

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