before. All city properties have been analyzed for exemptions, but there were still items, such as the street lighting assessment, that the city is still responsible for paying.

President Kirchner reiterated that Chief Mason would be getting back with him for more detail on the 2012 overtime, holiday pay, and sick leave buyback so he could understand that number better. He also said that Chief Mason was to provide him with the gallon utilization so he could keep track of the commodity cost.

President Kirchner Harry to given an overview of the 2012 and 2013 Wastewater Department budget.

Harry McVey said that there were some changes in the 2012 budget. He said that it took so long to get approval to do the sewer maintenance contracts that he was not able to do the amount of work anticipated this year. He said they still were going to spend \$80,000 this year, but there would be money left in the line. He said there would also be money left over in sludge removal. He also pointed out that there would be money left in the utility line.

When President Kirchner asked if the money Total Baking Solutions pays for utilities goes into the General Fund or the Sewer Fund, Harry McVey answered that it was the Sewer Fund.

Councilman Jaehnig asked about savings realized with the installation of the solar panels. Harry McVey said that between \$5000 and \$6000 in energy was produced, which was close to the predicted amount.

[Discussion of solar panels]

President Kirchner asked if the reimbursement utility line covered all of the costs associated with the Total Baking Solutions building, and Harry McVey said that it would.

When Councilman Wallace asked if the purchase of the Textron building was all done through Sewer Fund and asked if that was the reason the utility and lease payments from Total Baking Solutions were all being routed through the Sewer Fund, Harry McVey said that it was.

[Discussion of the Textron building and Sewer Fund]

President Kirchner noted that the Sewer Fund collections were on target for this year.

Councilman Stuckert asked if there would be an impact on the fund if they raised the water rates. President Kirchner said that it would not impact the fund because it was a charge per amount of effluent that goes through the system. He said they would be having meetings to discuss both the water rates and the sewer rates.

Harry McVey said that the increases in the 2013 budgets included a rise in insurance rates. He said that they also have an administration cost in their budget that they have not had before. He clarified that he did not disagree with paying it, but this was the first time and it was \$50,000. He also said the liability insurance was a new item at \$103,922. He said the other item that stands out is an increase in capital equipment of \$61,500. The department needs to replace the camera van because their current one is a 1997 and is in pretty bad shape. They will buy a \$15,000 used van for that. The sewer crew leader truck has 144,000 miles and is a 1998; he would like to replace it with a utility bed truck because it would be more useful out on the job, the cost of which is estimated at \$45,000. He said the sewer eel is a 1974 and they can replace that for \$6500. He said they have had it repaired but it really needs to be replaced.

Councilman Jaehnig asked about the 50% increase in the benefit insurance.

Mary Kay Vance explained that in the budget process this time last year, Liz had given the city an increase number of about 28-29%. She explained that council had difficulty with the increase, so they asked that it be budgeted on the actual usage. So the budget line items for 2012 used a simple average from the previous year to come up with a number. She said that this added to the increase now because this year we used the numbers that Liz has given us, like we tried to do the year before. She said the increase in the insurance base was not truly a 22%. It's a 22% increase in the budget from last year to this year overall, but part of the calculation is the fact that we didn't use the numbers that Liz gave us last year because they were so high and council was unhappy with those at that time. She said the insurance fund has enough money in it that we are able to absorb the shortfall in the 2012 budget, but we budgeted in absolute what we know in 2013.

[Further discussion of insurance costs]

Councilman Jaehnig asked if the subject had been broached with Liz regarding going to an 18-month cycle to change the renewal date. Danny Mongold said that he liked the budget on the schedule it is on because it allows us to renew at a time when other don't, which makes it easier to get competitive quotes from carriers. President Kirchner argued that moving it to an October start date still leaves the city in a position where it can get in touch with people for the quotes, but it can have actual numbers in the budget instead of estimates. He said with the deficit situation and the increases in insurance that we have seen, it was important to bring this into a known entity going into the budget season. He further said that we would have to have a discussion on insurance because it is a very large expenditure for the city. He said he thought an 18-month contract was important to implement this year, so it would carry forward until October 2014.

Auditor David Hollingsworth explained that if we remain self-funded, no matter what we budget in, the actual amount spent will always be dependent on how good or bad the claims year is. He said the only way to really know what your insurance costs are going to be is if you go out and pay a premium. He said the downside is there is no way to recover that premium if you have a good claims year. He said unless we go to an insurance premium, there is no way really to know what amount is going to be; it will always be an estimate.

Councilman McKay reminded the council members that the insurance would be discussed at a later date.

Councilman Wells asked if the taxes in the Wastewater Department were high because of the taxes on the Randall building. Harry McVey said that right now it is reflecting everything but Brenda is working on getting that taken care of.

[Discussion of the taxes on the Textron building]

Councilman Siebenaller asked Harry McVey if anticipated any further expenses and asked how he figured his fuel estimate. Harry McVey said he figured it based off of past expenditures but he figured in an increase of about 10%.

Mayor Riley said that he did not see a problem with estimating the gasoline budget based upon past expenditures. He said if gas goes up 25 cents a gallon, you can anticipate an increase in budget. He said if it goes up to \$5.00, then we've all missed the estimation. He said budgets are just an estimate.

President Kirchner asked what kind of fuel the vehicles used.

[Discussion of types of fuel used in vehicles]

President Kirchner asked for the gallon usage so that as the gas price changes we can estimate what that will do with the budget. Harry McVey said he would get that for council.

Councilman Wallace asked if the Sewer Department charges other departments when they help them with projects. He asked if the fuel costs could be for use in other departments. Harry McVey said that he did not charge other departments and that the fuel used could sometimes be for work that his crews do for other departments.

[General discussion of sewer budget]

Councilman Jaehnig asked if there was a change in the mix of family versus single plans that could be affecting the increase in the insurance line. Auditor David Hollingsworth offered that for a family plan, the city pays between \$19,000 and \$20,000 into the insurance fund, and for a single, it pays about \$7800. Mary Kay Vance added that the majority of the employees in the Wastewater Department are on a family plan.

[General discussion of insurance]

Mary Kay Vance said that with all of the changes in the healthcare system, it is difficult to predict what will happen.

Councilman Wells asked if the Wastewater Department had to do any work on the lift stations.

Harry McVey said that they have to maintain them, but it doesn't take a lot of manpower. He said that they have to repair them but did not foresee replacing them.

Councilman Siebenaller said he noticed the Flood Maintenance line was \$10,000 lower. Harry McVey explained that they had to do a study for ODNR that was basically a one-time cost.

Councilman Wells asked about the Stormwater Program and whether there were changes with the EPA. Harry McVey said that so far the EPA was happy with the plan that was submitted. Councilman Wells said he heard that Oakwood has a charge on the citizens for it. Harry McVey confirmed that most jurisdictions do charge an extra fee to implement the program, but right now Wilmington is taking it out of the Sewer Fund. He said that when a study was done, Wilmington was the only one financing it in this way.

Most other communities have an assessment and either draw it out of a separate fund or out of their General Fund. He said it was between \$3 and \$6 per month charge.

[Discussion of assessments to pay for stormwater program]

Mayor Riley said that he was in a Tree Commission meeting and found out that many villages use their stormwater assessments to pay for Tree Commissions because the plantings that stabilize the soil. He went on to say that we do not fund our Tree Commission.

Councilman Wallace said that when you look at our utility rates as a whole and the services we provide, Wilmington looks pretty good.

Mayor Riley said he was proud of the fact a million dollars was cut from last year's budget to this year's budget and it has been done so far without talking about increasing fees to the citizens or the businesses. He said he did not think that was too bad for the first year. He said the administration would continue to look at ways to increase revenues and decrease expenses.

Harry McVey talked in detail about wastewater treatment processes in the future and how EPA regulations may increase treatment costs. He said that we have 72 miles of system and have done rehab on 4 miles. He said there are parts of the system that are very old and need work done.

[Discussion of the sewer system in the city]

President Kirchner asked if there was anything left to be paid on the Nelson Avenue project as he noticed that it had been zeroed out in the 2013 budget. Harry McVey said he thought it was done, but there is a possibility that we held 10% on the job and the contractor could request it in 2013. Mary Kay Vance said that it could be carried forward.

President Kirchner asked if the CORF was completed. Andrea Tacoronte said there was approximately \$300,000 left to spend to cover the CP costs involved in closing the project down. Mary Kay Vance further explained that those numbers came in after the worksheet was prepared, but it would not come out of Wastewater's operating fund. Anything paid for CORF expenses would be drawn from the state.

President Kirchner noted that there were \$350,000 planned expenditures in 2012 that we will not have in 2013, but there was only a reduction of \$259,000 in the budget. He noted that expenses have been moved from the General Fund to the Sewer Fund.

[Discussion of sewer repairs and maintenance scheduled for the upcoming year]

President Kirchner asked if the Wastewater Department could wait for a year or so to replace any of the capital items. Harry McVey said that he could, but they are in very bad shape and he will have to piece them together to make it run. He said if council says that he can't purchase them, he will make do, but he is concerned that he will reach a point where everything is breaking down and it will cost even more money to replace essential items because they will have to be all done at once.

President Kirchner said it was something to be considered when looking at rates. He said that the extra expenses being carried by the Sewer Fund could affect the rates.

President Kirchner said that he thought that they had gotten a first look at all of the outlying funds, with the exception of the Parks. He said the Parks is their own revenue, so they don't need to see that.

Councilman Jaehnig asked if they had anything from the Parks. Mary Kay Vance said that she had the Parks budget in the ordinance that will be reviewed. Councilman Jaehnig stated that there was no General Fund component, so council did not need to

look at it. Mary Kay Vance verified that the Parks Department was not requesting money from the General Fund. She said that the Parks Board had already approved their budget.

President Kirchner said the next major portion of the budget was the general administration, which would not include the courts. He said that first he thought there were a couple of things that needed to be discussed. They need to look at the approach moving forward to complete legislation for a budget. With just having an initial look at the numbers, they should give direction to the auditor's office on what was expected. He went on to say that he personally had shared with the Auditor's office that council might want to do a three-month budget. He said because of the carryover and the other issues, he did not know if we would have a budget with which everyone would be happy. He also said there were big numbers in the benefit line item that are in question. He said council needed to decide if they want to pass a 12-month budget or if they want to look at a 3-month budget, so they could continue to refine the process - especially as it concerns the insurance line item. He said that his thoughts for council were that until you get to the end of the year, you don't know your carryover, your reverse appropriated amounts, and your true General Fund balance. He said that 12-month budget was based on assumptions. He said one of the largest expenditures the city sees is benefit costs, which is a number that will not be known definitely until the renewal time for the employees' insurance.

Councilman Wallace said Council had a similar discussion last year when they talked about passing a 3-month budget. With respect with Mary Kay and David's situation, the council has found that when we get into March or April, they can't really answer any more questions at that time than they can now. He said that with a commitment to work on improving things, we get farther into the year start to get reports in during June and July that we are having success. He said that he thought council was just as well off saying that this is our annual budget and we're going to keep a close look at it and adjust as time goes on.

Councilman Jaehnig said that he agreed with Councilman Wallace. He said that in the budgetary process last year, the mayor stated that the budget at the beginning of the year was not what it would be at the end. He said that if we had gotten to the end of this year and had not seen great improvements, then he would agree. He said at this point, with the hard work of the department heads, the Auditor's office, and the administration, he believed out of respect we should continue to move forward with the 12-month budget. He said that they put together a budget that met the requirement that council had put on them and we should continue to look at the expenditures on a regular basis. Councilman Jaehnig stated that he was concerned that it was November 17 and this was the first time he had heard that council was considering a 3-month budget. He said that President Kirchner used the term "council may be interested." He said that council has not had a discussion about it at all. He said that maybe President Kirchner was interested, but council has not had that discussion. He reiterated that he was concerned that it was coming up at this point in the process. He also said again that the administration had done exactly what council had asked them to do when laying out a budget and had done what had been asked them throughout the year in terms of cutting costs. He said that he was not in favor of a three-month budget at all because we lose too much time and too much focus on doing the city business. He said it also does not help at all toward economic development.

Councilman Stuckert said he had had looked at a lot of city budgets and the three-month concept is not unusual. He said that we don't know what the carryover is going to be until after January 1. He said that there were certain things that were critical that they would know at the end of the quarter. He said he is not sure of what was major that they would not know. He said from his experience in the past year and a half, with everything as tight as it is, he still sees value in looking at a 3-month budget. He said that in his conversations with the President of Council, he had been advocating it all year long.

Councilman Jaehnig said that was fine, but council did not ask for a three-month budget. He said it's not as simple as dividing the total budget by four; it is much more complicated. He went on to say that if it was something that council wanted to consider, they should have mentioned it before the 17th of November.

President Kirchner responded that he asked those details from the Auditor. Councilman Jaehnig retorted that the President of Council had had no discussion with the council members.

President Kirchner said he told the Auditor's office take a look at any of the spending line items that are one-time costs that are in the first quarter. He said that last year there were a number of people who wanted a three-month budget and there had been mention of it. He said that in preparation for the opportunity to have the conversation, he had put the request out to the Auditor's office to look at the budget with that thought in mind. He went on to say that the objection to the November 17 was not valid.

Councilman Jaehnig said that he did not say it was too late, but he thought that the subject could have been broached with council at an earlier date. President Kirchner retorted that the budget could have been brought forward at an earlier date. He said that if we had the discussion two months ago, we would have had more time to work on the budget in the fall.

Auditor David Hollingsworth said that it is a catch-22 situation. He said the earlier you work on it, the less information you have as far as where you are going to end up in the current year. He said that he thought this was about the earliest they have ever been done in terms of providing figures. He went on to say that President Kirchner had absolutely no clue the amount of time it takes to put it together. He said he realizes he chose to run for the Office of Auditor, but you would not believe the number of hours he had logged in order to try to provide council with all of the information that they want to work with. He said there seems to always be something more. He said you go to all of the trouble to prepare the information, which, quite honestly, very few people even really understand, and you feel like it has been done in vain.

Councilman Mead said he would like to speak in favor of a three-month budget. He said the Auditor just explained that we don't have the numbers from the previous year until the end of the year. He said also the mayor indicated that what we have here is not what we will end up with. We will know more in the three months what things will be. He said that as far as not knowing that it was coming up, he thinks whenever it came up, it would be a surprise. He said that in terms of the effort to put it together, a lot of the work has already been done with the worksheets that were already prepared. He said he appreciated the information and the effort the Auditor had already put in. He added that maybe Randy will have more of his plans together by then. He also said that if we don't balance the budget to the income, we will have problems later. He said that we just need a plan; no one is explaining how they are going to get to the point of balancing expenditures to revenue and he would like to see that plan.

Councilman McKay suggested that Councilman Mead, as Chairman of Finance, get together with his committee and come up with a plan. Councilman Mead said his plan was to balance the budget this year.

Councilman McKay asked Councilman Mead to present a different budget if he was not happy with what was in front of him. Councilman Mead said he asked for a balanced budget. Councilman Jaehnig stated that what was asked for was a 25% carryover, which is what was presented.

Councilman Mead said that the mayor had explained to them many times that it was not council's prerogative to pick and choose who gets hired and fired, what job they do, how much they get paid. He said that is not the job of council. He said the job was to approve or disapprove what has been presented. He said it was not council's job to make the budget.

Councilman McKay said that he agreed with Councilman Jaehnig and Councilman Wallace that a great deal of thought had gone into the budget and that Auditor David Hollingsworth had done a yeoman's job. He said that it seemed like some members of council have a need to knock things down at the end of the year and not go forward in a

positive way. He said that council was sending out a signal that we are not together and it is disheartening.

Councilman Mead said that we are not together. He said it was obvious.

Councilman McKay said that he thought the administration had done an excellent job. He questioned Councilman Mead whether if the budget presented at the end of the first quarter was not balanced, then would that not be approved either. Councilman Mead said that he would feel more comfortable if they were given a plan of how they were going to get there.

Councilman Siebenaller said that was also his main concern. He said that he does not think that there was anyone questioning the effort that went into the budget and said that the million dollar reduction was outstanding and the 25% carryover that they asked for had been met. He said that he is extremely pleased with that and impressed that they were able to get to that mark. He went on to say that the \$800,000 that we had in the estate tax was what allowed the budget deficit to be \$600,000. If you take that away next year, it would be a \$1.4 million deficit. He said his main concern was a budget that was balanced to revenue next year and wondered how we were going to get there. He said if a three-month budget helps council plan with the insurance costs, then he would be in favor of it. He said his question is how to best manage everything so that we don't go from \$600,000 this year to \$1.4 million next year and be able to balance to revenue.

Councilman Wallace said as he understands the budgeting process, you can't divide it by one-fourth. He said also you might be in a deficit the first quarter and gain a million in the fourth quarter. He said that the budget in front of council was a reasonable budget and was what council had asked for. He said that if we want to go for a balanced budget, then council should put the task to the mayor to come up with a gradual scale of what the carryover should be. He said next year they should do a larger carryover and something to shoot for so we can head in the right direction. He reiterated that the three-month budget would be hard.

President Kirchner said that the three-month budget would be divided by four in many of line items. He said that it would allow council to know exactly what the carryover would be. He said the other discussion that council needs to have was whether or not the goal was to manage the carryover or was it to balance the budget. He said that when he ran his goal was to balance the budget to revenue. He said that he is committed to structural change. He said he was not at the meeting where the carryover was discussed, so he went back and read the minutes. He said that at that meeting, the minimum carryover that council wanted to see was 25%, not the only carryover. He said there was more analysis to do. He said that and refining the budget once they firm year-end numbers, get the benefit numbers and any other additional savings is how council should do the job of trying to balance the budget. He said that council has gotten too used to deficit spending and they needed to do something structurally to change the operating costs of the city. He said that everyone hopes for economic development, but a balance budget is what needs to be achieved.

Councilman Wallace said he did not agree with what President Kirchner was saying, the problem is it not realistic. He said if we go to a completely balanced budget, there is no way the city can do any capital improvement on anything in the city. He said you probably are going to do less than that. He said that the fact that we spent 20 years getting into this, you can't just reverse it in a couple of months. It takes time.

President Kirchner said that for the past four years, the council has been saying you can't do it overnight, let's take some time to fix it.

Councilman Wallace retorted that council has been working on it for the past years. He said two or three years ago, it was trimmed by a million dollars. He said it was trimmed by a million dollar last year. He said that we are getting there in a progressive fashion, but we would not get there overnight. He said, you might as well call everyone in and tell them that their budgets are scrap.

Mayor Riley said a budget is a target. He said he was given a target of \$9.3 million, and had said that would not be the budget that we would end with. He pointed out that the budget starting 2013 has been projected at \$8.3 million, so a million dollars had been cut out. He also point out that there was a 25% carryover, which is exactly what council approved unanimously. He went on to say that the budget that they start 2013 off with is not the budget they will end with. He says he does not know what is going to happen, but you don't budget hope. He said you also don't budget despair. He said the task he gave to his supervisors was to cut everything they can, and they have done a good job. He said that if next year the budget is \$7.8 million, he hopes to be closer to that next year than we are this year. He said he never stated to anyone while he was running for election that he would balance the budget to revenue in the first year, because he did not know what we would be able to do. He went on to say that he thought the city had done a really good job at containing the budget. He said he was proud of the employees who are still working years later without any raise at all. He said that the administration is talking about taking more money away from the employees by increasing their benefit costs. He said that he did not want to balance the budget on the backs of the employees or at the expense of depriving the citizens of vital services. He said they would continue to work the process over time. He said it comes down to a level of trust. He asked council if they trusted that he would work as hard as he could to continue to bring the budget in line and that we could work together to make that happen. He said he had been in conversations with people at the State Auditor's office to do performance audits of every position in the City of Wilmington. He said they would look at everything and give us best practices on how to manage the city. He said that he looked forward to having them come in. He went on to explain that the payments to pay for the program would not begin until after changes had been implemented and cost savings had started. He said he was working very hard to make things better, but he cannot guarantee anything because no one knows what is going to happen in the future.

Councilman Stuckert said that his desire for a 3-month budget had less to do with a lack of trust than it does with a sense of obligation as a councilmember to his constituency. He asked what the relationship of the \$800,000 in inheritance tax in the budget for this year. Auditor David Hollingsworth said the inheritance tax ends at the end of this year. Councilman Stuckert said that the \$800,000 added to this year's carryover. President Kirchner offered to answer the question. He said the \$800,000 that came in would be part of the 2013 beginning cash balance. He said if we had not gotten the \$843,000, that carryover number would be closer to \$2 million.

Councilman Stuckert said that there was also an excess of \$200,000 that had been moved from General Fund to the Enterprise Funds in liability insurance. President Kirchner said it lowers the General Fund balance. Auditor David Hollingsworth said that he wanted to get that issue straight. He explained that the city had talked about doing it for years. He said it makes just as much sense for the Enterprise Funds to pay for their liability insurance as it does for them to pay for their salaries.

Councilman Stuckert said that he was not criticizing transferring the liability to the Enterprise Funds; he was just trying to understand how it impacts the budget. He said that means that is \$200,000 that cannot be counted as a million dollars of reduction because we still have the costs.

Mayor Riley said that he thinks whenever you're working with a million dollar budget, there are always going to be unexpected revenues and expenses that come up during the year and you work within those demands. He said the point is to ask what is the end result. He went on to say that the end result this year is one million dollars less in anticipated budget for 2013 than we were looking at a year ago. He said his commitment is that we were not going to rest on \$8.3 million but are going to continue to carve away at the budget. He said that his commitment to Bob and the rest of the committee back in September was that he likes the 25% carryover and he finds it mandatory. He said we need to continue to work toward that. He said that everything that was done this year was done without layoffs and without firing anyone and without major changes to the services that the people of the community deserve. He said that was his goal.

Councilman Jaehnig announced that he had to leave the meeting because of a prior commitment. He apologized for leaving in the middle of a discussion.

Councilman McKay said that there were differences of opinion that were not going to be solved today.

President Kirchner said that it was important to notify the Auditor's office of what to prepare. He said wanted council to be at a consensus.

Councilman McKay asked if council needed to meet again.

President Kirchner said there was not nearly enough time to go through the general administration budget. He brought up the possibility of meeting on Saturday, December 1.

[Discussion of meeting times]

Service Director Reinsmith asked if a meeting could be held during the day during the week.

President Kirchner said that it was not tenable because there are two teachers on council and he works in Blue Ash.

Service Director Reinsmith said that he has sat in two Saturday mornings and has not been able to say one word and now is being asked to give up another Saturday morning. He suggested council come in during the day when all of the superintendents are available.

President Kirchner said that the reason they could not come in was because they were working individuals who do council on a part-time basis. He said the Service Director gets a full-time salary from the City to be there during the day. He said he gets a full-time salary to work for somebody else and needs to be there during the day.

Paul Fear pointed out that councilmembers also gets a salary.

Service Director Reinsmith said it was not about the money. Time is important and Saturdays are important.

Councilman McKay asked if it could be an evening and if it could be held to two hours.

A special council meeting was set for Thursday, November 29, 2012 at 6 p.m.

President Kirchner said that one of the major items that should be considered is the 22-38.5% increase in insurance costs. He said the one thing about having a 3-month budget and then updating the full-year budget is the actual number going into that line item. He said the idea of benefits and the cost of them are something that council is going to have to visit with the administration because that individual expenditure is the largest single item cost the city has besides salary.

Councilman McKay pointed out that the mayor had said he was already looking at that.

President Kirchner said there were many things about it to look at. He went on to say that the employees had been without raises for four years. He said until there was a balanced budget, there was no hope of being able to give raises or cost of living increases.

Andrea Tacoronte said that from an employee standpoint it sounded like council was shooting for a three-month budget simply because that is when the benefits are revisited. She said that it sounded like somewhere in the plan, whether it or not it was being spoken out loud or not, the council was thinking they could balance the budget on the backs of the employees by changing either how much is contributed to the benefit

package or something else with the insurance plan. She asked if that was what was happening and stated that she just wanted to know.

President Kirchner answered no and said that we have currently only have estimates of what the insurance costs.

Andrea Tacoronte said she understood that. She went on to say that council had to have something in mind that makes them think having insurance figures would get them to a place where they could balance the budget – that they could make up the \$700,000 deficit by changing the benefits. She asked if that was what they were saying.

President Kirchner said it was not what they were saying. He said that we currently have estimates between 22 and 38.5% increases in the benefit line item. He said when we get to the renewal point, we will have actual costs. He said that is what he said and that he didn't mention anything about that being a direction to change benefits.

Andrea Tacoronte asked how else they were planning to get to the \$700,000 that council wishes to cut out of next year's budget. She suggested that the council members had a plan in their minds and asked what it was about the three-month timeframe that will give council the ability to balance the budget.

Councilman Stuckert told Andrea that what she was looking for was what they were looking for – the plan. He said the plan was not to hurt employees. He said a day will come when we would not be able to have the debate because the cut will be made by state law. He said there would be a day in the not-so-distant future if everything continues as it is continuing now where the council will not be having this discussion. He said it would be only a discussion of what they would cut. He said there would be no carryover. He said council is trying to figure out what the plan is going to be, which would include everything in the city, employees included. He said the unspoken thing is that history tells us that if we wait until we hit that line, we won't be worrying about the backs of employees – they will be out of a job – period.

Andrea Tacoronte said that she just did not see how they were going to reach their goal by next year without changing employee benefits.

Councilman Stuckert said they are talking about an ongoing process. He said they cannot do anything as a council right now that is going to chop \$700,000. He said there is no plan and that council does not have a plan. He said they could pass something...

Andrea Tacoronte asked if by March they would be able to cut the \$700,000. Councilman Stuckert said no.

President Kirchner answered that they have an estimate that ranges between \$400,000 and \$700,000 in increases in insurance. He said they do not have real numbers, but the budget is built on estimates. He said they are talking about an estimated number that begins to approach the \$700,000 difference and they do not know what it is. He said in order to implement a new insurance program on April 1, council will have to have those final numbers and a contract available beginning in March or earlier. He asked Danny if that was correct.

Danny Mongold said they start negotiations in January and February.

President Kirchner said the idea was to understand what the number really is. He said he had not mentioned anything about cutting. He said one thing that needed to be understood is that if council actually sees the \$400,000 to \$700,000 increase in benefit costs when we are still in deficit spending, they have to ask questions about how they can better control the number. He said that she should not hear anything in there that is not there. He said there may be other options from an insurance standpoint that give better value while still providing effective benefits to the employees. He said that she was not hearing him say that employees would balance the budget completely out, but he said we would have to look at the cost-sharing agreement and understand if it is comparable to peer cities and other entities. He said the question would need to be asked

whether we pay more or less as employees and as a city than other entities. He suggested there could be buying pools for group insurance.

Andrea Tacoronte said that what she heard him saying was he wanted a three-month budget so that it can be revisited in March and that the budget needs to be a balanced budget. She asked if that was correct. She said the reason given for not passing a full-year budget was because the current budget does not have equal revenue to spending. She said that would indicate that in March, when the budget is redone, council plans on having equal revenue to spending.

President Kirchner said the goal is always to balance the budget; however, the question of whether or not it could be done in March is not one that they can answer until then. President Kirchner reiterated that council would not know what the actual carryover will be until December 31, 2012. President Kirchner said secondly we have estimates now on insurance costs that are between \$400,000 and \$700,000 more than the current year. He said by the end of February, we would have actual numbers and they would not be estimates. He said we would be able to look at the claims history and insurance companies could bid based on real numbers. He said that Liz does the best job she can on giving numbers, but she has to be conservative. He said there were major numbers that were needed to understand how close they were to a balanced budget and whether or not they could get closer to a balanced budget. He said he also thought council needed to see an evaluation of the costs. He said they had a number of things they needed to take a look at in terms of the reductions in the budget as they have been presented at a million dollars, and understand whether or not there are other things they can do to get it lower.

Andrea Tacoronte said she was just communicating to them concerns from an employee's standpoint. President Kirchner said that he appreciated that.

Councilman Siebenaller said that if everything goes as planned and they hit the 25% carryover and do a three-month budget, at the end of the three-month when they are looking at the final three-quarters of 2013, they would be working on hard numbers rather than estimates and it would give a clearer target on what they would need to do for the rest of the year to come up with a 2014 budget that is balanced.

Auditor David Hollingsworth said that the way the insurance is structured, it is always going to be an estimate, because we are self-insured and you do not know what claims you are going to have. He said they still will not have hard numbers.

President Kirchner said that by knowing maximum exposure to the city, you can put the amount in to cover the liability. He said that what is actually going to be can change based on the claims year.

Councilman Wallace said that he did not see a difference between today and March.

President Kirchner said the difference is we will have an actual number instead of an estimate.

Councilman Wallace pointed out that President Kirchner had just said it was an estimate, even if we have the maximum liability number.

President Kirchner said that we did not know what the maximum liability number would be. He said that the maximum liability number, though, was still an estimate.

Mary Kay Vance said if they passed a one-year budget and then wanted to micro-manage the insurance process, they could do that by making a negative supplemental to that line item and put it where you want. She said they seemed to be focused solely on the insurance and if they put a number in there today, they have the right to come back in and do a reverse appropriation in the line items to put it in line when the number comes in.

President Kirchner said we always have the ability to do a reverse appropriation. He said the difference is whether or not they budget with the best information available or not.

He said there was also an issue with the question of monies that have gone in with the employee portions and what can be reverse-appropriated. He said the question was do they want to get to the end of the year and know exactly what the carryover is and get into January and February and know what the maximum liability is or not.

Mary Kay Vance maintained that it accomplishes the same thing.

President Kirchner said then that the three-month budget accomplishes the same thing and asked if there was a problem with it.

Paul Fear said it was a waste of time.

President Kirchner said he did not think so from a council standpoint as long as they are in deficit spending.

Paul Fear said that he did not know how long the teachers have done budgets or how many budgets they had ever seen, but he had been doing budgets since 1982. He said he also knew what kind of time crunch the Auditor would be in during tax time, which would be the time that the three-month budget would need to be put together. He said that the Assistant Auditor would be also doing end-of-year numbers for the State at that time. He said the constraint that they would be putting those departments under is a waste of time. He said if they find out that the estimate now is different than the estimate in three months, you reverse-appropriate. He said he sympathized with Andrea. He asked if council finds that the number for insurance benefits is more than what was expected in March, are you going to ask the employees to pay more or are you going to cut some other department out to balance the budget. He asked what they would be accomplishing by knowing what your estimate is then. He said the other down side of it is the revenue stream. He said you can't know anything revenue-wise in three months. He said if they didn't like the fact that there was a \$700,000 deficit after the mayor had reduced the budget by \$1,000,000, then adjust it now to be happy with it. He said a budget is a budget, and you can always change it in three months. He said that they would not get anything in 90 days that they don't have now, and the time that you are going to commit the Auditor and the Deputy Auditor to in order to revisit the budget in 3 months is a waste of time.

Mayor Riley said that he could not agree more. He said that he had heard nothing in the discussions that they had had in the past three weeks that has led to changing anything about the budget in the way it was presented. He said it is just a guideline – a target. He said it would not be the budget they end up with by the end of the year. He said he agreed with Paul.

Paul Fear said that there are some cities with actual crisis problems because of the lack of inheritance tax. He said that we may get a few hundred thousand from people that have passed recently, we may get casino funds, we may get a change in our Local Government Funds budget because of the county, we may bring out of judiciary committee the fee for games of skill that has been sitting in committee for six months. Paul Fear asked if council thought there were going to be revenue issues in the next 90 days that are going to help balance the budget more. He said either approve or don't approve whatever the proposed budget is – but just do it now. Do not wait for 90 days.

Mayor Riley said that they prepared the budget on the very best information available. He said that if things change, they can change the budget. It is written on paper, it is not carved in stone.

President Kirchner said with the electronic nature of the document, he thinks that creating the three-month budget is just a matter of editing.

Councilman McKay made a motion to adjourn.

Councilman Mead asked to make a comment.

President Kirchner said he had a motion with a lack of second, so the motion to adjourn dies. Paul Fear said you don't need a second on a motion to adjourn.

Councilman Mead said he was going to say his piece anyway. He said that everyone has different views, but we are not that far apart. He said everyone is trying to do the best thing for the city. He said we should keep that in mind and that we should not get too worked up or angry about how things are going. He said we're not that far apart and we should all stick together to get things done.

President Kirchner declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Thursday, November 29, 2012, with President Scott Kirchner presiding.

Call to Order

Roll Call: Jaehnig, absent; Wells, present; Stuckert, present; Wallace, present; Mead, present; Siebenaller, absent (arrived at 6:21 p.m.); McKay, present.

Chief Weyand was also present.

A motion was made by Mead and seconded by McKay to excuse the absent members. Motion passed.

Absent members excused.

President Kirchner said the only item on the agenda was the budget discussion and announced that Councilman Mead had asked him to facilitate the discussion.

Finance Committee – President Kirchner said that they would be talking about the general administration portion of the budget.

Mayor Riley read a prepared statement. He said first he would like to repeat some of the comments he made last year.

Any budget, whether it's a hospital budget, county budget or city budget, is merely a series of numbers on a piece of paper. Budget numbers are not carved into stone; they are written on paper. These numbers can change; they will change. The budget of any service-related organization is, by necessity, a fluid document, rising and falling, contracting and expanding. I know this because I have been responsible for the development, approval and implementation of these types of budgets for over 35 years. This is why I can assure you, just as I did last year, the budget we start with on January 1 is not the budget we will have at the end of the year. It has been said that we need a plan. This budget is a plan, but bear in mind with current recession and the local economic problems we have, our plan will change. Our plan will evolve as the year progresses. This is the commitment that I made in 2013 and it is the same commitment I made last year. I commit to work on this budget all year long. My goal this year will be to continue the work we started on January 1, 2012 – that is to reduce our expenses, increase our revenue, and to continue to work toward the goal of balancing our budget to our revenue. Not only do I know that we can do this, but I know we must do this. I have never promised when I would balance the budget to revenue, but I have promised that I would work tirelessly to achieve that goal. We have made tremendous progress toward that goal this year. The budget that our Auditor presented to council on November 1 was the result of hours and hours of hard work by the Auditor's office, this administration, and every department head and supervisor in the city. ...to arrive at the \$8.3 million 2013 budget. The carryover in the budget presented is 26.3%. When this budget was presented, every member of council thanked us for our hard work and complimented us on the cuts that we made and for achieving the 25% carryover that you unanimously requested on September 6. Since then, we have had several hours of discussion with various department heads about the 2013 budget. Now the president and some members of council want to start over and begin consideration of a three-month budget. I am adamantly opposed to this idea. There is no reason why we should kick the can down the road for another three months when we have a budget ready. I know that Mr. Stuckert has stated that he has numerous examples of where cities have passed three-month budgets. I have searched the literature and the internet and could not find those references. I have found examples where the city administration has proposed a three-month budget to city council, but never have I found an example where city council has proposed a short-term or three-month budget to themselves. The job of the mayor and the administration of a city is to

prepare and present a viable 12-month budget to council. We have done that. We have trimmed \$1 million off of the previous budget and maintained the 25% carryover requested by this council. That is our job. We have accomplished our job. The job of city council, as you are well aware, is not to prepare the budget. It is to approve and pass a budget. Certainly your approval should only come after careful consideration, discussion, questions, answers, and adjustments or modifications, but it is not council's job or responsibility to originate a budget or completely reinvent a budget. Just so there is no misunderstanding, my commitment, as I will work on this city budget all year long, my goal each year is to reduce expenses and increase revenue. However, I do not support a three-month interim budget. In fact, if this council develops and passes a three-month budget, I will veto it. I know there are questions about the year-end carryover. I know there are questions about costs of employee benefits. Those questions will never go away, but our job is to prepare and pass a city budget and have a viable working document to begin 2013. Again, I have committed to work with the budget throughout the year, to further increase our revenues and contain expenses. I am committed to doing that. But be advised, I am also committed to vetoing any three-month budget that is passed by this council.

Mayor Riley asked if they would like to start working on discussion.

President Kirchner asked if council would like to respond.

Councilman Stuckert said he kept hearing about a million dollars in cuts. He said that when he thinks of cuts, he thinks of something that was there, but now it is totally gone. He said in his examination of the budget it looks like the cuts are substantially made up of funds that have been moved out of the General Fund and into Enterprise Fund. He asked if that was being counted as cuts.

Mayor Riley said that the budget that was passed a year ago was \$9.3 million. The budget that David proposed on November 1 was \$8.3 million. He said that is a million dollars less in the General Fund than it was a year ago.

Councilman Stuckert asked where the million dollars went.

Mayor Riley said that it came from some significant cuts that we have made throughout the year in personnel, not rehiring, maintaining the salaries. He said in addition, they have done cost allocation, which is a proper thing to do and should have been done years ago. He said that this cuts amount of money required by the General Fund and it brings us to a 25% carryover as was requested by council.

Councilman Stuckert asked if the mayor could see the difference between cuts and reallocation of funds. Mayor Riley asked Councilman Stuckert if he could see the difference between \$9.3 million and \$8.3 million. Councilman Stuckert said absolutely, but he said it is not a million dollar cut if \$800,000 of it is a reallocation from the General Fund to other funds. He said he is concerned that reallocating money to enterprise funds will cause the city to raise water rates. He characterized it as a backdoor tax that the citizens cannot vote on. He said he wanted to know how much of the million dollars was costs that went away and how much was reallocation of funds. Mayor Riley said that cost allocation is standard practice throughout government.

[Discussion budget cut versus cost allocation]

Mayor Riley reiterated that the General Fund budget was a million dollars less than it was the year before. Councilman Stuckert said that was not good enough for at least four of the council members and added that it was not acceptable. He said he wanted to know how much was allocated and how much was cut.

Mary Kay Vance explained that the council members had all of the figures in front of them. She said that a cost allocation and a cut in the budget achieve the same goal. Councilman Stuckert said that it did not achieve the same goal because the goal was

revenue balanced with spending. Mary Kay Vance said the goal was to create a benchmark carryover in the General Fund. Councilman Stuckert said he agreed with that part of it but said he did not agree on putting pressure on the other funds to raise fees. Mary Kay Vance said there was no indication that that was going to happen.

Mayor Riley said a fee increase was not being requested by the city administration. He said that he had also not said anything about raising the earnings tax. He further explained that were able to do the budget work without passing on the expenses to the citizens of Wilmington.

Councilman Wallace said that they would be discussing bond issues at an upcoming Water Committee meeting. Councilman Stuckert asked if the bond coverage could cause the city to raise rates. Councilman Wallace said it is very close. He said he had a meeting with Mary Kay recently but does not have figures for planning yet. He said if we do fail the bond, nothing changes in 2013. It changes in 2014. He said that the numbers would be okay for 2013.

Councilman McKay asked if there was another way to balance the budget if we did not allocate funds.

[Councilman Siebenaller arrived at 6:21 p.m.]

Councilman Stuckert said that there could be an across-the-board cut. Councilman McKay asked Councilman Stuckert if he agreed with the allocation in principle. Councilman Stuckert said he was not sure. He said he was not ready to say if he agrees or not.

Mayor Riley said that after hours of meetings and fully a month after the budget was presented, out of the blue, in full blossom, came a discussion about a three-month budget. He asked where that came from.

Councilman Stuckert said that it came from 2011 when three council members asked for a three-month budget. He said the conditions are the same.

Mayor Riley asked him to clarify.

Councilman Stuckert said we are in deficit and we don't know how solid our figures are. He said that in addition we have the audit coming up. He said that council was not going to do a three-month budget; council wants the administration to do a three-month budget.

Mayor Riley said that he was not going to do that. He said that he had presented a one-year budget for consideration.

[Discussion of three-month budget]

Mayor Riley said that we were able to fund ourselves for a full year plus we have a carryover to keep us going. He said we are currently funded for 2013 and that we would be working on 2014 during the whole year.

Councilman Stuckert said that this was the fourth year that things have been promised. He said that he did not think that the administration and council were exhibiting the will to take care of the problem before it gets critical.

Mayor Riley said that he disagreed. He said that we had cut a million dollars out of the General Fund budget and were only about a half million dollars away from budgeting to revenue. He said that good progress was being made. He said his goal by 2014 was to budget to revenue and to continue the carryover. He said that passing a three-month budget does nothing to help the situation. He said that the Auditor was adamantly opposed to creating a three-month budget. He said that it was not going to happen.

President Kirchner said that he thought it was important for the mayor to remember that council passes the budget – not the mayor. He said he was very disappointed in the mayor’s complete lack of willingness to work with the council. He said that he sees no problem with the three-month budget. He said the million dollar cut statement was completely inaccurate. He stated that the mayor had moved hundreds of thousands of dollars out of the General Fund to the Enterprise Fund who draw income to the city from the public. He said the budget is about revenue generation in an un-voted manner. He said that calling the reallocations cuts was a complete falsehood.

Mayor Riley said he rejected the criticism completely and totally. He said he was proposing a budget that was one million dollars less from the General Fund than it was last year. He said that there was a 26% carryover. He said he did exactly what the council asked him to do. He said that he was committed to balancing to revenue in the following year and was committed to working with council to do that.

President Kirchner repeated that the reallocations were not cuts and it was putting a burden on funds that were funded through fees to the citizens. He repeated that it had not been done in the past.

Service Director Reinsmith said that it was common sense for the Enterprise Funds to pay for their own liability insurance. He said that it was a business expense and it should have been done years ago. He asked why the General Fund should pay for liability insurance for a backhoe being used by the Water Department. He said if we had done it a long time ago, the General Fund would not be in the condition it is today. He said those are expenses for those departments and they need to be paid by those departments. He said that he did not see any justification for the General Fund to pay for those departments since they generate revenues to exist.

President Kirchner asked how long Larry Reinsmith has been the Service Director. Service Director Reinsmith said he has been with the city a long time, but his job is not to pass the budget. President Kirchner said that Larry Reinsmith had been Service Director for a long time but this was the first time he had advocated for this change. Service Director Reinsmith explained that we were doing many things differently now than we had in the past.

President Kirchner said that the cost allocation drives rates and pulls money from households in the city. He said the budget raises the cost of running the enterprise funds significantly. Mayor Riley said that no one in the administration had suggested raising rates.

[Discussion of water rates]

Councilman Stuckert said that in the Water Budget presentation, it sounded like rates might have to be increased.

Mayor Riley again said that he had presented a budget that was within the parameters that council had asked for. Councilman Stuckert said that was not what they had asked for. He said council had asked for a budget that was balanced revenue to expenditures. Mayor Riley said that is not what they asked for.

Councilman McKay agreed that he had never asked specifically for that. He added that he wished to discuss the budget at hand.

President Kirchner said he had turned the discussion over to the mayor and the mayor was talking about vetoing a three-month budget.

Mayor Riley explained the reason for vetoing a three-month budget is because it would do no good for the citizens of the City of Wilmington. He said that they deserve to have a 12-month blueprint for a budget. He said that way we could move forward and start planning for next year. He said when the budget was presented to council on November 1, everyone congratulated him on it. He said then, unexpectedly, in the last meeting, a three-month budget was requested.

President Kirchner said that he had mentioned the three-month budget before to the mayor and that the mayor had told him that he would veto a balanced budget. Mayor Riley said that was nonsense.

President Kirchner said that before the mayor stopped meeting with him because he talked too much about cuts and a balanced budget. Mayor Riley said the reason that he stopped meeting with President Kirchner was because every time he came in, there was no agenda item. It would end up with President Kirchner telling him that he didn't trust him and he was no better than the previous mayor – insult after insult. He said that he did not find any reason to meet if there was no agenda.

President Kirchner said that was a complete mischaracterization and a disappointing one. Mayor Riley retorted that was exactly what had been said and he didn't need to start his Tuesdays off that way. He said that he told him at their last meeting that if there was a specific agenda item, he would be happy to meet with him. He said further that President Kirchner had not initiated a meeting for a specific purpose since that time.

[Discussion about meetings between President of Council and Mayor]

Councilman McKay asked for the discussions to be returned to the budget.

President Kirchner said the mayor has the floor to discuss the administration budget.

Mayor Riley said he was willing to answer any questions.

President Kirchner asked if there were any improvements the mayor wanted to point out.

Mayor Riley said he thought the numbers spoke for themselves.

President Kirchner pointed out that the benefit insurance line item did not increase.

Mary Kay Vance explained that employees had been lost in the General Fund and were not replaced, so the General Fund was not impacted as greatly by insurance increases. She explained that when the renewal numbers for the insurance were presented last year, council was not happy with using those numbers. They asked for a number based on what the actual usage was; therefore an amount was appropriated for each department that was an average of what had been used in the previous year. She said the previous council knew that the numbers were not even close to the suggested estimate given by the broker. Therefore, the appropriation number used for 2012 budget was underfunded to begin with. It was far less than what was recommended be put in line. She said that this year they were using the actual numbers that Liz has given us for 2013. She further explained that there is not a 22% or 25% increase between the insurance costs between 2012 and 2013. The difference is comprised of a combination of the appropriated number for 2012, which was knowingly underfunded by those doing the budget, plus the recommended number for 2013 provided by Liz.

[Discussion of insurance costs]

Service Director Reinsmith was asked about the increases in Engineering Contracts line. He explained that he no longer has an engineer, which saved \$80,000. He now has to contract his bridge inspection expenses through a contractor. It is also time to redo the zoning maps. He also explained that the building inspector costs are going up because of JUMP hangar construction and other items. He said that permit fees would also be increasing.

Brenda Woods explained that the legal advertising line was increasing slightly because we ran a little short this year. She also explained that the Regional Planning was originally budgeted at \$12,500, which was an error and the remaining had to be paid out of business development expenses. The full amount of \$24,000 is in the 2013 budget.

Mayor Riley pointed out that Downtown Wilmington had been reduced by \$1000 as we reduced the level of the membership with Heritage Ohio.

President Kirchner asked if the income tax refund line was based on a report of averages. Marque Jones said they have never done that in the past and does not think the information would be useful. He said that it would not help to predict what the refunds would be. President Kirchner said the idea was to give a more accurate number. Marque Jones said what he prepared based on what the refunds have been since 1995. He said that only if you could understand the reasons behind the numbers, would the report the President of Council was speaking about be useful. President Kirchner said that he thought they needed to have the most accurate number possible. He said he thought it would be better to get an average of all of the numbers so we had a better number.

President of Council asked what the consultant line services item was in the Treasurer's department. Marque Jones answered that if they could take the funds out of the prosecutor's line item, then they could take it down to zero. He said that it depends on who takes the cases when the Assistant Prosecutor is not there.

Councilman Stuckert asked if property casualty line and the liability insurance line were the same thing. Mary Kay Vance said that they were and when the final budget is put together, there would be one name.

President Kirchner asked about \$3500 under council incidentals. This year's budget has \$4738 in council incidentals. Mary Kay Vance indicated that there must have been open purchase orders from one year to the next. Brenda Woods explained that it was probably for minute and ordinance books which are purchase at the end of the year for the following year.

Brenda Woods explained that they had established a new line called Vehicle Fuel that was now funded for \$2000. She also explained that \$25,000 had been added to the Public Safety Software line. This was not funded initially because it was a Police item and she was not aware of it at the time the first budget was prepared.

Mary Kay Vance noted that the salary line is less than last year because they lost one full-time employee. David asked her to relay to council that they are looking at what they might be able to do to streamline the services in the Auditor's office. She said they were looking at outsourcing payroll or some other things. She said that they do not have anything concrete to add to the budget at this time, but they know they are going to have to address the issue in the office. She said that they will be noncompliant with the State audit because they do not have enough separation of duty as required by them. She said that after the first of the year the process of looking for solutions will continue, so the budget for the Auditor's Office will change.

Mayor Riley added that the person they lost in the Auditor's office was the payroll person. They current personnel will be stretched very thin at the beginning of the year when the office is very busy.

President Kirchner asked if they have an estimate of how much outsourcing payroll would cost. Mary Kay Vance said there is a very wide range and a lot of options, so she could not give a reasonable estimate. She said the goal was certainly to keep the number lower than the amount of a full-time person – in order to be fiscally responsible.

President Kirchner asked if they would know what they were going to do toward the first of the year. Mary Kay Vance said there were many factors involved and they need to study it closely to make the best decision for the city. She said they may not have an amount until the middle of the year. She could not guarantee the time-frame. She said also that the pension fund had also legislated some changes. She said that one of the changes they put in place was they always put paid in at a quarterly basis but now they have to pay police and fire pension every month. She said that not only will we have to pay for the fourth quarter like always, but we will also have to add in the new monthly payments. She also said that there was a program available to defer the transition over three years and they would be applying for that. She added it would be around \$30,000

for both for each of the three years, but she was preparing final numbers for council. She said we pay about \$90,000 per quarter for police and fire pensions.

[Discussion of changes in fire and police pension payment schedule]

Councilman Wells asked if this was the last year for the inheritance tax. President Kirchner said that 2012 was the last year for the inheritance tax, but we could see some residual funds in 2013.

Councilman Wells asked if the inheritance tax for 2012 was in the budget. Mary Kay Vance said it was.

President Kirchner asked about the IT Consultant line item. Chief Duane Weyand explained how the city was contracting with an IT firm now to give us better coverage. He explained that it was a flat monthly fee.

[Discussion of Law Director budget]

President Kirchner asked about the difference between the Law Director's original appropriation and the one shown on the Auditor's budget report. Mary Kay Vance explained that a transfer had been done at the beginning of the year from the salary line to the unemployment compensation line to cover a claim.

President Kirchner asked why the building department consultant line was going up. Service Director Reinsmith said that he had to move money a couple times in the past year, so he needed to fund it better in the upcoming year. He said that he had cut \$319,000 in the last four years out of his budget through cuts in personnel and pay cuts and reducing the facilities maintenance line. He said that was a 57% cut. He said that people had said that no one had done a thing to cut anything out of the budget. He added that he had cut his down to the quick and there was no more room to cut. He said the Engineer's Office, the Building Department and the Service Director's Office was comprised of him and two secretaries. He mentioned that the streets had been cut and the facilities maintenance. He said the city's largest asset is its streets and right-of-ways. He explained that the city has over 77 lane miles of streets and used to have a regular schedule of paving the streets. He stated this was the first year that they had not done any paving – and there is no money in the new budget for paving. He said the city needs to figure out how we are going to preserve the city's most valuable asset. He said we need to look down the road to see if there is anything we can do to generate money for street paving issues. President Kirchner said that is the point of getting to a balanced budget – so there would be money in the future for street repairs.

President Kirchner asked if there were any specific areas identified where facilities maintenance costs could be reduced. Service Director Reinsmith went through all of the different items that come out of the facilities maintenance line.

Councilman Stuckert noted over 80% of the premiums for the liability insurance come from sewer, water and solid waste. He asked why they were so high for those plants but not very high for the Police Department. Mary Kay Vance explained that those were large plants. President Kirchner asked if we had documentation on how the liability costs were divided. Mary Kay Vance said she did and explained that the cost allocation was based on a combination of the location of the facilities and the equipment. Danny Mongold said that we have an audit at the end of the year and we should be perform well.

Councilman Mead stated that council needs to keep in mind that there were some items that need to be put back into the budget in terms of capital items.

[Discussion of various items that may need to be purchased in the upcoming year]

Mayor Riley reminded council that there were some opportunities with the landfill that they were working on in terms of cost savings.

A motion was made by Wallace and seconded by McKay to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, December 6, 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.

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 - President Kirchner:

A motion was made by Wells and seconded by Stuckert to approve the minutes of the special meeting, November 10, as presented.

Motion passed.

Minutes approved as presented.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the regular meeting, November 15, 2012, as presented.

Motion passed.

Minutes approved as presented.

President Kirchner announced that DPL Energy would file their aggregation plan with PUCO on Friday, December 7. He said that opt-out letters would be sent out to citizens who are not currently in contract with a supplier on or around December 17, which will inform them that they are automatically enrolled in the aggregation unless they choose not to be. The opt-out period will be 21 days. He said he thought the rate was 5.29 cents per kilowatt hour, and the expected date of savings would be in February 2013. He clarified that this was on the supply portion, not the distribution portion of the bill. He said for citizens who do not receive a letter because they are currently in a contract with another supplier, the number to call regarding the aggregation is 1-888-266-1738, after December 17.

[Discussion of details of aggregation]

Councilman Wallace mentioned that he saw in the paper that the county aggregation was not yet settled in its details. He asked if that would in any way affect the city's rate. President Kirchner said it would not because our aggregation contract is separate. He said in the future those contracts may be combined to increase buying power.

Councilman Wells asked if a person would get the same rate in the future if they opted in later. President Kirchner said that DPL Energy reserved the right to adjust the rate to market value for people who enter the program at a later date. Law Director Siebenaller added that the number of people who get the original rate would not change. If 5000 people signed up originally, then there would be 5000 spots always available at the original rate. If a person signs up at a later date and there is a spot open at the original rate, then that rate will be honored. President Kirchner added that it would be renegotiated again in two years. Paul Hunter explained that you have to compare the cost of cancellation with the estimated amount of savings you could receive through the aggregation during the remainder of your contract period.

[Discussion of details of energy contracts]

President Kirchner added that this program costs nothing to the taxpayers.

Mayor Riley added that he had been in contact with the Lauren Smalley of the PUCO and they offered that they would be happy to answer any general questions citizens might have regarding the process of aggregation.

President Kirchner said congratulations to the Clinton Massie Falcons State Championship football team.

Mayor - Mayor Riley said he was very happy that we have a State Championship team in our county. He said that if they wanted to have a parade in Wilmington as the county seat, we would be happy to host it. They are going to have a big function Saturday at 5:00 at the school. He said he was proud of the pride they had brought to the county.

Councilman Jaehnig added that the Mayor of Clarksville had announced that they would be having a parade on December 22 in honor of the team in Clarksville. He said he thought it would be at noon.

Auditor - Auditor David Hollingsworth had no report.

Ad Hoc – President Kirchner stated that items C and D from the Judiciary Committee needed to be moved to the Ad Hoc portion of the agenda. He introduced the legislation for the LEAP program. He explained that the State Auditor’s Office would be coming in to do an audit of all aspects of the city services – administration and enterprise departments. He said they would look at best practices and give an analysis of how the city is performing in terms of efficiency. He said the concept was to compare the Wilmington to similar cities and give us suggestions on how to operate most efficiently. He said the timeframe would be at the first of the year and would take approximately six months to complete. He said the total cost was \$75,600 if the city pays straight away. He explained that the report would come out in the July-August timeframe. He further announced that the city could participate in the LEAP program through a one-year loan program. The city would have a year after the completion of the report to pay and \$83,160 would be the cost of the one-year deferred payment.

Councilman Jaehnig added that if they did not find savings equal or exceeding the cost of the audit, the city will not be responsible for paying the entire bill.

Joe Gigandet (105 Kentucky Avenue) asked if we paid the \$75,000, would we get refunded the difference if no savings were identified. Councilman Jaehnig stated that you pay after the audit, so either the bill comes due at the end of July or a year later if the city participates in the LEAP program. Joe Gigandet asked if the \$83,160 just included interest charges. President Kirchner said that it includes the cost of a meeting at the end of the year period to review how the city has implemented the suggestions. He said the interest rate was around 1-2%. Councilman Jaehnig also said that a good reason to do the one-year loan program was because if all of the council members were replaced during the next election cycle, the auditors would be able to meet with the new team and get them up to speed.

President Kirchner said that implementation of the program was key to take advantage of the cost savings before the bill needs to be paid. He added that when the program was presented to the city, the State Auditors said that the average amount of savings identified in other jurisdictions has been \$22 per dollar spent on cost of the program. Councilman Jaehnig added that if a best practice was identified early in the process, they would go ahead and present it to us so we could implement it before the report actually comes in, which would translate into more savings for the city.

Joe Gigandet asked if other cities that had been through the program already had been contacted for feedback. President Kirchner explained that the audit that we are paying for is the same type of audit that a city has to go through if they enter a state of fiscal emergency. He said he reviewed the report of one of those cities and it was very thorough. He said that one of the key points is it compares your city to ones of similar size and demographics. Councilman Stuckert said that there are sites online where you can access information from the reports on the State Auditor’s website.

Mayor Riley stated that he started talking to Christa Criddle and Max Uhl from the State Auditor's Office about the program early in the summer and said that he had explained the program to the supervisors and compared it to the hospital accreditation reviews. He said that one of the nice things is they are independent and have experience and education in municipal management that elected officials may not have.

Councilman Jaehnig pointed out that in the early days of the State Auditor's reviews one of the issues commonly identified was overstaffing. He explained that with economic downturn, the Auditor's Office was no longer finding that to be an issue in many jurisdictions. He said he wanted to assure the employees that the primary aim of the audit was not just to reduce the workforce.

Mayor Riley said that he thought that if the courts wanted a review of their practices, it would come from the State Supreme Court. Paul Hunter said there was an organization in Virginia that does audits for courts. He further explained that Urbana used it to reign in their municipal court costs. Mayor Riley said that he did not think the State Auditor's Office could include a court audit.

President Kirchner introduced the legislation to authorize the mayor to enter into the agreement for the audit. He said the second piece of legislation was authorizing the city to enter into the LEAP program. He said that the reason for three readings and an emergency is to allow the audit to begin at the first of the year.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on An Ordinance Authorizing the Mayor of the City of Wilmington, Ohio, to Enter into a Performance Audit Agreement with the Auditor of the State of Ohio for a Total Audit of All City Departments, for the City of Wilmington, and Declaring an Emergency. President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Jaehnig and seconded by Stuckert to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Jaehnig and seconded by Stuckert to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5067 passed as read.

President Kirchner asked the Clerk of Council to make a copy of the proposal for all of the council members to take with them.

President Kirchner introduced the legislation authorizing the mayor to file an application for the LEAP funds. He explained again that it changes the cost of the audit by about \$8000 but also includes a follow-up meeting one year after the initial audit is complete and gives the city the opportunity to implement some of the cost savings before paying the bill.

Councilman Jaehnig added the difference in the LEAP cost included the interest as well as the follow-up meeting.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on A Resolution Authorizing the Mayor of the City of Wilmington, Ohio, to Make an Application for a Leverage of Efficiency, Accountability, and Performance Loan (LEAP) to Assist in Deferring the Audit Costs Associated with the Performance Audit for the City of Wilmington, and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

A motion was made by Jaehnig and seconded by Stuckert to suspend the rules and give the second and third reading on the resolution by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by Stuckert to pass the resolution as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Motion passed.

President of Council declared Res. No. 2307 passed as read.

President Kirchner expressed his appreciation to council for their support.

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

Finance Committee - Chairperson Mead said there were three items on the agenda. He introduced the legislation making miscellaneous transfers. He said that some of the items had to do with remodeling being done on the Fire Station I to change the offices to the new location. He said the transfer for the Sewer Maintenance fund was to purchase a lawn mower so they could do their own maintenance. He explained that the landfill had transfers for some vehicle maintenance that needed to be completed. He added that other two were for the Municipal Court.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes;

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Wallace, yes; Mead, yes.

Motion passed.

President of Council declared Ord. No. 5068 passed as read.

Councilman Mead introduced legislation making supplemental appropriations. He explained that the appropriations were needed in order to pay off the sewer bonds.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Councilman Jaehnig asked how much the city would be saving by paying off the bond.

President Kirchner said that the bond service payment amount was approximately \$270,000, and that would no longer be in the budget. He added that the rates had to be set in the past in order to keep a level of coverage of 1.1 minimum, \$27,000 in additional rates over operating costs and debt service.

Councilman Stuckert added that the money used for paying off the bond could not have been used for anything else.

President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5069 passed as read.

Councilman Mead said the third item on his agenda was the 2013 budget discussion. He asked President Kirchner to lead the discussion.

President Kirchner said that he had received an email from the Deputy Auditor indicating that a draft of the budget was prepared for review. Auditor David Hollingsworth said that he had it ready and explained the highlights of the changes. He explained that he had to adjust the savings for bond refinancing down to about half because they would not see the full savings in the first year. He said that Chief Andy Mason also adjusted his salaries down by about \$50,000 in the Fire Department. He said the Police Software was added back in for \$25,000. He said he also had another report that analysis the budget as of the end of November. He said the carryover balance was around \$2.8 or \$2.9. He said originally it was \$3.1, so it would be a little bit less now.

President Kirchner suggested council should take a look at the first draft. He said that council needed to digest the information and asked for a special council meeting on Monday, December 17. He asked if the budget included the changes into the Police and Fire pension payments as discussed in a prior meeting. Auditor David Hollingsworth said that it did. President Kirchner explained the details of the changes in the Police and Fire pension plan.

[Discussion of scheduling of special council meeting on December 17]

President Kirchner announced that the end-of-year special council meeting also needs to be scheduled. It was decided that the meeting would be held on Monday, December 31, at 7 a.m. Councilman Siebenaller said that he would most likely be out of town at that time.

Mayor Riley said that council gets one year of PERS service credit for every year that you are on council. He said that several years ago, council passed an ordinance that if State Public Employees Retirement System changed the regulation and upped the amount that you would have to receive to maintain that one year credit for one year end service, council would automatically be given a raise. He said at the beginning of 2014, council salaries would automatically go up because of changes in PERS.

President Kirchner said that would be a matter for the budgeting season next fall.

Councilman McKay said that you could not vote on a raise during the year after you are reelected. President Kirchner said that you cannot, by law, vote on a raise that would occur inside your term. President Kirchner said that since the employees have not had a raise in a long time and the city is in a deficit situation, council should take action to avoid the raises going into effect. The other council members stated agreement.

Mayor Riley said that he thought it would be good if they deferred the increase.

[Discussion rescinding legislation to automatically raise council salaries]

Councilman Mead said he had nothing further in Finance.

Water Committee - Chairperson Wallace had no report but said they had a Water Committee meeting in the past week. He said they talked about finding ways to sell

water in business development and discussed the strains currently on the Water Department. He said it was a good fact-finding meeting.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells had no report.

Wastewater/Sewer Committee - Chairperson Stuckert said they had no legislation but they had a meeting that he wanted to report on. He explained that there were automatic rate increases that were scheduled to take effect, which have been deferred for the past several years. He said with the retirement of the bonds and the financial condition of Wastewater, the committee wishes to abolish the automatic increases. He said they would be working on putting together the legislation before the end of the year. He said that they would be evaluating the current rates as well.

Law Director Shidaker asked when the next Wastewater Committee meeting would be scheduled.

[Discussion of scheduling of Wastewater Committee]

President Kirchner suggested that Wastewater Committee meet prior to special council on December 17.

Judiciary Committee - Chairperson Stuckert said that he had a few items on the agenda. He asked Marque Jones to present information on the Central Collection Agency Income Tax Collection resolution.

Marque Jones: Said that the Central Collection Agency of Cleveland collects income tax for the City of Cleveland. He said that we could contract with them to collect delinquent taxes for the city. He said the fee was not to go past 5%, but in other places it had been more around 2%. He added that if they do not collect anything, then the city does not pay anything.

Councilman Stuckert clarified that the collection agency can identify people that live in the city that we are not aware of who are not paying their city income tax.

Marque Jones stated that the Central Collection Agency of Cleveland is on contract with the State of Ohio and can access better records than are available for a city the size of Wilmington. He said he thought it could be a good deal for the city.

A motion was made by Stuckert and seconded by McKay to give the first reading only on A Resolution in Support of a Program with the Central Collection Agency (CCA) of Cleveland for Income Tax Collection and to Authorize the Mayor to Enter into a Contract with CCA.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Councilman Stuckert said that Clinton County Regional Planning had recently been in negotiations with the County. He explained that since the City of Wilmington also is part of that regional agreement, the city needs to take action to become part of the new agreement. Nothing has been changed in terms of the contract between the City of Wilmington and Clinton County Regional Planning.

A motion was made by Stuckert and seconded by Jaehnig to give the first reading only on a resolution Authorizing the Mayor to Enter into and Execute a Certain Resolution of the Clinton County Board of Commissioners Regarding the Clinton County Regional Planning Commission and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.
Motion passed.
Director of Law read resolution by title only.

Stuckert requested that the second reading be on the Agenda for the next meeting.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay said that the former News Journal building was supposed to sell, but they did not have enough competitive bidders to put the building for sale. He also announced that the employees of Waring Office Supplies have come together to keep that business open.

President Kirchner complimented Councilman Jaehnig and other downtown members on another successful Holidazzle celebration.

Parks and Recreation Committee – Chairperson Jaehnig said that the Parks had an incredible Turkey Trot over Thanksgiving, with the largest turnout ever. He said they would be scheduling tournaments. They also would be starting an online system for reserving shelter houses starting January 1.

President Kirchner asked if any other information had come forward on the definition of a swimming pool that would exclude the city parks pond.

Law Director Shidaker said to let him know when the next Judiciary Committee meeting was and he would put something together that excludes the pond from the definition.

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

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

Safety Director – Safety Director Russ Burton had no report.

Reports

A motion was made by Wells and seconded by Mead that the Income Tax Report – November 2012 be accepted as presented.

Motion passed.

Reports accepted as presented.

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

Councilman Jaehnig said thank you to the Eric Heeg and the Wilmington High School FFA for helping get the parade lined up during the Holidazzle celebration. He also announced that ATI, a division of ATSG, would be moving to Wilmington and would be bringing new jobs – 80 to start.

President Kirchner asked if anyone else wished to address council while in session.

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Monday, December 17, 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.

President Kirchner said expressed that thoughts and prayers go to the victims and families of the Newtown tragedy.

Finance Committee - Chairperson Mead said that it was getting late in the year and business needed to be conducted. He said he wanted to throw a rock into the hornets' nest and asked for the first reading of the budget that was presented by the mayor and created by the Auditor.

A motion was made by Mead and seconded by Jaehnig to give the first reading only on the ordinance Making Appropriations for Current Expenses and Other Expenses and Other Expenditures of the City of Wilmington, Ohio, During the Fiscal year ending December 31, 2013.

President asked for discussion.

Councilman Wells asked for the differences what the differences were between the current version and previous budget.

Auditor David Hollingsworth explained that this budget worksheet was based on numbers through November 30. Changes included: Fire reduced budget by \$50,000 by reducing overtime from 10% to 8%, which reduced associated pension, Medicare and Worker's Comp. Cruiser was put back in and \$25,000 added in IT line.

Councilman Wells asked what the total expenditures were. Auditor David Hollingsworth said the total was \$8.419 million. He pointed out that the cash balance is now slightly below 25% - \$2.8-\$2.9 million would be the estimated cash balance at the end of the 2012. He added that the city has not yet received the CAT tax for 2012.

Councilman Jaehnig expressed that everyone agrees that we have to work toward a balanced budget. He said that one very positive thing that council had done was move forward to having the audit done by the State Auditor's Office to look for best practices. He stated that the mayor made a promise at the end of 2011 that the budget that we started 2012 year would not be the one that we ended with and believed the mayor was a man of his word. He said that council and department heads need to continue to work together to look for savings.

Mayor Riley the city will implement any changes identified by the State Auditor's Office analysis as soon as they are feasible.

[Discussion of details of worksheet presented]

Councilman Jaehnig asked if the new hiring to be done at the JUMP hangar or any other potential job creation upcoming in the next year had been calculated into the estimated income tax revenue. Paul Fear said they were not.

Councilman Siebenaller said his concerns included that the budget was now below the 25% mark, we had moved insurance costs (which did reduce the General Fund but are still monies being spent), and there is a one-time inheritance tax padding the carryover. He said he was worried that the carryover would be further reduced by the end of the year.

Auditor David Hollingsworth stated that the carryover has been a concern for 25 years. He said that the cost allocation was looked at when Mayor Eveland was in office. He said the reason it was not done in the past was simply because there was enough cushion

in the General Fund to absorb those costs and it protected our debt coverage. He added that it didn't make sense to burden the General Fund, given the current situation with expenses from another department. He explained that it was not something funny that was done to try to balance the budget; it should have been done a long time ago. He added that there would be a small amount of inheritance tax in 2013 but not very much. He said it is always difficult to estimate revenue streams.

Councilman Jaehnig said that even if you take the inheritance tax out, we are still at a \$900,000 improvement in the upcoming year. He said that we are starting to see positive things happen in the community and thought that it would continue to get better. He added that council members are not the experts at budget, but we just decided to spend \$86,000 to bring experts in to do an audit. He stated that there is a lot of interest in the community from businesses right now...many deals seem to be on the verge. He said that he thought it was important to work together right now. He said that if prospective business owners see a council that cannot work together, it will deter them from coming to Wilmington. He said that everyone got a copy of a note from a concerned citizen this week who expressed frustration at council not working well together. He said he took what she said to heart. He added further that he was not originally from Wilmington and it has taken him a while to see what it means to work in a Quaker community. He said more often than not everything works better if everyone is trying to find that middle ground. He added that he wanted to see a balanced budget also but wanted to be cautious to make sure that we are not cutting our future out from under us.

Councilman Stuckert said he understood that council members are not the professionals, but he said that council members are the ones responsible. He said he did not understand how a 12-month budget was better than moving cautiously with a three-month budget. He said that even though it was little extra work, he thought it was more responsible and it was a middle ground. He added that in the past the council did pass a three-month budget, and he would feel more confident if council moved forward slowly and took everything one step at a time.

Councilman Jaehnig said that he respected Councilman Stuckert's viewpoint, but the three-month budget was more than a little extra work, it is a great deal of extra work. He said that the problem is what is not getting done while all of the work is being poured into a three-month budget. He said that there are many things that council wasn't working on because they were solely focused on the budget. He said that if the administration and department heads are continually having to write new budgets, they will not have the time to focus on simple cost cutting.

Auditor David Hollingsworth said in the last 25 years, a three-month budget has never been done.

President Kirchner said that council needed to consider the cost allocation closely. He said the money had not been cut out of the city's budget, it had just been moved to a place where people have no chance to vote on whether they want the increases that will be caused by the allocation.

Councilman Jaehnig said that if a utility department cannot run on the money that it earns, then it is not operating efficiently. If we are subsidizing the utilities with General Fund monies in order to make their budgets balance, then we are hiding the fact that they are not operating efficiently. He said the enterprise funds should have to pay their own way.

President Kirchner said the State Auditor's audit would determine that. He said moving costs into them at this point was just a grab for revenue. He said it was not a cut in the budget. He said we still have the same structure of government – the same number of people.

Councilman Jaehnig said we do not have the same number of people; we have substantially reduced the number of employees. President Kirchner said he was not correct.

Councilman Wells asked if the Water Department was already in trouble. President Kirchner said that according to the meetings they have had, they are expected to operate at around \$100,000 loss. He said that next year they plan on operating at just over \$400,000 loss, and the cost allocation will just cause the city to have to raise rates even more. He added that on further analysis, another \$205,000 of the reduction is actually the Tier II grant. He said that it also does not reduce the structure of the city. He said that council should have been involved in the analysis of the budget at a much earlier point. He said the process was delayed and said the mayor should have engaged in the committee meetings so that council members could look at the individual budgets. He said council needed to make up their mind whether cost allocation was a way forward or whether more work needed to be done on the budget.

[Discussion about three-month budget versus 12-month budget]

President Kirchner said that council had serious decisions that they needed to make when during the insurance renewal that was coming up in the first quarter to see if they could improve that process.

Auditor David Hollingsworth asked who was going to prepare the three-month budget.

President Kirchner said if needed, he could prepare it.

Councilman Stuckert said that the majority of the lines would be the same.

President Kirchner said that in the first three months of 2013, in the salary and benefit line items, you would only spend three months' worth. He said there were other lines such as the bond payments, the Honeywell notes, and certain contracts that might come due. He said there would be a relatively small amount of line items that would not be just a 25% multiplier.

Councilman Jaehnig said that the Auditor's explanation was not that simple. He said it would be more complicated. He said you would have to go back to each department head and ask them to go through the work of determining which of the items are paid in the first quarter. He said that not even the Auditor could go home and sit by his computer and figure it out all by himself.

Councilman Mead asked to move forward on the vote.

Seeing no more discussion, President called for roll call vote.

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

Motion failed.

President Kirchner said that indicated that a majority of council does not agree with the budget as it currently exists.

Councilman Mead said the next step would be the presentation of an alternate budget. He said he did not know when that would happen. He said they accomplished one step, now they would have to move forward to the next.

Paul Fear asked if they did not have anything approved, would they just tell people not to come to work on January 2. Councilman Mead said they have not reached that point yet. Paul Fear said that without a budget, that is what would happen. He said that they would not be signing checks for anyone without a budget.

President Kirchner said it was critical that administration and council work closely on a compromise that would provide the opportunity for the city to move forward.

Councilman Jaehnig said that he would be willing to look at a six-month budget, but a three-month budget was not going to be helpful. He explained that the benefit numbers would not be available in time.

President Kirchner said that the benefit numbers would be in before April 1. He said the numbers should be known by March.

Councilman Siebenaller asked if a three-month budget was passed, then would a budget be passed for the remainder of the year so that department heads were constantly having to put together new budgets all year. President Kirchner said that he thought the amended certificate would need to be filed by April 15. He said past that point, you could not make any new budgets. Paul Fear said the other way to do it is to pass a full 12-month budget and then make changes to it before the time of the amended certificate. He said that was easier and more efficient.

Service Director Reinsmith asked if a three-month budget was certified to the county and something comes up that was not anticipated, do you have to go back to the Budget Commission every time. Auditor David Hollingsworth said that is what would have to be done. Each additional appropriation would require a meeting with the Budget Commission.

Councilman Wallace said that he thought council would pass a 12-month budget and then a committee would start at the beginning of the year evaluating how the budget was going and whether they needed to institute more cost-savings measures. He said he thought they would do that in conjunction with the State Auditor's recommendations. Mayor Riley said that is exactly how it should be working. He said they should work throughout the year on the budget. He said that President Kirchner's proposal that he could prepare the three-month budget was inappropriate. He explained that nowhere in the Ohio Revised Code does the President of Council have the authority or responsibility to prepare the budget. He said that was strictly under the Auditor's duties. He further noted that David Hollingsworth has been doing it effectively for 25 years. He said he appreciated the good job he does and said the budget presented was a good budget.

Auditor David Hollingsworth asked if the upcoming health insurance renewal was the big issue. Councilman Mead said the issue was that some of the council members wanted to be closer to a balanced budget. He said they would be willing to pass a 12-month balanced budget and then work on it.

Mayor Riley said that if they balanced to revenue right now, it would necessitate making huge cuts, probably in safety services, as they are the biggest outlay in the budget. He said if we budget to revenue, then we need to make cuts immediately to make that happen. He said that would also give a projected carryover of around 35-40%. He added that would be money that the citizens have paid for services that we are denying them because we are balancing to revenue, not to the funds that we have available to provide those services. He said that he thought that we had done a good job this year with the budget and anticipated next years would be even better.

Councilman Mead said that he does not see any progress, any compromise, or any good honest discussions. He said all he sees is "here is the budget; take it or leave it." He said that everyone has different opinions. Councilman Jaehnig said that the administration did save the city \$900,000 this year. Councilman Mead said that was good. Councilman Jaehnig said that the administration is obviously listening to what council wants and is moving in the direction that council wants them to move in. He said that he thought that was compromising and working together. He said that everyone together had put in ideas and done things that caused those savings. He said he was confused why we were at a point where it sounded like we did not trust each other.

Councilman Stuckert asked if there had ever been a time in the past where the administration did not say that they had cut the budget. Councilman Jaehnig said that three years ago they came in over budget.

Councilman Stuckert said that the point was that council needed to become more firm and more involved. He said he thinks that there was a benefit for them becoming more involved – not doing the duties of the Auditor or the Mayor but being more knowledgeable. He said that those that felt that way were a majority of council. He said it amazes him that the majority was not going to get their way. He said there should be

compromise – that they should go back to the drawing board and create a three-month budget. He said there was no need to argue every point. He said that nothing that was going to be said was going to change his mind. His mind was formed a long time ago.

Councilman Jaehnig said that he remembered Councilman Stuckert talking with passion last year about the Skinny Ohio program. He said that the mayor back in July approached the Auditor of State about pursuing that program. He continued that the program could have been up and running before this January, but it was not brought to committee to be voted on or approved until very recently. He said that was an example of something that Councilman Stuckert had brought forward that the mayor had followed up on and made happen. Councilman Stuckert said that was due diligence.

Councilman Jaehnig said his concern was that the mayor brought the program to the President's attention in July but council did not see it until the end of November. Councilman Stuckert said that he assumed that happened because the president was doing due diligence. President Kirchner said that it did not come to him in July. He corrected Councilman Jaehnig and said that the State Auditor contacted the mayor; not the other way around. He said he did not receive it until the end of the October. He said he got a letter in the mail from the mayor. He said that the responsibility was for the mayor to work with council at the beginning of the year. He said that he typed the entire budget into a spreadsheet.

[Detailed discussion of various columns in the budget]

President Kirchner said that based on his calculations, the city did not spend \$900,000 less in 2012, they only spent \$400,000.

Councilman Wallace said that he hears the term compromise used a lot but he did not hear actual compromise in anyone's talk. He said four of the council members plus the president were saying that it was three months or nothing.

[Discussion of three-month versus six-month budgets]

Auditor David Hollingsworth said that he did not think they could do a six-month budget. Councilman Jaehnig wanted to know if there was a legal process that would force council to revisit a 12-month budget in April.

President Kirchner said that they could vote to reverse appropriate. President Kirchner asked why it wouldn't work to have a three-month budget and then give council the time to work on the deficit items. Auditor David Hollingsworth explained that it was the additional work and it was inconsiderate of everyone's time. He said that he thought maybe there was a misconception that he works at the city full time. He said he is a full-time practicing CPA and they are about to go into tax season. He said that the City Auditor's office is also one person short. Mary Kay is doing payroll, working on the official statement for a bond issue, and at the end of the year they will have State Auditors walking in the front year to get the year-end gap conversion ready. He said that the council members have no clue about how much time that takes. He said that logically to him they should pass a 12-month budget. He said that he thought that council had something in mind that they want to change other than the health insurance package. He said if it is the health insurance package, just make a reverse appropriation at the beginning of the year.

President Kirchner said they could do that or they could just appropriate three months of the contract. Auditor David Hollingsworth explained again that it is the problem of going through all of those contracts and figuring out how each one should be appropriated. He said the payroll also depends on how many pay periods fall in a month. He said it is more complicated. He also mentioned that Scott complained about not having the budget information sooner. He said that it would have been difficult for them to talk about the budget in June, with numbers from just six months. He said that it sounded like the council people didn't trust the numbers from the people in the administration that do it full time. He said if council members want to get more

involved, there is a conference room in the Auditor's office and they could sit in there and pour over the numbers all day long if they wanted to.

Mayor Riley pointed out they the council does get a report from the Auditor and Treasurer every month that outlines how money is being spent. He said that those reports are passed each month without anyone talking about them at all. He suggested they talk about the figures then because it is an ongoing reflection of how funds are being spent in the city. He said that could be the time when council works with the Auditor and the Deputy Auditor and asks questions about city finances.

Councilman Stuckert said that what the mayor is missing is that the reality is that with the revenues that they have, there will come a day when the city will have to have a restructuring. He said the entire organization of the city needs to be different. He said that they have not seen any move toward that restructuring. He added that some of the council members had brought forth a restructuring program earlier in the year and the entire place blew up. He said that they were told that they were unreasonable. He said that maybe they were unreasonable, but he knows that the city needs to be restructured. He said that what the majority of the council members are looking for is the plan that is going to restructure the organization of the city.

Auditor David Hollingsworth said he thought the Audit would do that. He said that he did not think there was anyone up on council who was qualified to evaluate the city to determine what people are needed or how different functions within the city could be restructured. He said no one sitting on council really has the time to do that. He said he believes the plan is having the State Auditor come in to help the city restructure.

Councilman Stuckert maintained that those things need to be talked about. He said the three-month budget is not unreasonable. He said there are cities that are doing it.

Auditor David Hollingsworth said he was not sure what the three-month budget would accomplish. Councilman Stuckert said he just wanted to move more slowly. Auditor David Hollingsworth explained that they would not have all of the information that they think they need in three months. Councilman Stuckert said they would have some more information from the Auditor of State and they would be able to look at the insurance premiums. Auditor David Hollingsworth said that you can make those adjustments after a full budget is passed. There is nothing about a 12-month budget that stops you from making adjustments.

Councilman Siebenaller said that council got the budget in November and they have already seen the carryover number come down. He said it is now below 25%. He said the mayor mentioned that if they would budget to revenue, they would have a 30-40% carryover, but that would require restructuring. He said the thing that he has been trying to wrap his head around since the beginning of November, the employees haven't had raises, the city has not been paid, and we have capital expenses coming up in the fire department and the police department that need to be taken care of. He said that until we get to a balanced budget, those are things that are going to keep getting put off. He said that he was hoping that the 25% mark would be there so that we can start doing those things that are necessary down the road. He said that he hoped the audit would help. He said that it wasn't a lack of appreciation for the effort that went into the budget that caused him to vote no on it. He said that he just wants to see what we can do and what compromises we can come to in order start getting closer to the balanced budget.

Paul Fear said that for six weeks, council has had the budget, but now they want to see alternatives. He asked if they had suggestions to cut the budget or are they just waiting for Scott Kirchner to give them to them. He said that everyone was saying that they want modifications. Well, then they should make some suggestions. They are just numbers on paper. They can move things around if they want. He suggested they cut the taxi department or lay off policemen or lay off fireman. He asked where they thought they could cut and pointed out that council members had not offered an alternative. He said he offered a suggestion six months ago to institute a licensing tax on games of skill but can't get it to come out of Judiciary Committee because they are waiting for the state legislature to do something about it. He said that the city has lost \$18,000 already this

year because council will not bring it out of committee. He said that there are casino funds that are possibly available and is hoping that the city could get some of that. He said that there are alternatives available and suggested that council could be more specific about what they wanted rather than just say what was presented was not right.

Councilman Stuckert said that the council members were the only ones that came up with any proposal this year for restructuring. He said that what they came up with was vetoed.

Paul Fear said that they needed an HR position. He asked if any of the council members had put pencil on the budget and had proposals to change numbers.

President Kirchner said that he had received calls from members of council asking if what they were understanding was going on with the budget matched what he thought the numbers meant.

Auditor David Hollingsworth said he thought it was interesting that no one had called him.

President Kirchner said that he had asked for a budget in mid-October and did not hear a response.

Auditor David Hollingsworth said that President Kirchner had no clue about the process. He explained that he does not create the budget; he needs to wait until the figures are ready from the department heads. He said that President Kirchner was insinuating that he did not provide him with something that he asked for.

President Kirchner said that he had requested an electronic copy but he had to type it all in himself. President Kirchner complained about the budget process – that he did not get the information soon enough, that it was in a format that the council members were not used to seeing, that they did not hold individual committee meetings to discuss the departmental budgets.

Auditor David Hollingsworth said that he did not have to prepare the worksheets for council that he had. He said that he was trying to be helpful so that council could understand municipal finance. He pointed out that there were 30 different funds, many of which are interrelated. He said that President Kirchner acts like he has a handle on everything, but he really does not understand.

President Kirchner said that he was just saying that they did not receive the information as early as was expected. He said also that initially it was presented as if there were a million dollars of cuts, but that just turned out to be cost allocation.

Mayor Riley said he wanted to point out that he put together a Blue Ribbon Panel of past officials with a great deal of experience in City Government. He said they put together recommendations for the council in terms of how to best manage the city and they were ignored. He said when they say they have not done things, it is not true. He said that what they have done and what they have put together was rejected by the council. He said there are many municipalities that are going through the same thing as the City of Wilmington and they are all handling it in much the same way – lamenting the loss of the Local Government Fund, making cuts, hiring freezes. He said we are all in the same fix. He said that none of them are mentioning a three-month budget or just trying to get the year started and work on another budget. He said Auditor David Hollingsworth was right. He said at the first of the year, the Auditor was not going to have the time to put a new budget together. He said several of them are looking at income taxes or property taxes, but the City of Wilmington is not talking about that. He said he did not think that was something we wanted to look at. He said when he talks about increasing revenues, he talks about economic development and bringing in more jobs. He said that he did not understand how if we budgeted to expenses and cut the services to the citizens we could then discuss giving raises to the employees.

Councilman Siebenaller said that he did not mean to insinuate that if we budgeted to revenue we would immediately give raises to the employees, but he thought if they city restructured to meet revenue, that would hopefully put them in a position to start to make plans to do it in the future.

Mayor Riley said that he would love to be able to give all of the employees in the City of Wilmington a raise because it had been five years since they had a raise. He said they have been very dedicated and loyal to the city. He said that hopefully with some of the developments coming in, we would have some increase in the revenues. He said the budget is a fluid document and if we have increased revenues this year, those will go to the General Fund. He said it would change throughout the year. He said that if in the future if everything falls apart, then we would have to make very serious cuts. He explained that we are doing it in the same way that other cities in the Miami Valley are doing it. He said the bottom line was to continue to provide services to the city residents. The City of Wilmington is a service organization.

Councilman Wells said he did not understand why the Mayor publicly attacked him in the newspaper. He said that Randy mentioned a group that historically had a mistrust of government. He said he never voted for a three-month budget. He said he did not understand why the mayor would attack the council in a weekly column when he should have been talking about Santa Claus and things like that.

Mayor Riley said that sometimes you have to say what is on your mind. He said he is the mayor of the city and he had to be honest, straightforward and transparent. He said that is why he was elected mayor. He said before he was elected mayor, he was asked to make a pledge to balance to revenue in the first year and he refused to make that pledge. He said if Councilman Wells would recall, they were sitting around his kitchen table when he refused to make that promise. He said the only thing that he promised was that sometime in the next 12 months, he and President Kirchner would butt heads. He said that promise he kept. He said that the only promise that he will make is that he will work his butt off to provide services to the people of the city and he will work to increase revenue.

Councilman Wells said he had never voted for a three-month budget and did not think the mayor should have talked about him in the paper.

Mayor Riley said that there were people on the panel that were interested in a three-month budget and that he did not mention any names. He applauded David and Mary Kay on how hard they worked on the 12-month budget. He said they needed to pass the budget so they had something to start the year with.

Councilman Mead said the three-month budget came up as an attempt to compromise and to say that we don't agree with the total budget; we'll give you the first three months and then we'll talk about it. He said if they could have the budget that they would like to see, they would not need a three-month budget.

Paul Fear said that the mayor's quote in the paper mentioned a group of people that were interested in a three-month budget. He explained that was actually President Kirchner's quote at a previous council meeting where he said that there was a group of people on council who had approached him about a three-month budget. President Kirchner said that it had been brought up to him the year before. Paul Fear said that Don was offended by a comment that Scott had made that the mayor quoted. He said Don should go back to Scott if he was offended.

Mayor Riley said he liked the idea of passing the budget and then working on it all year long. He said cost allocation was a process done in governments all of the time and sometimes companies are hired to help with cost allocation.

Councilman Mead said the problem was not if it was a good thing or a bad thing. He said the problem was it was just moving money – not cutting money.

Councilman McKay said he thought that the discussion should be ended. He said he was in favor of passing the budget as presented with a hard and fast promise that in three months council would look carefully at it again. He said that the members of council who are against it have the votes and could do anything they want in three months. He said that he thought the mayor's budget was pretty good. He said he did not think that council should bring the city to its knees talking about things that had happened in the past. He said compromise is a great thing, but they didn't seem to be talking about anything they could compromise on at this point.

President Kirchner said that having been a member of council and in the audience for 12 years, business as usual is not what the city needs. He said that is what got them to deficit budgets. He said they need to be more responsible. He said he thought they could get closer to balancing to revenue. He said cost allocation is a hidden tax.

Mayor Riley said it was not a hidden tax unless you raise the rates on water, sewer or trash and no one had proposed that.

President Kirchner said in the meetings where the Water Department said they are operating at a \$400,000 loss for next year, he was curious how long the mayor would operate at those losses without raising rates. He said it was irresponsible because there is a million dollars of maintenance that needs to be done two water towers in the next two years. He said the money being taken out of the department in order to pay administration costs could be used for upkeep of the infrastructure. He said that if a rate increase is not being proposed, then the mayor is not watching the numbers.

Councilman Wells said that the proposed Polaris group would have \$2.6 million in payroll. He said that is only \$26,000 in city income tax. He said looking down the future we would have to have a lot of jobs in order to make up the money difference.

Councilman Jaehnig said that with the exception of Councilman Siebenaller, council and the president do almost nothing to promote jobs.

[Multiple speakers]

President Kirchner gaveled the meeting back to order.

Service Director Reinsmith said that it was more than the payroll taxes that you need to look at when a company comes in. They will shop here, live here, people will spend more money. He said you need to look at the positives.

Mayor Riley said that when he sees the \$26,000 from Polaris, he thinks that might be money for a cruiser or something else we have not been able to do.

Councilman Wells said that he is just trying to be honest about the situation. He is grateful for every job that comes to the city.

Mayor Riley said that a few years ago Mayor Raizk had to implement layoffs within the fire department. He said there has been a hiring freeze for five years. He said that Denny is less than bare bones in his department. We haven't paved city streets – we're patching holes. He asked Denny the last time he had this few of employees. Denny Gherman replied that never in the history of the department had he had so few employees. He said that they would only have three people per shift plowing snow.

Mayor Riley reiterated that he thought they should talk more in council about the budget during each council meeting when the Auditor-Treasurer reports are presented. He said he thought that was the perfect time to go over those numbers.

Councilman Stuckert pointed out that the real difference between some members of council and the mayor is that he said that with the extra \$26,000, he would buy a cruiser. He said they see it as \$26,000 closer to balancing revenue to expenses. He said there was a tendency in government to see new revenue as new things. He also said that he works on economic development issues, he just doesn't talk about it. He said that Councilman

Jaehnig should not make it sound like he carries more buckets than anyone else. Everyone is in it together.

Councilman Jaehnig said he did not mean to imply that. He said his concern was that there are things that council could be doing to promote jobs and we should put the effort into that. He said that he didn't feel like his number one job is to balance the budget. He said that his number one responsibility is to bring jobs into the community. He said the only way to solve their issues without tax increases is to bring in more jobs. He said he would like to see additional effort put into that – not just cut, cut, cut, cut.

Councilman Stuckert said the two are not connected at all – cuts at the city and creating jobs. He said his number one job on council is to make sure the city lives within its means. He said that government does not create jobs. It's businesses that create jobs. He said that those companies that come in will look to see if the city is running in the red. He said we have to be financially sound to be attractive to new businesses. When the businesses come, they will generate more revenue, but no taxes should be raised on the citizens while they are hurting financially right now. He said they should burn the midnight oil to figure out how to run the city more efficiently.

Councilman Wells said that Councilman Jaehnig was on the payroll to look for jobs and increase jobs. He said that is what he does for a living. He said that makes Councilman Jaehnig more involved in searching for jobs. Councilman Jaehnig said that is not what he does for a living.

Councilman McKay said that the person with the toughest job in the room was Lora Abernathy, who had to write the story for the News Journal, who has to make it sound like the council members half-way have their wits about them so that folks will be interested in coming to the fine city that they all know we have.

President Kirchner said he thought that was the end of the discussion.

Councilman Siebenaller asked if they should discuss how they should move forward.

President Kirchner said there is obviously a disconnect over the budget. He said he did not know if the mayor was willing to rework it and bring it back or meet more to work on it.

Mayor Riley said he would refer to the Auditor because he was the one who puts the budget packet together.

Auditor David Hollingsworth said he frankly did not have the time to rework the budget again between now and the first of April.

President Kirchner said they should give it some thought and come back with ideas on Thursday night at the regular council meeting. He said the city needs a budget.

A motion was made by McKay to adjourn.
President of Council declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met on Thursday, December 20, 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.

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 - President Kirchner asked for approval of minutes.

A motion was made by Wells and seconded by Stuckert to approve the minutes of the last special meeting, November 17, as amended.

Motion passed.

Minutes approved as amended.

Mayor - Mayor Riley had no report.

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

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

Finance Committee - Chairperson Mead introduced legislation making miscellaneous transfers. He asked if clarification was necessary.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Miscellaneous Transfers.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Ord. No. 5070 passed as read.

Councilman Mead introduced legislation making supplemental appropriations and asked if there were questions.

Paul Hunter reminded council that it was not required that the Convention and Visitors' Bureau receive the Hotel Lodging Tax. He said the funds could be diverted elsewhere or retained by the city.

A motion was made by Mead and seconded by Siebenaller to give the first reading only on the ordinance Making Supplemental Appropriations.

President asked for discussion.

Councilman Mead asked if there was a reason why the hotel lodging tax went to the Visitors' Bureau.

Councilman Jaehnig said that it was originally set up that way.

Councilman Wallace said that we have an agreement with them. Councilman McKay said all but a portion goes to them. Councilman Jaehnig stated that there was a 10% handling fee.

Mayor Riley said the ordinance was a little vague if you read it. He said there may be some wiggle room in it and has asked the Law Director to look at it to see if there are any options of other things that could be done with those funds. He added that traditionally we are strictly a pass-through for the funds, which go to the Convention and Visitors' Bureau in order to increase tourism.

Brian Shidaker said he was going to review and issue a legal opinion.

Councilman Wallace said that he sits on the Convention and Visitors' Bureau Board as the representative from City Council. He said that he believes they do at least that amount of good for the City of Wilmington in terms of creating revenue and interest in the City. He further explained that they create their budget based on the yearly amount they receive from the city.

Paul Hunter offered that there are organizations other than the Visitors' Bureau that create hospitality business in the community. He said the City Parks brings in a lot of tourism, and they are operating on a shoestring. He suggested it was something council think about.

Councilman Wallace replied that the CCCVB works with the local businesses to generate interest in the community.

David Hockaday explained that historically there had been one deviation when the city used some of the money to plant the trees along Rombach Avenue to create an enhancement for that area.

Seeing no more discussion, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by Siebenaller to pass the ordinance as read.

Roll call: Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes.

Motion passed.

President of Council declared Ord. No. 5071 passed as read.

Councilman Mead said that they had received additional information from the administration and the Auditor regarding the 2013 budget. He said at this point, he did not feel that the committee was ready to take any action without further discussion.

Mayor Riley said that there had been a lot of discussion in the past two months. He said the first budget presented on November 1 offered a little over 25% carryover, which had been unanimously asked for by council. He said he was very pleased with the work of the Auditor and Deputy Auditor to provide a budget that completed that task. He said that we had spent numerous hours and Saturday mornings talking to the department heads and going through the budget line by line to explain what that budget is. He further said that after the last budget meeting, David, Mary Kay, Brenda and Paul Fear sat down and made cuts plus looked for justifiable increases in revenues. He explained that Marque Jones has agreed that rather than having a \$4 million income tax revenue, we could anticipate a \$4,050,000 revenue based on current statistics. He said there were several increases in revenue. He explained that they have cut expenses significantly. He

said he did not see a need to go through it line item by line item again. He said the revenue projection was \$7,866,868. He said they trimmed the expenditures to \$7,761,340. He said they balanced to revenue with an excess and will have about a 35% carryover. He said he would like to pass the budget tonight.

Councilman Mead said that they needed some time to digest it and then they could have a special meeting to talk about it.

Mayor Riley suggested that they make a motion and a second to vote on it tonight.

Councilman Wells said that he feels uneasy voting for something that he has not had time to review.

Mayor Riley explained that there were only a handful of items that changed.

A motion was made by Wallace and seconded by McKay to give the first reading only on the ordinance Making Appropriations for Current Expenses and other Expenses and Other Expenditures of the City of Wilmington, Ohio.

President asked for discussion.

Councilman Mead reiterated that he thought it was premature to vote on it tonight.

Councilman Siebenaller said that he has the concerns as mentioned before in the Finance Committee meeting about the Water Department and the costs that are going there. He said that Chairman Wallace announced that they would be looking at that after the first of the year based on updated information. He said that he thought an 18-month insurance cycle to get the insurance plan in line with the budgeting process was very important. He said that he was looking at a 2014 budget that was budgeted to revenue and was surprised to see the one that was placed in front of them. He added that a 12-month budget with the reduced expenditures is something he would support.

Councilman Stuckert said that the information looked very good but he needed to verify the figures. He said that he would not be in favor of acting on it tonight.

Mayor Riley said that the Auditor and the Treasurer, who are the finance experts in the city, have done all of the verification.

Paul Fear said that in Finance Committee they went through item by item the six categories of revenue increases and no one appeared to have a question. He said that they increased the income tax from \$4 million to \$4,050,000. He explained that there would be additions to interest income because of investing. He said they backed out the new hire salaries for the Police and Fire, including benefits. He said they backed out a cruiser, which they talked about putting back in as they get additional revenues for the year. He said they added \$75,000 as a refund from MVRMA. He said he would be happy to answer any specific questions.

Councilman Stuckert said he needed time to look at it to see if he had any specific questions. He said that he was pushing back because he did not think it was appropriate to ask them to vote on such an important piece of legislation without ample time to review the changes that were made. He said they feel good about the budget document, but the push to vote on it was making him uneasy. He said that he needed more time.

Councilman Wells said that a line was added for the gaming revenue but it had not been passed yet. He said that if the state passes proposed legislation on the games of skill, it will reduce the payout. He said he thought it would put them out of the business if the city institutes a tax on their business.

Paul Fear said that it went to Judiciary Committee in July and it was still stuck in committee. He said that the state legislation was not planning on taking money away from communities that already had ordinances in place. He said that the delay is costing the city money.

Mayor Riley said that in speaking with the owner of Lucky You, it is clear that he has expected to pay for that from day one. He said they are amazed that we have not started instituting a charge for their games.

Councilman Siebenaller asked if we could do the first reading tonight and then do a second and third at special meetings after they have time to look over the budget.

President Kirchner said he would offer to council that he had put both budgets into spreadsheets for analysis. He said one of the concerns he had was that there are disparities between the numbers in the budget that was handed to the Finance Committee at 6:15 and the one that given out in council. He said there was a cost allocation item that did not appear in the worksheet. He said they should take some time and review the numbers and discover the mechanisms by which the administration was able to achieve the balanced budget.

Councilman McKay reminded the President of Council that he had called for the first reading.

Seeing no more discussion, President called for a roll call vote.

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

Motion passed

Director of Law read ordinance by title only.

Councilman Wallace asked that the second reading be done at the next special meeting of council.

[Discussion of the date and time of the next special council meeting]

A special meeting was called for Wednesday, December 26, at 5 p.m.

Water Committee - Chairperson Wallace had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Wells announced that Steve Taylor from Santech was in the audience and asked if he would like to speak.

Steve Taylor wished everyone Merry Christmas and Happy Holidays.

Wastewater/Sewer Committee - Chairperson Stuckert introduced an ordinance amending the Sewer Rates. He explained that they had paid off a bond, which was going to allow them to eliminate planned rate increases. He said that they had been postponed for several years. He said they would like to eliminate them altogether.

A motion was made by Stuckert and seconded by Wells to give the first reading only on the ordinance Amending Chapter 923, Sewer Rates, of the Codified Ordinances of the City of Wilmington and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Stuckert and seconded by Wells to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Siebenaller, yes; McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes;

Wallace, yes; Mead, yes.

Director of Law read the ordinance by title only.

A motion was made by Stuckert and seconded by McKay to pass the ordinance as read.

Roll call: McKay, yes; Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes.

Motion passed.

President of Council declared Ord. No. 5072 passed as read.

Judiciary Committee - Chairperson Stuckert said that he would like to have the second reading on a resolution in support of a contract with CCA for income tax collection services and authorizing the mayor to enter into that contract. He explained that it was aimed and people who live in the area who are not currently paying income tax.

A motion was made by Stuckert and seconded by Wells to give the second reading only on A Resolution in Support of a Program with the Central Collection Agency (CCA) of Cleveland for Income Tax Collection and to Authorize the Mayor to Enter into a Contract with CCA.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

Stuckert requested that the third reading be on the agenda for the next regular council meeting.

Councilman Stuckert said that his next item was the second reading on a resolution involving the amendments in the agreement with Clinton County Regional Planning Commission. He explained that it would not change the City's relationship with Regional Planning but it was necessary for the City to sign off on the agreement.

A motion was made by Stuckert and seconded by Wells to give the first reading only on a resolution Authorizing the Mayor to Enter Into and Execute a Certain Resolution of the Clinton County Board of Commissioners Regarding the Clinton County Regional Planning Commission and Declaring an Emergency.

President asked for discussion.

Seeing none, President called for vote.

Motion passed.

Director of Law read resolution by title only.

Stuckert requested that the third reading be on the agenda for the next regular council meeting.

Safety Committee - Chairperson Wells had no report.

Downtown Revitalization Committee - Chairperson McKay announced that there were four shopping days left until Christmas and hoped that people would do their shopping downtown.

Parks and Recreation Committee – Chairperson Jaehnig said that the Parks have been operating on a shoestring and he wanted to share the needs of the Parks for 2013. He said that Lori Williams provided him a list. The list included: \$1000 - Front basketball courts reseal and restripe; \$5000 – Center Basketball Court; \$2500 – David Williams concession stand repairs; Concrete in dugouts; \$6000 – Field excavation and drainage; \$12,000 – Two tennis courts redone; \$1750 - Ball diamond dirt needed; \$1500 – Horseshoe pit rehab; \$1000 – Horseshoe building; \$1800 - Sand and staining of the shelters; \$10,000 – New roof on shelter house; \$3500 – Stain and seal wooden playground; \$2800 – Sand for the volleyball courts; \$2000 - Rehab bridge; \$600 - Backstop for the rotary field (safety concern); \$4100 – Fence around the Kiwanis Field; \$3000 – Stone for the pond; \$4000 – Parking by the pond; \$8000 – Parking by the wooden playground; \$2000 - Galvin Park basketball court resurfacing; \$500 - Tie down fences; \$1200 - Plumbing issues in one of the original bathrooms. He said the Parks have great needs but have been doing great with the money they have. In the holiday spirit, maybe some groups or organizations who want to make the Parks their project for 2013 or maybe someone would want a tax deduction for 2012 and could make an end-of-the-year donation.

Councilman Stuckert added his endorsement and wanted the city to brainstorm and come up with some ideas. He said the Parks have led the way in showing how to do things on a cut budget. He said sweat equity needs to be considered to get some things done. He

said he believed the community could merge the funds from the levy that are used to pay for the park with the extra money donations in order to get things out in the park.

Paul Hunter said the Parks are doing their part by instituting pay to play in order to generate more funds. He said they are doing all they can do and that is why he mentioned the bed tax as a way to help them in their effort.

Councilman Stuckert said that the mayor rightfully pointed out that the parks are a money-maker for a municipality. He said in order for them to be successful, they need the money to maintain first-class nature of the facilities.

Councilman McKay said that Parks are one of the first things a company looks to when they are looking at quality of life issues. He asked how he would make a tax deductible donation.

Lori Williams explained that the Parks and Recreation Organization is a qualified tax deductible organization. She said that donations could be made to the City of Wilmington Parks Department.

Councilman Wallace reiterated that the CCCVB helps to raise more money for the local businesses than \$14,000. He said he did not want to lose sight of what the organization does for the city. He also said that he believe his family would like to take on one of the needed projects out at the Parks.

Councilman Jaehnig clarified that the money that was going to the CCCVB was not found money, it was earned through a lot of hard work in attracting entities into the area. He said that the amount differed from the budgeted amount for 2012 because they did a very good job of attracting additional tourism. Paul Hunter said that part of it was because of one of the hotels paying some back taxes. Councilman Jaehnig said that he appreciated Mr. Hunter's passion and did not disagree with him, but he wanted to make sure the statements being made were fair.

Mayor Riley said that he served on the CCCVB Board in the past and they do wonderful job promoting Clinton County and Wilmington. He said that one of the things that people tend to want to do when things are economically difficult is make sure their children participate in athletic programs. He said he would be willing to meet with the CCCVB and see how we can partner with them, because when the parks bring athletic events into the city, that fills the beds in the hotels. The two are closely related. He reiterated that Brian Shidaker would be looking at the legislation that was passed in 1997 and see what the options are.

David Hockaday said The Port Authority has been very successful in the automobile events that they have had at the Air Park and will continue to have more in 2013. He said that some of the increase in revenue for the hotels has been directly related to those activities. He said that when people come to the community for such events, they always comment on what a good place it is to visit and how welcoming everyone is. He said that it is an additional revenue stream for the city that should continue. Mayor Riley said he appreciated all of the work by the Port Authority. David Hockaday said they are continuing to work with Debbie Stamper at the Convention and Visitors' Bureau to make sure they maximize their resources as they continue to draw these types of events.

President Kirchner said that he would be willing to work on the concession stand. He added that we need to keep it in front of people to keep the community motivated toward helping with the projects. He said that Lori Williams was doing a great job at the parks and said that the CCCVB also does a great job in attracting tourism to the community. He said that we should support both.

Paul Hunter said that the city was getting more bang for the buck than they had ever gotten before.

Councilman McKay asked that the list of projects be given to Brenda for distribution.

Income and Levy Tax Committee – Chairperson Jaehnig had no report.

Service Director - Service Director Reinsmith reminded council that a storm should be moving through during the night so everyone should be cautious on their way to work as the streets may be slippery. He added that the winds might be bad.

Councilman Wells asked if there was any change in getting the streets finished in Timber Glen.

Service Director Reinsmith said they are still working on getting the land purchased. Once an owner is established, they can work on getting the area cleaned up.

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

Reports

Councilman Wells asked that the reports be discussed.

Mayor Riley said that the beginning balance and ending balance were the items that were interesting to track in terms of carryover.

Councilman Wells asked what the Caesar Creek water project is on the report.

Mayor Riley said that it had been hanging out there for many years and suggested Mr. Hockaday might have insight into it.

David Hockaday said it was the residual amount of money that was in the account for the Caesar Creek intake structure and the water line coming into town. He said the city pre-paid expenses prior to getting the grant. He said because the items were pre-paid, they were disqualified for reimbursement from the federal government. He explained that the money stayed in our account and has been a carryover for EDA economic development. He said the money has been used a few times for economic development in the community. He said they do not want the money back, but we just carry it on our books until such time as we can use it for economic development.

Councilman Wells asked if economic development was the only thing it could be used for. David Hockaday said that it was. Councilman Wells asked if the Parks qualify as economic development. David Hockaday suggested that they ask legal counsel, but added that the expenditures have to be approved by EDA's central office in Chicago.

[Discussion of process and uses of economic development funds]

A motion was made by Wells and seconded by McKay that the Auditor-Treasurer Report – November 2012, be accepted as presented.

Motion passed.

Reports accepted as presented.

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

Councilman Wells asked Paul Fear if the budget that was handed to them was a balanced budget.

Paul Fear said that it shows plus \$105. He said they did everything they could to balance the budget.

Councilman Wells added that the only thing is it has things that had not yet been passed.

Paul Fear said that there was \$11,000 in it that had not been passed by council yet.

Councilman Wells asked for clarification on whether or not Mike Wallace had made a motion for a second reading. Brian Shidaker said he did not make a motion for a second

reading, he asked that it be placed on the agenda for a second reading at the next special council meeting. Councilman Wells asked if that needed to be done by the chair of the Finance Committee. Brian Shidaker said that any member of council could ask for the second reading to be on the agenda.

President Kirchner asked if anyone else wished to address council while in session and wished everyone a Merry Christmas.

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

A motion was made by McKay and seconded by Wallace to adjourn.
Motion passed.
Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Wednesday, December 26, 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.

Chief Weyand was also present.

President of Council - President Kirchner said the only item on the agenda was the second reading on the budget ordinance. He asked the Law Director to give an opinion on whether the budget ordinance could be amended after the first reading.

Brian Shidaker explained that he had reviewed the Ohio Revised Code as well as the local rules. An ordinance or resolution has to be read on three separate dates. He said he thought they are all aware that we can suspend that if three-fourths of the majority votes to suspend the rules and regulations. That requires six of the seven to suspend it. Once an ordinance is read for the first time, his understanding, and the way he had asked other attorneys and researched the issue, we can amend typographical errors and things that are not material to the ordinance itself. If amendments are made to an ordinance that are material in nature, then it has to start over again with the first reading. He said he knew historically amendments have been made to the budget all the way up until the end and then the ordinance is passed. Basically what he'd seen from previous councils when that happens, they suspend the rules and regulations at that time and pass the ordinance with a super-majority or three-fourths majority. So, long story short, if you want to amend the ordinance that has already been read, you need to start over with a first reading because legally it is a new ordinance. He asked if there were any questions on that. If there are amendments to be made that make material changes to the ordinance, it needs to be a first reading.

Councilman Siebenaller asked for a definition of material changes.

Brian Shidaker explained that means if you are changing numbers within the budget, he believes that would material. If there was a misspelling or something like that, it would not be a material change.

President Kirchner said he wanted Brian to provide the legal advice on what they have before them now that they have a first reading. He turned the item over to council.

Councilman Mead said that the process needed to continue.

A motion was made by Wallace and seconded by McKay to give the first reading only on the ordinance Making Appropriations for Current Expenses and Other Expenses and Other Expenditures of the City of Wilmington, Ohio, During the Fiscal Year Ending December 31, 2013.

President asked for discussion.

Councilman Mead said he is opposed to the budget as presented for the following reasons. First, he does not believe it has been an open and transparent procedure. He said that even though they were shown the budget after it was created, they were not participants in creating the budget. Second, he does not like the cost allocation because it puts certain departments at a disadvantage. Third, he thinks the income had been artificially inflated to give the appearance of a balanced budget. Four, he does not like the way the majority of council has been treated by the mayor concerning the budget. Finally, he does not believe the budget is legitimate. According to the Ohio State Code, an annual appropriation ordinance shall be prepared by the legislative authority, which is City Council, in a municipal corporation from estimates submitted by the mayor. He said that is not how this was handled and he does not think it is legitimate according to the law. Therefore, he is opposed. He said council is able to prepare a budget and will prepare a budget and it will be voted on at some point.

Councilman Stuckert said he wanted to see real numbers. He said when he ran for office, he ran in support of a budget balanced to revenue, without sacrificing safety services. He said that in the campaign they said the move toward a balanced budget would have to start with the higher level administrative salaries. He added that the latest budget, all of the sudden they found \$230,000 of additional revenue. He said they found an excess of \$650,000 and how have they found the savings – by eliminating two firemen and one police officer and by reducing the General Fund costs on the transfer lines. He said that was exactly the place they did not want to make the sacrifice coming in. He said in past years that is always where things are cut. He added that to be fair, he wanted to mention that they had entered into an efficiency study for the whole city. If the efficiency study determines that we have one police officer that we don't need or two firemen that we don't need, then that will change his mind. He continued that he was not interested in adjusting the figures on the paper by withdrawing the safety functions from the budget. He said he thought the emphasis was on the wrong end of the budget because he believes if cuts are going to be made, they need to be done at the top levels of administration. He said that at the beginning of the year, council will be asked to put the police officers and the cruiser and the firemen back in, and he does not want to have to be in a position where he tells them no. He said he wanted to take his stand now on administrative costs. He said he also wanted the city to line up the benefit insurance renewal in a way that allows them to be more accurate and have a better idea of what they are looking at in terms of the benefit insurance costs. He said he spent 24 years in the insurance business and you start getting the information much earlier than April 1 when they renew. He said the 18-month suggestion is reasonable and they should go toward that. He added that he is very troubled by the allocation of the former General Fund items to the Enterprise Funds. He brought up the problems in the budget in the Water Department and said that now we were trying to add property casualty fees to their budgets. He said it makes sense that if you have automobiles, the Enterprise Fund should pay for the insurance on those automobiles. But he said that 80% of the property casualty insurance was being allocated to the Enterprise Fund and he thought that was inaccurate. He said he could not support the budget as it sits right now. He said he wanted realistic revenue figures, a budget that does not artificially remove the safety service positions, and that does not allocate expenses, and he would like to see changes in the benefit insurance renewal date.

Councilman Jaehnig asked if the two firefighters and the policeman were replacements or additional. Chief Mason said that his hires were replacements of firefighters that had quit during the current year. He said that he started 2012 with 18, two quit, he was now at 16 and trying to get back up to 18. Chief Weyand said that his was an additional position from 2012, but replaced someone who had left several years ago. President Kirchner asked for clarification on the Police officer positions. Chief Weyand said there were two positions that they had done away with through attrition and they were trying to reinstitute them. One was filled this year and they still had one that had not been reinstated. In addition, there was one position vacancy due the retirement of Officer Whalen.

Councilman Wells said he was also disturbed by the safety services reductions. He said that he read in the paper that for three years in a row, there has been an increase in the death of police officers in the line of duty. He said when he calls 9-1-1, he wants to make sure someone shows up.

Councilman Siebenaller asked if that was something they could all agree on – that they would like to see police and fire at the same level of staffing as in 2012 in the budget for next year. He added that there were changes that he would like to see made, but we have one more meeting to get things done. If changes are made, then council needs to make sure that they are all on the same page so that it can be passed very quickly in order to move into funding the city in 2013.

Councilman Jaehnig pointed out that the budget can be added to or reduced at the beginning of the year. He gave as an example the 18-month insurance cycle. He said the current budget is more austere than he would prefer, but changes could be made with no problems at the beginning of the year. He said he would like to put \$92,000 back in for

the parks, add the cruiser, add the police officer and put back in the firemen. He also said he realizes he likes to spend money more than some people on council. He said that neither the prior budget nor the current budget is ideal, but he realizes that council can work on either of them after the first of the year. He added that he trusts the Auditor and the Mayor to be able to work with council because he does not believe that anyone has the city's detriment in mind. He said everyone is trying to work for the same thing.

Councilman Wallace said that it was his understanding that many members of council wanted to have a budget that was closer to being balanced between revenue and expenditures and he thought that is what the mayor and auditor had provided. He said that if you want to have a hands-off approach to the Enterprise Funds plus you don't want to touch safety services, there's not a whole lot you can do with the budget. He said there's only a handful of departments to look at and if you say you can't touch the three enterprise funds and the two safety services, then that only leaves you with a couple of places to look at. He said on a morning like today, you realize that the cuts are starting to affect city services because you can't even get down the street because we don't have enough money in the streets budget to push the ice out of the way. He said maybe we could eliminate all of the city services and shut down city hall if that is what they want to do.

Councilman Jaehnig said in regards to the comments about revenue, based upon what he has read in the paper, he has counted about 600 jobs that are coming online in 2013. He said most of those announcements came between the time of the initial budget and the revised budget, so he doesn't think those estimations are out of line. He added that he still thinks they are conservative.

Marque Jones said that he started with \$4,000,000 because he was trying to be very conservative. He said that as of today, the city income tax revenue is at \$4,046,000, and that does not include any of the construction or new jobs coming in. He said the estimation was just based on what had actually happened in 2012. He said by the end of next year we should be above the \$4,050,000.

Councilman Wells said that Sack & Save was going to be closing in the 3rd ward and asked if anyone heard anything coming into that space. Mayor Riley said he had not heard.

President Kirchner asked for further discussion.

Mayor Riley said in the original budget, he had a 25% carryover, which is exactly what council had requested. Then when council asked for more reductions, they cut all of the places that they thought they could, now leaving a 35% carryover. He said it gives even more of a cushion. He said if things start going badly, they can find money if needed with that cushion. If a cruiser flat-out dies on us, the money is available to purchase it. He said the budget is extremely tight and it is going to be another tight year. He said it is good that there are signs of economic development and he is hopeful of what that brings this year. He said his goal as mayor is not to take the citizens hard-earned money that they pay in taxes and just put it into the bank. He said his goal is to serve the citizens. He mentioned that Councilman Stuckert had said at the last meeting that his goal was to safeguard the economy – to look at the budget and to balance the budget. He said his first job is to service the citizens of Wilmington and make sure we can give them as much service as we can give them for the money they pay in taxes. Sitting on 35% unnecessarily is not what the citizens hired us to do. He said if that is the will of council, it is fine. He said we do not know what the new year is going to bring us, whether it's prosperity or hardship, so we have to be flexible. He said he agrees with Councilman Wells and Councilman Stuckert that it is going to be interesting as we go through the State Auditor's process of the LEAP program to see what efficiencies we can find and how we can restructure city services. He said if the LEAP program identifies something in March that is a game-changer in terms of saving revenue, it will be implemented immediately.

Councilman Siebenaller said that one of his major concerns was the reduction in the safety services, so he has a hard time going forward with something that creates less

staffing in those departments than we had this year. He said if we put that back in, we should probably be around the 25%.

Auditor David Hollingsworth explained that there was nothing to stop them from coming back to finance and asking for those things.

Councilman Jaehnig said the current budget puts them in a position in the upcoming year where they can make the decisions whether to spend above the revenue or not because each item will have to be approved as it comes up. He said the finances of the city are the council's responsibility and the mayor and the auditor were giving them a golden opportunity to have that happen.

President Kirchner said as he has looked through the numbers, he personally has a great deal of discomfort with the mayor's description of the carryover. Having moved a quarter of a million dollars in property casualty insurance out of the General Fund into the Enterprise Funds, you have reduced an expenditure that should calculate into that carryover. You have not eliminated the expense. In addition, moving to charge the Enterprise Funds for administrative costs, totally over \$144,000, basically you have artificially increased the revenue to the General Fund while reducing no expenses. He said it is being placed into funds where, as council, you must adjust rates to cover the costs of operation. He said it is a hidden tax and the mayor has made it clear that revenue is what he is after. He said cost allocation was done before but it was stopped because of the effect it had on bond coverage. He said that we still have that issue with the water department. He said the mayor can continue to say that he has never called for a rate increase, but he does oversee the operation of the utility at a significant loss. He said this council will have to deal with it and the public will have to cover the costs. We are increasing the burden on those rates and council is going to have to address it. He said that the 25% or 35% is not an accurate reflection.

Councilman Jaehnig said that the operation of the Enterprise Fund without having to cover their real costs is artificial. Every business on the planet that is nongovernmental has to cover its own costs. He said Enterprise Funds are supposed to operate in the exact same manner. He said for them to not have to pay for their property casualty and their administrative costs makes them look like they are operating appropriately. He went on to say that he did not believe the General Fund revenues should be used to pay for Enterprise Fund costs. He said if the Enterprise Funds cannot operate on their own, then maybe we should not be involved. He said there are very few things the government does better than the private sector. If we cannot operate the Enterprise Funds within the revenues that are coming in, then maybe we should not be operating them.

Councilman Wells suggested that the Enterprise Fund were paying more than their true costs.

Multiple speakers answered that they were not.

President Kirchner asked how many people in council had the formula for how costs are allocated. He asked Phil Floyd if he had the formulas.

Phil Floyd said that he had the formula for his department. He has been doing it for a few years as the state suggested, because it was very appropriate to allocate costs that are incurred by different departments up here into the transit department, because they provide services purchasing, payroll and many others. He said the cost allocation was very appropriate because they had been doing it for three years.

President Kirchner said that was just a portion of the costs that were being discussed.

Phil Floyd said that they got together with Mary Kay and did a percentage of the costs based on the employees and allocated to the department, which the state suggested they do. He said now the other departments are doing it as well.

Chief Weyand said he asked another friend of his who is a police chief in a different jurisdiction how they handle things in terms of efficiencies. He said they are funded

totally by taxpayer money. He said there are so many things billed back to their department that he was appalled. He said they even pay for the utilities in the building they are in. He said a lot of things get billed back to the individual user. President Kirchner said they have not historically here. Chief Weyand said that his point was that in other places they get billed for everything they use from their General Fund. President Kirchner said if you trace the budget back far enough, prior to having any levies, they were covered under the General Fund budget.

Bill Liermann said that part of the earnings tax that was increased several years ago went to cover police and fire. He said that we needed to look at whether we are overstaffed with police now in terms of our population numbers. He said there was a 0.5 to 1% increase that was put on specifically for police and fire. President Kirchner explained the purpose of the efficiency study was to tell the city if the staffing levels are appropriate. He said that no one on council is against police and fire. Bill Liermann said that we need to look at the population. President Kirchner said that the population from 2000 to 2010 showed an increase. Bill Liermann said that he gets the impression that council is characterizing the budget as having cuts in safety services. He just thinks that we should make sure that the staffing levels are appropriate before anyone gets upset.

Paul Fear said that it was a nice luxury when the surplus was so much to absorb all of those costs. He went on to say that there was nothing arbitrary about the way the cost allocation was figured. He said that Mary Kay looked at the insurance costs per vehicle and then allocated the costs to the department that housed that vehicle. He said it was not a percentage – it was item by item. He said that it was nice that costs were absorbed by the General Fund, but now the Enterprise Funds need to operate on their own. He said that income-wise, we increased the building permits because of the fees that would be coming in for JUMP hangar. He said he increased his interest because his investments show that he is going to make more money. He said we also received more money from the Union Township Fire Department. He said in addition, inheritance tax should be coming in, and if it does, then they can put the policeman back in the budget.

Councilman McKay said that it looked like there was a group that was dead-set against the budget, but he thought there was also a group that might be for it. He explained that if it wasn't passed today, then they would have to suspend the rules to get anything done by the end of the year, which would be much harder. He said what he had heard tonight he thinks the numbers are there. He said he thought they should go ahead and vote.

President Kirchner asked David Hollingsworth to check on the numbers of the contract numbers for the fire department. He asked what the money was for that Paul Fear was talking about.

Auditor David Hollingsworth said that he did not know what the money was for, he just heard about it for the first time at the council meeting. He said he would need to check on it. He said that he knew there was nothing he could say to get some of the members of council to trust him or to trust his office. He said when you throw out words like “artificially inflated” it sounds to the general public as if someone is doing something wrong intentionally. He said he takes offense to that. He said he went over the numbers in detail what they were changing at the Finance Committee meeting, some of which Paul had just covered. He said the only thing that there might be any question about are the ambulance revenues, but they felt comfortable increasing that by \$50,000 based on the past history of what they have collected. He said the budget is a moving target anyway. He said even if it is balanced, it is going to change. He said the \$75,000 that they added for the MVRMA refund was a number that they did not have when the first budget came out. It was a result of the low number of claims that the city had. He said the insurance fund had always been there but had not been included as part of the General Fund balance and was going to have to be used for insurance. He said they eliminated the new hires. It does not mean they can't have them, but they eliminated them to see what it would do to the budget. He said then you have to see if you can justify the amount of money that is being carried in the General Fund. Can you justify to the citizens that you're carrying more in that fund than you anticipate needing when we hit a rough bump in the road. He said if you're not going to use it, the question has to be asked, why are you keeping it. Why are we saving 25%? If it needs to get us through a

rough time until the economy recovers. He said in terms of the cost allocation, it would be no more fair for the General Fund to pay for the salaries in the water department than it has to pay for their insurance costs. He said if we can't do it efficiently, then maybe we shouldn't be doing it. He said the philosophy in the past has always been that the city can control the cost to the citizens better than going to a private enterprise. He said maybe that's not the case anymore. He said this budget at least gets us to a starting point. He said that council can evaluate the benefit insurance when it comes up for renewal. He said that nothing blocks you in; decisions will still have to be made.

Councilman McKay pointed out that the Safety Committee can put the safety services back in after the first of the year.

Councilman Wells said that it didn't seem right to say that we did not need the police cruiser, the policeman and the firefighters tonight and then bring them back after the first of the year.

Councilman McKay said they were just saying that they could not budget for them if they were going to bring revenue and expenditures into balance. He said they were in the previous budget but people were not in favor of that either. He said there is only so much give and take that can happen. He thinks everyone is in favor of moving it forward if we receive funds in the city.

President Kirchner said that no one indicated that they were unhappy with the budget before because it had the same level of police and fire. He said he never remembered a meeting where it was discussed by the mayor to take them out.

Councilman Jaehnig said they also never had a meeting where a three-month budget was discussed until it appeared before council. It's a similar thing.

Councilman McKay said that once again they were talking in circles. He said they should vote on it tonight and pass it or not. He asked for a vote.

Councilman Stuckert said that since four or five years ago the actual money in the bank has gone down from one year to the next every single year because when the numbers were all in, they spent more than they took in and the carryover account went down. He said that is the issue. He said that what a majority wants to see is for that to stop. He said that is the root of their financial problems. He said he is not about keeping money in the bank. He is about living within the revenue and providing the services to the citizens.

Paul Fear said he should be in favor of the budget, then, because it was \$105 to the good.

Councilman Stuckert said that he was not in favor of it.

Councilman Wells said he thought Total Baking Solutions was supposed to be adding jobs but there are never any cars there. Councilman Jaehnig said a lot of their employees travel because they install the ovens that they build. Councilman Wells asked if they had added the number of jobs that they said they would. Councilman Jaehnig said that he did not think that they had.

Seeing no further discussion, President called for roll call vote.

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

Motion passed

Director of Law read ordinance by title only.

Councilman Wallace asked that the third reading be on the agenda for the next special meeting of council.

A motion was made by McKay to adjourn.

President of Council declared the meeting adjourned.

Council adjourned.

ATTEST:

President of Council

Clerk

Wilmington City Council met in special session on Monday, December 31, 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.

Officer Bob Wilson was also present.

President Kirchner announced that the only item on the agenda was the third reading on the appropriations budget as presented by the Mayor and the Auditor.

A motion was made by Wallace and seconded by McKay to give the third reading only on the ordinance Making Appropriations for Current Expenses and Other Expenses and Other Expenditures of the City of Wilmington, Ohio, During the Fiscal Year Ending December 31, 2013.

President asked for discussion.

Councilman Mead said that as Chairman of the Finance Committee he understands the gravity of the situation and knows the city needs a budget and it needs to be passed today. He went on to say that per the Ohio Revised Code, he had prepared a budget that addresses the concerns by the mayor and the council and the safety of the citizens. He said he took the estimates that the mayor provided, the concerns of council and other administration members, and as the Ohio Revised Code specifies, prepared a budget. He said it is a good conservative budget. It provides most of the services that they now enjoy but maintains the safety of the citizens. He said if the present budget does not pass, alternative budget can be presented for a vote. Councilman Mead indicated that each person had a copy of the alternate budget at their place and asked that each councilperson take it into consideration if it comes to a point where the current budget does not pass.

Councilman Stuckert said that he had concerns about the budget that the mayor proposed. He said he campaigned on a pledge to preserve safety services he cannot support a budget that does that. He said the mayor's budget makes cuts in safety. He added that the budget also makes transfers into the Enterprise Funds and that puts pressure on those funds (especially water) that would almost certainly lead to increasing water rates to the citizens. He said the State Auditor's office is in process of doing an audit to find efficiencies. He thinks the prudent thing to do is to leave the numbers the same, take the pressure out of the Enterprise Funds, restore safety services, and then be prepared to act to make the adjustments as needed after receiving the State Auditor's report. He went on to say that the revised budget doesn't change anything, it leaves the numbers the same, it preserves the carryover and enables them to stay with their campaign promise to the people. He said he never thought that the city would cut safety services or put pressure on the Enterprise Funds as a solution to the budget problems. He said he has felt all along that they could find efficiencies in the administrative section of the city offices. He says the city is doing the same thing as many other governmental places – the first guy that is taken out is the one that is hired to deliver services. The last guy to go is the one who administrates. He said that is wrong. He said that no one on council should be opposed to leaving the safety services and the Enterprise Funds as-is. He said they need to move forward and have the courage and will to make adjustments in efficiencies based on the Auditor's Office report.

Councilman Jaehnig asked if Councilman Stuckert had seen the budget that Councilman Mead proposed. Councilman Stuckert answered that he had a lot to do with the budget because he asked for most of the stuff, but it was the first time he had seen the copy. Councilman Jaehnig then asked if Councilman Stuckert had been involved in the new budget as he was not aware of a Finance Committee meeting that occurred. He said that if Councilman Stuckert had been involved in creating the budget, it may have been a violation of the Sunshine Laws. Councilman Stuckert said all discussions occurred in

council. He said there had not been any meeting of any Finance Committee and he was he was fed up with those types of insinuations.

Auditor David Hollingsworth said that he thought the council people also ran on the platform of being transparent and he didn't think they were being very transparent. He said that the council members had the budget worksheets and documents for over two months and up to this point, Councilman Mead had not even really been involved in the budget. He said he thought everything was being done by the President of Council, which was not really his job. He said he was very pointed in Finance Committee when he asked if any of the three members of the committee had called his office and asked a question about the budget or made an appointment to come into the office to discuss the budget. It only requires a yes or no answer.

Councilman Stuckert said that was the game the Auditor was playing. Auditor David Hollingsworth said that he was not playing a game.

Councilman Stuckert said David Hollingsworth does not come to most of the meetings. He added that they did not receive the balanced budget months ago. Auditor David Hollingsworth retorted that there were approximately 10 changes made to the budget and said he went over each one of the changes. He said it was straightforward and the math was not difficult.

Councilman Stuckert said council has an obligation under the O.R.C. and the Auditor has an obligation under the O.R.C. He said that council was fulfilling their duties. He said the Auditor can diminish and demean them all he wants, but they are doing their job. He said he perceived a lot of put-down phrases from the Auditor. Auditor David Hollingsworth said the only put-down was the fact that obviously there have been things done outside of Finance Committee, outside of the Auditor's office, no one had consulted with his office as far as going over any of the information. He said the conference room is available at any time to go over things. He added that he is not able to attend all committee meetings as he volunteers his time to coach basketball and he is very committed to that.

[Continued arguing about the budget]

Councilman Stuckert said that he still had the same concerns about the budget, with the safety services and the Enterprise Fund. He said that he expressed those concerns in council. He said he told the President of Council that his wishes were to see those burdens taken out of the budget and the same was expressed to the head of the Finance Committee. He said that they put this budget together.

Multiple people asked *who* had put the budget together.

Councilman McKay asked Mr. Mead if he had prepared the budget and Councilman Mead answered that he had been involved in the preparation of the budget.

Multiple people asked who he prepared it with and where.

Councilman McKay asked Councilman Wells and Councilman Stuckert if they had seen the budget prior to this council meeting. Both Councilman Wells and Councilman Stuckert answered that they had not. Councilman Stuckert added that he was seeing it for the first time, but he felt as if he had been involved with it.

Councilman McKay asked if Councilman Jaehnig and Councilman Wallace if they had had seen the budget previously. Both Councilman Jaehnig and Councilman Wallace said this council meeting was the first time they had even heard about it.

Councilman McKay then asked Councilman Siebenaller if he had seen the budget previously. Councilman Siebenaller answered that this was the first he had seen it.

Councilman McKay said it appears that the alternative budget had been prepared by more than one member of council without public notice. Councilman Mead said that he

apologized for the lateness of the presentation of the document. He said this meeting serves as a committee meeting as well as a special council meeting and they can discuss anything they want.

[Discussion of what legally can be discussed in the special council meeting]

Law Director Shidaker said they could discuss the budget because it was on the agenda.

Clerk Brenda Woods said that she must have missed a previous meeting in which council people had provided changes that they wanted made to the budget. She asked if she was the only one who missed that.

Councilman Stuckert started to ask President Kirchner a question.

Clerk Brenda Woods indicated that she was talking directly to Councilman Stuckert and wanted an answer from him without him consulting President Kirchner.

Councilman Stuckert said that he had indicated in a previous meeting that he did not want them to cut safety services and he did not want the expenses transferred to the safety services. He said that quote was in the newspaper.

Clerk Brenda Woods asked if Councilman Stuckert had discussed the budget other than in a council meeting before he got there today. Councilman Stuckert said he had not discussed the budget with any other member of Finance or with any other council member.

Clerk Brenda Woods asked again if he had discussed it with anyone. Councilman Stuckert said not with anyone on Council. Clerk Brenda Woods asked Councilman Mead if he had discussed the budget with anyone on council and Councilman Mead said that he had not discussed it with any other members of council. Councilman Stuckert said that it sounded like they were on trial.

Clerk Brenda Woods said she found it very hard to believe that the alternate budget was not discussed previously, as they had walked in and knew what was going on with the budget before the rest of the people sitting in the room. She said it was very frustrating for her. In her 30 years of doing budgets and serving the different government agencies, she has never dealt with anything like what was going on with this council. She stated that she believed the issue stems back to legislation that was attempted earlier in the year that proposed eliminating the positions of Danny (Human Resources Director), Larry (Service Director), Denny (Streets Superintendent) and her (Executive Assistant to the Mayor/Clerk of Council). She suggested if the mayor had presented a budget with all four of the administration positions cut out of it, it would not have mattered to the council members what the carryover was and what the deficit was. She said it had nothing to do with cost allocation – it all had to do with some council members wishing to cut those four positions.

Councilman Stuckert said he did not recall her position as being one that was proposed to be eliminated. Clerk Brenda Woods said that they had discussed it in committee. Councilman Stuckert maintained that was just committee discussion. They needed to have those discussions to create a budget.

Clerk Brenda Woods said that Councilman Stuckert did not have enough experience in his lifetime to do this type of a budget without the help of the Auditor. She said if they thought that they could put together the budget without the help of the City Auditor, they were crazy. She said that Mary Kay and David were the ones in the city that had both the experience and the knowledge. She went on to say that she was probably the only person in the room that had experience with a three-month budget, and when she did one, it was a total disaster. She said they, the council members, did not know enough about the timing of the city contracts to decide how the lines should be allocated for three months and said that no one had taken the amount of time needed to find out the history of the budget.

Councilman Stuckert said that the problem seemed to be that in the City of Wilmington, council was considered to be below par in knowing what to do. He said that the experts were the Auditor and the council members were to take their word. He said the council members were supposed to trust them. He said that is not what his constituency tells him to do. He said the O.R.C. states that the council is to write the budget, so maybe it needs to be updated to say that the council approves what the auditor and the mayor bring forward.

Paul Fear asked what section of the O.R.C. President Kirchner gaveled the meeting to order.

Councilman Stuckert said that there was an attitude in the city that the experts work in administration and that council was supposed to pay attention to what they say. He said that they are the first council that has had enough votes to stand up and say it is not right. He said they brought forth the restructuring legislation earlier in the year to start a discussion about the important need to restructure. He said that nothing is going to change because the experts don't think that any changes should be made. He said there were examples of three-month budgets that did work. He said if the one that the clerk had been involved with did not work, then it was probably done wrong. He said the three-month budget idea was put forth by four members of council in order to start a conversation. He said that it was obvious that a conversation was not going to start with them because he had to start with the intelligentsia. He said that the lower ranking people did not count. He also said that the Clerk had no idea what his lifetime experience in budgeting was. He said that he helped prepare budgets for the largest insurance company in the world in New York City in his lifetime. He said he had 24 years of experience in the business world. He said he would not have run for office if he didn't have a feel for budgets. He said it has taken a year to understand the information as it has been presented to council. He said it is very different than a lot of the budgets he has seen, but he thinks it time for the culture to understand that the O.R.C. says the council is the entity to drives the budget. He said that it is not feasible for them to call up and ask questions because they all work day and night. He said if the will to work together is not present on both sides, then it is not going to happen. He said the will to work with a council that wants to do something different is not present.

Clerk Woods said that that might because of the approach that the council members take. Councilman Stuckert said maybe it was time to hold up a mirror. He said he thinks a lot of Clerk Woods and didn't want the conversation to go that way. He said the business about eliminating her job was put away a long time ago. Clerk Woods said it was only put away because they found out that they need a Clerk of Council by statute. Councilman Stuckert said that was not true and said that they could have a Clerk of Council for half of her salary.

Councilman Stuckert repeated that he would not support the budget as is. He said that if the council cannot approve the alternative budget, it would only be because the mayor, the employees in the building, and the three members of council have decided that the other four people are not going to get their way. He said the money in the budget is the same; they are just maintaining the safety services at this point and are not putting the pressure on the Enterprise Funds. He said they needed to do the right thing, which is vote down the first budget and vote for the second budget.

President Kirchner said he wished to give clarify what had happened. He said that Councilman Mead contacted him directly with list of things that he had heard as concerns. He said Mr. Mead asked him if he had the ability to prepare a budget that addressed those concerns, and this is the support he gave him as the Finance Chair. He said he was only in contact with Bob. He said the other council members had not seen it and had not discussed it. He said he was working directly with only the Finance Chair to avoid any concern.

Treasurer Paul Fear said that it was not the job of the President of Council to prepare the budget. President Kirchner said he was supporting the Chair of Finance in his request. He said that the job of the Treasurer according to the O.R.C. was not to monitor other elected officials for whether they are doing their job or not.

Treasurer Paul Fear said that 733.01 gives him executive power in the Ohio Revised Code as it does to the mayor and everything else. He said that the duty of the President of Council was not to sit on anything or prepare anything. He said that he was supposed to preside over the meetings. He went on to say that he would like to ask the Law Director to investigate a violation of Sunshine Law. He said that he knew when Scott was making calls at 6:30 on Saturday night to talk to the Police Chief to work on the budget and Loren Stuckert said he worked on the budget, you have three members that worked on an alternative budget outside of notification. He said by the executive powers that he has from Section 733.01, he is asking the Law Director to investigate violation of the Sunshine Law before the alternative budget is voted on.

Law Director Shidaker said that the President of Council had stated that the only person that he talked to was Bob Mead about the budget. Treasurer Paul Fear said that Councilman Stuckert said he also talked to Bob Mead about the budget. Law Director Shidaker stated that those discussion happened within council. Councilman Wells agreed that discussions happened within the council meeting.

President of Council said that the changes that were made in the budget were to remove the cost allocations, put the property casualty insurance back into the General Fund and remove it from the Enterprise Funds. He said it removed the administrative cross charges from the Enterprise Fund line items and reduced the budget income by that amount. He said the budget did not change any numbers other than the benefit line item was reduced to 25% of the request. He explained that it leaves the money in the General Fund as the administration and council work forward to address benefit costs – the single largest expenditure for the city. He went on to say that all of the other numbers associated with the administration's proposed budget exist as they did in the budget presented on December 20. He said no changes were made in personnel except to add back in the safety services salary line items and pension line items. He said this was at the request of the Finance Chair and that he specifically avoided conversations with other members of council.

Treasurer Paul Fear asked Law Director if it was his opinion that the Sunshine Laws had been violated. Law Director Shidaker said that it was just like in court – he may have perceptions and may think something, but from what he heard today, he did not hear anything that suggests that the Sunshine Laws have been violated. He said President Kirchner indicated that he had talked to Bob Mead about this, and that was perfectly appropriate. He said everyone up there knows that a budget has to be passed through council. He said he does not care where the budget comes from as long as there are not Sunshine Laws violated. He said it was perfectly appropriate for Bob to call Scott. He said that typically the Clerk of Council would also have been involved to input the numbers into the computer and why that was avoided, he did not know. He added that if Mr. Stuckert and Mr. Mead had been discussing it, then it was a violation of the Finance Committee, but he had not heard this.

Treasurer Paul Fear said that it was not within the duties of council for the president to prepare the budget. Law Director Shidaker said it was okay if the president prepared the budget. Anyone can do it. He said he does not have a right or a duty to, but he was not prohibited from preparing it.

Councilman McKay asked for clarification. He asked if it was possible to consider the new budget if the first budget was voted down at this meeting. Law Director Shidaker said that it was fine to consider it, but they would have to have a three-fourths majority in order to suspend the rules and regulations to give it three readings in one meeting. That would mean six out of the seven would have to agree in order to do it in one day. Otherwise it would need to take place on three separate days.

President Kirchner said he would like to return to the question asked by the Auditor. The answer is yes. He said that Councilman Mead and he had sent a request to the Auditor to meet with him on the budget in August of this year and have never received the acceptance of that meeting. Auditor David Hollingsworth said that they had had the documents for two months. He said that when that meeting was requested, the

information for the meeting was not available because the departments don't submit their information until the first of October. President Kirchner maintained that he asked to sit down and discuss the budget, and the meeting was not accepted.

Mayor Riley said at the time of the request, there was no budget put together to discuss. Mayor Riley said that he would like to know what part of the revised code Councilman Mead was reciting because his understanding is that the administration prepares the budget but it has to be approved by council. He said that he did not think that it was council's responsibility to prepare a budget and then approve the document that they have prepared. He gave the example of the federal government. He said the senate and the house do not prepare the budget and then pass it – the budget is prepared by the administration and then is presented to congress for their consideration and approval. He said it was the same way in the state. The governor prepares the budget and then sends it to the legislature for their approval. He said this was the same process that the city has had forever. He said that he did not know if council had ever prepared a budget and did not think it was appropriate that council prepare a budget that they are then going to approve. He said it has to do with separation of power. The mayor said that it was clear that everyone has their job to do and they should work together on getting those jobs done. He said that is why you don't have one branch of government preparing a document that they then have to approve and then administer. He said that is a direct violation of the separation of powers. He said he did not think it made sense that they should prepare their own budget for their approval without any input from the Auditor, Treasurer or Administration or the clerk, all of whom have decades of experience.

Law Director Shidaker said he believed the section they were referring to was 705.18 in the ORC. He said the intent of that section is that the council prepares the budget based on estimations from the mayor. He said anyone can prepare it. He said that what was necessary was that council pass it. He said historically speaking, it has always been done by the Auditor who submits to the mayor who reviews it and then presents it to council because the numbers are submitted from the Executive Branch. He said whatever budget council decides to vote on can come from anyone.

President Kirchner said that the budget that Bob asked him to prepare was done completely with the Auditor's and Mayor's information. He said it was done with their submitted estimates and their submitted formats. He said that it was completely based on their information.

Mayor Riley said that was a misrepresentation, because the document that it is a reflection of their estimates and information is the budget version that has already been voted on twice. He said that in the other document, the numbers had been twisted around and skewed. He said otherwise, they would be exactly the same. He said the original request from council was a 25% carryover. He explained that he had presented an original budget with a 26.3% carryover. After that, council decided that was not good enough and they wanted a budget that was balanced to revenue. He said they did what council asked and re-crafted the budget so it was balanced to revenue. He said that council has voted on this version twice affirmatively and has about a 35% carryover. He said that there were still members of council that were not satisfied with it.

President Kirchner said that the new budget puts the safety services back at current levels and maintains a 26.6% carryover using the numbers for income and revenue projected by the Auditor and Treasurer. He added that it removes cost allocation from the Enterprise Fund. He said he was in contact with Chief Mason and Chief Weyand over the weekend to understand the impact on personnel. He said that it was not done with twisted and contorted numbers – it was done with information that the administration had provided. He added that it was a deficit budget – it does not balance to revenue because the current structure of the city costs more to run than the income provides for. He said that is why the State Auditor's report the next year would be critical to enact changes to the structure of the city.

Treasurer Paul Fear said that he called all of the council members and offered to answer questions because he wanted to reach out. He said none of them had any questions for them.

Councilman Wells said that when he talked to Paul, his primary concern was the safety services. He said he did not believe it was right to take those things out of the budget and he expressed that in the phone call. Treasurer Paul Fear said that the first comment Councilman Wells made during that phone call was that the mayor hates Scott Kirchner. Councilman Wells said he could not believe that Treasurer Paul Fear would talk about that in public as it was a private conversation, but he would talk about it if he wanted. Yes, he believes that the mayor hates Scott Kirchner. It has been very obvious from the very beginning. He said that it was wrong for Paul Fear to bring that out in public when they were talking privately as friends.

Councilman McKay said that the meeting was starting to go downhill and asked for them to call the question. Councilman Stuckert said that he wasn't finished talking. He said that the questions do not have to do with the numbers. He said his only question was the found revenue that occurred a couple of weeks ago. He said that the thing that really bothered him was the structure of the city. He said it needed to start in the administrative offices in the city. He said his real concern was the day when they would not have any more carryover and would face a fiscal cliff. He also said that the accusations regarding the Sunshine Law were part of an attack pattern that had been in place since day one. He said that he thought that the way the budget was balanced through the cuts in safety services and cost allocation was irresponsible.

Councilman Jaehnig said he was confused by a few statements being made. He said it was clearly discussed in the last meeting that they could put the safety service cuts back in after the first of the year. He said he didn't think the administration wanted to cut safety services either. He said that he thought by supplementing the Enterprise Funds with General Fund money does not give a clear picture of how those funds are operating. He said it hides any issues in efficiency that might exist. He said that they are all Republicans sitting up there and they talk about Republican values, which are smaller government. He said propping up the Enterprise Funds with general revenue tax dollars is a hidden cost for the citizens. Councilman Jaehnig said he was very confused because the administration presented them with a budget that they could work on all year to cut on. He said it was then told to them that they wanted a closer, more balanced budget. Then the administration came back with a budget that was balanced that they could add to as the year goes on if they think certain things are important and should not be cut. He said he thought that being presented a budget that is balanced in which the administration has to ask for anything they want to add is a gift. He said it is much harder to cut than it is to make the decision to spend extra money. He said the budget had no effect on whether or not they go with an 18-month benefit cycle. He said he tries very hard to not speak for other council people up there. He said he heard Councilman Stuckert refer to the four several times and what the four wants. He said that he did not think it was entirely fair to the other three of the four for him to continuously talk about that. He said he was also concerned about the way the whole thing was laid out – "If this is voted down, I have an alternative." He asked why they would not have waited to see how the vote turned out before presenting an alternative. He said the perception was they had already made the phone calls and they already had the votes. He said there had been no explanation of the changes in the budget by Councilman Mead, but immediately Councilman Stuckert was able to talk about all of the changes.

Councilman Stuckert said he knew what changes would be made because he had asked for them during council. Councilman Jaehnig then asked how Councilman Stuckert knew those changes were in the budget that was presented.

Councilman McKay asked for the vote.

President Kirchner asked if discussion was complete.

Councilman Wells said he didn't understand the concept of taking out the safety people to make it balance and then putting them back in at the beginning of the year. Councilman Jaehnig replied the budget is going to change every month. Councilman Wells said it doesn't make sense and it doesn't seem right to him.

Mayor Riley said that if council so chooses, they can put the cruiser and the police officers back in the budget. They have that option. He said also they don't have to put them back in. The police department will continue to operate short as they have for some time. He said it would be up to council to do so. He said the budget was tighter than he liked, but he tried to give council what they wanted.

President Kirchner asked if the mayor had contacted Councilman Wells as the chair of the Safety Committee to discuss removing the safety personnel from the budget. Councilman Wells said he did not. President Kirchner suggested the removal of the safety services was done by the administration without council input or review.

President Kirchner said that he thought they had had enough discussion.

President called for vote.

Motion passed

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read ordinance by title only.

A motion was made by McKay and seconded by Wallace to pass the ordinance as read.

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

Motion passed.

President of Council declared Ord. No. 5074 passed as read.

Finance Committee – Chairperson Mead introduced the legislation making reverse appropriations.

A motion was made by Mead and seconded by McKay to give the first reading only on the ordinance Making Supplemental Appropriations (reverse).

President asked for discussion.

Seeing none, President called for vote.

Motion passed

Director of Law read ordinance by title only.

A motion was made by Mead and seconded by McKay to suspend the rules and give the second and third reading on the ordinance by title only.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Director of Law read the ordinance by title only.

A motion was made by Mead and seconded by McKay to pass the ordinance as read.

Roll call: Jaehnig, yes; Wells, yes; Stuckert, yes; Wallace, yes; Mead, yes; Siebenaller, yes; McKay, yes.

Motion passed.

President of Council declared Ord. No. 5073 passed as read.

President Kirchner asked if the reverse appropriations establishes the number on the budget worksheets as the carryover balance.

Mary Kay Vance says that it did not have anything to do with that. She said it brings them in line for the actual revenues with the budget commission. Auditor David Hollingsworth said they were numbers that were not spent that were in the original budget. Mary Kay Vance explained that if the revenues were any more than the appropriations in any fund, reverse appropriations are not done. They are only in the funds where the revenues are less than the appropriations are. So if in the water department the estimated revenues were higher than the appropriations, if there were line items that Jerry does not use, we do not do reverse appropriations at this time. It just goes away.

President Kirchner said in the General Fund it would represent all of the expenditures that had been projected in the budget but had not been expended for various reasons.

Mary Kay Vance said those items are in the revenue stream, but the reverse appropriation has nothing to do with that.

President Kirchner said that he thought they were zeroing out the line items. Mary Kay Vance explained that is not how it works. Any excesses just go away. Those appropriations just go away.

President Kirchner asked what the carryover number is. Mary Kay Vance said she was not sure, but it was very close to \$2.7.

Councilman Mead said that it did not look like any further discussion was needed about the 2013 budget. He ended his report.

As there was no further business on the agenda, President of Council declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk