

Wilmington City Council met in regular session on Thursday, November 6, 2014, at 7:30 p.m. with President Cindy Peterson presiding.

Call to Order

Roll Call: Jaehnig, present; Spicer, absent; Stuckert, present; Mead, present; Miller, present; Milburn, present; McKay, present.

Chief Weyand was also present.

A motion was made by McKay and seconded by Miller to excuse the absent member (Spicer).

Motion passed.

Absent member excused.

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

Moment of silence observed

President of Council

A motion was made by Milburn and seconded by Miller to approve the minutes of the last regular meeting, October 16, as presented.

Motion passed.

Minutes approved as presented.

A motion was made by McKay and seconded by Mead to approve the minutes of the last special meeting, October 28, as presented.

Motion passed.

Minutes approved as presented.

President Peterson recognized boy scouts from Wilmington Troop 777 in attendance.

President Peterson announced that the first meeting of 2015 falls on New Year's Day. That meeting is will be held on Friday, January 2. Since it is a Friday evening, we would like to hold the meeting earlier. Please advise Brenda Woods on the earliest time you would be available on Friday, January 2.

Councilman Jaehnig said he would not be available at all until after January 4.

Mayor – In the absence of Mayor 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.

Water Committee - Chairperson McKay had no report.

Streets Committee - Chairperson McKay had no report.

Solid Waste/Recycling - Chairperson Jaehnig had no report.

Wastewater/Sewer Committee - Chairperson Milburn had no report.

Judiciary Committee - Chairperson Jaehnig introduced the final reading on legislation authorizing a revolving loan fund loan to the Wilmington Masonic Temple Company. This is to be used to upgrade the HVAC system in the building. They will not have to use the funds unless they need them. Councilman Mead will abstain from the vote because of his involvement.

A motion was made by Jaehnig and seconded by Milburn to give the third reading only on A Resolution Authorizing a Revolving Loan Fund (UDAG) to Wilmington Masonic Temple Company, Inc., and Declaring an Emergency.

President called for vote.

Motion passed. All yeas.

Director of Law read resolution by title only.

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

Motion passed. All yeas.

President of Council declared Res. No. 2388 passed as read.

Safety Committee - In the absence of Chairperson Spicer, Councilman Jaehnig introduced legislation accepting gifts for the Police Department's Explorer Program.

Chief Duane Weyand – The Police Explorer program allows high school students to ride with the officers and hopefully create a foundation for working in law enforcement and following that as a career. It also is a tool to recruit local kids to return to Wilmington after they go off to college, to have a vested interest in the community and in the Police Department. The Police Explorer program is actually put on through Boy Scouts of America (BSA). There is a cost to put the program on and there is a template provided by the BSA that needs to be followed. The donations so far are from Bible Baptist Church and ATSG/AMES. We would like to kick the program off in January of next year. Donations are tax deductible.

A motion was made by Jaehnig and seconded by McKay to give the first reading only on a resolution Accepting Gifts in Support of the City of Wilmington Police Explorer Program.

President called for vote.

Motion passed. All yeas.

Director of Law read resolution by title only.

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

Roll call: Jaehnig, yes; Stuckert, yes; Mead, yes; Miller, yes; Milburn, yes; McKay, yes.

Director of Law read the resolution by title only.

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

Roll call: Stuckert, yes; Mead, yes; Miller yes; Milburn, yes; McKay, yes; Jaehnig, yes.

Motion passed.

President of Council declared Res. No. 2389 passed as read.

Finance Committee - Chairperson Miller introduced the topic of the 2015 budget. She gave an overview of the budgeting process to the boy scouts in attendance.

Councilwoman Miller – Is the ending carryover cash balance year-to-date \$2 million?

Mary Kay Vance – That is not a year-to-date number. That is the same number as the beginning cash balance.

Councilman Stuckert – How do we end with \$2.2 million, but we show a beginning cash balance of \$3 million.

Mary Kay Vance – That is our estimate. We do not know what our beginning cash balance will be yet.

[Discussion of location of figures on spreadsheet]

Mary Kay Vance - Our estimate and our hope is that we are going to have \$3 million to start the year. Then after all of the expenditures and the receipts listed underneath that, the ending balance at the end of 2015 is the \$2,084,830.32.

Councilman Stuckert – What does the \$2,214,853 represent?

Mary Kay Vance – That would be if we got every penny in that we estimated and we spent every penny that is in the current budget.

Councilwoman Miller – If that happened, though, there is still an \$800,000 difference for next year. What are we expecting to make up that \$800,000 difference? What are we estimating?

Mary Kay Vance – The income tax was estimated at \$4,000,000. Marque Jones' estimate as of next year is \$4.3 million, so there is a difference there. In the current year, maybe all the salaries aren't going to be spent, maybe all the transfers aren't going to be done. But if they were, if every penny that is in the budget is spent, there would only be \$2.2 million in carryover. It is highly unlikely.

Councilman Jaehnig – We have never spent everything that has been budgeted.

Mary Kay Vance – Yes. Because we know there are places where there are savings in salaries. Even though you gave increases, there are still savings in salaries where perhaps people weren't replaced, people coming and going. You have all kinds of things happening. But if every penny was spent, we would have a \$2.2 million carryover. It never happens. It is unlikely to happen. Does that make it as clear as mud?

Councilwoman Miller – Yes. Clear as mud. I'm happy taking it offline and not continuing on the meeting trying to explain that point. Then the \$250,000 allotted for the cemetery, where is that money coming in from on the actual budget we got yesterday?

Mary Kay Vance – Well, we don't know. You have \$25,000 in a line item coming from the General Fund. Then we are waiting for the audit to come back. Larry, you can speak to this better than I can. When we get this, there will be money that will come with them. There will be a budget, but we don't know what that is yet. I don't have any way to estimate that.

Councilwoman Miller – You don't have their previous budgets?

Service Director Reinsmith – We have asked for it.

Mary Kay Vance – We haven't gotten anything yet.

Councilwoman Miller – So, if we were to sign this and pass it today, though, there is \$248,000 that would be coming from where? The General Fund?

Mary Kay Vance – No. Not necessarily. You would hope that they will sell lots. They will have opening and closings. They will have donations. They will have all of these things that we don't know about yet that are the revenue sources that the cemetery has now and they will become our revenue sources. Then, this is the same discussion that we had when we thought we were going to take this over in July. We still didn't know what the revenue stream is going to be. We know what we think our expenses are going to be. We want to put them in line to have them in the budget document that we can present to you, but that revenue stream is the unknown. We are waiting for all of that documentation.

Councilman Jaehnig – There is still the question of two pots or sources of funding that are not included in that. There are the funds at the state level that are held back when they are operating as an independent organization, which is \$300,000. Then there are the funds that are in dispute in the Clinton County Foundation that the cemetery thought they were going to be able to use to continue on their own. Apparently, they are not able to access this \$400,000 under their current organization paradigm. So, there is an additional \$700,000 out there that is not included in any of this because it has not been determined how it is accessed.

Service Director Reinsmith – Also, there is the house that they are trying to sell. That could be \$65,000 to \$75,000 that will come back into the fund as well.

Mary Kay Vance – We will do an estimate with the budget commission, just like we do for all the other funds. And we will identify what we think we are going to get this

\$300,000, we will get the information from the cemetery, and then we think we will get so much from opening and closings.

Councilwoman Miller – If they were breaking even, they wouldn't give it to us. Right?

Mary Kay Vance – Our hope is that we may never have to touch that \$25,000 we have budgeted out of the General Fund. We don't know what is going to happen. It's a really tough target. We want to put the appropriations in place to look reasonable for what we think the expenses are going to be, but we don't know what that revenue stream is. The only thing for sure that we are putting in the budget is, as we did in July, \$25,000 in place in case we need it to hit the road running before we have any cash in our pockets coming from all of these other sources.

Service Director Reinsmith – The other thing is, we are going to cut back on personnel and I'm planning probably on contracting the mowing and weeding out. We will be bidding that out in the winter months. All I can do is come up with an estimate.

Councilwoman Miller – I thought some of the mowers that we were planning to buy for Denny were going to help with that. We are buying mowers left and right in the city.

Denny Gherman – Ours are too big.

Councilman Jaehnig – The ones we got for Denny were mainly for out on Airborne Road.

Councilman Mead – What makes it a little confusing is we being told that they can't get the money. That's out. Then we are told that the cemetery board is broke, which means there is no money there. But we're going to turn around and more or less commit to \$250,000.

Service Director Reinsmith - There is nothing you can do about it. It's state law that says that we have to take it. Every lot that they sell out there, 10% of the sales goes to a fund that is for the perpetual care of the cemetery and it's governed by the state. Because they are a private organization, they have to have money to take care of that. They can't touch that money. It's invested in CDs and things like that. Because the city is different, they can have access to that money.

Councilman Mead – So you can get the money?

Service Director Reinsmith- They can get that money. The other moneys were left from the Hales as a memorial trust for the cemetery and there are questions about how it can be used.

Councilman Mead – So it appears we will be able to come up with the money to make it self-supported.

Service Director Reinsmith- That is what we are hoping for.

Councilman Stuckert – What are the odds of us knowing more before we are called on to vote on the budget?

Service Director Reinsmith –I don't think that is going to happen.

Councilman Mead – If the money doesn't come in, does it have to come from the General Fund?

Mary Kay Vance – Yes. But I don't think you or I want to put in \$300,000 or \$400,000 in a transfer line out of the General Fund for that purpose.

Councilwoman Miller – In theory, the money there is for the perpetual care if it was closed, then that could be drawn for maintenance.

Councilman Jaehnig – Based on the legal advice that we have received, that looks like the answer. Until it actually happens you always wonder, but based on what we've been told, those funds will be available.

Councilman Stuckert – Who decides?

Councilwoman Miller – To close it?

Law Director Shidaker – It can't happen until we get the cemetery.

Councilwoman Miller – But you're saying that you are advising to close it?

Councilman Jaehnig – No.

Councilwoman Miller – That was what I was asking.

Law Director Shidaker – The money would be available to the city – the perpetual care fund – but I can't say it would be for sure until it's ours.

Councilwoman Miller – That's not what I was asking.

Councilman Jaehnig – I don't believe legally closing it is an option.

Councilwoman Miller – Eventually it will be full. I understand that you have to take it to maintain it.

Law Director Shidaker – As long as there are open lots, you have to keep it open.

Councilwoman Miller – So it has to meet capacity and then you can.

Paul Hunter – If they can't make it under the model that they are using, then we are going to take it over, and we can do it because we are going to have access to money that they didn't have access to? Is that what makes it possible for us to break even?

Councilwoman Miller – Hopefully.

Councilman Jaehnig – One of the paradigms, Paul, is that the money will be available to make the upgrades that need to be made so that you could then turn it into an entity that is able to sustain itself. The opportunity for things like a crematorium, like a mausoleum for ashes and some of these other things that they just do not have the funding to take on as a potential option.

Paul Hunter – Because they can't get that money, correct?

Councilman Mead – And the state money is going to help us there.

Service Director Reinsmith – Yes. The 10% is going to be available.

Councilman Mead – To build the mausoleum and the crematorium.

Service Director Reinsmith – If you want to do it. Yes.

Law Director Shidaker – Council will set the rates.

[Discussion of cemetery]

Councilwoman Miller – Well I'm done now. I appreciate you answering the question that has no answer. Thank you, Mary Kay, again, as usual. I appreciate it.

President Peterson – What is your next step on this.

Councilwoman Miller – I am just going to go back to a regular finance committee meeting and hash out where we move from here. It's not done.

Downtown Revitalization Committee – Convener McKay – Jonathan McKay, one of the candidates for Dancing with the Stars of Clinton County, reports that they have sold all of the seats on the main floor of the Murphy. Go online and get your tickets. It is tomorrow night at 7:30 p.m. We have a nice invitation for an open house for the five-year anniversary of the Beauty Bar Salon on Friday, November 14, from 6-8 p.m.

Parks and Recreation Committee – Convener Stuckert – We have some activities with the skate park.

Councilman Jaehnig – Mark and I went. It was the ribbon cutting for the half-pipe. It was great. I was shocked at how many kids were out there.

[Discussion of skate park ribbon cutting]

Councilman Stuckert – I understand that we have one of the few of those in the area. In ongoing projects, we have our usual group of people who are contributing labor and money and efforts out there. The community has really gotten behind the parks. The skate park is a long way from reality, but we continue to move on with it.

Service Director - Service Director Reinsmith – They did a nice job on the crossing at Sugartree Street.

Paul Hunter – How did the OEPA inspection of wastewater turn out?

Service Director Reinsmith – I think they are going to raise our limits on phosphorus, but I think we are going to be able to handle it with chemicals and not have to do a major renovation of the plant this year. The permit is good for 4-5 years.

Safety Director – Safety Director Russ Burton had no report.

#### Reports

A motion was made by Jaehnig and seconded by Miller that the Income Tax Report – October 2014 and the Hotel Lodging Tax Report – 3<sup>rd</sup> Quarter 2014, be accepted as presented.

Motion passed. All yeas.

Reports accepted as presented.

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

Councilman Mead – Larry was talking about the crossing on Sugartree Street. That is the greatest crossing I have ever seen. They did a beautiful job. They took all of the tracks out. They excavated. They made it flat. They built the tracks. They have big precast concrete sections that they put on the ties in between and on either side of the tracks. If you didn't know there was a track there, you would never know you went over it. It is a really beautiful job. If you have any others done, this is the way to do it.

Service Director Reinsmith – It is smooth. The only thing that is bad about it is if they ever have problems with the track, they have to pull those concrete sections out to work on it.

Councilman Mead – You probably have all seen the vault being at Fifth Third torn down out here. That is the biggest pile of steel I ever saw stacked up there. It's huge.

Councilman Stuckert – How much money did you get in fines from the railroad?

Service Director Reinsmith – Nothing. But they spent a lot of money on that crossing. I think we should be happy.

Councilman Jaehnig – This is Holidazzle month. Anyone who is interested, we still have openings for the parade. You can submit entries online at hometownholidazzle.com. We have one of the major sponsors in house with the DP&L. They have consistently been our number one sponsor and making sure that Holidazzle happens every year. It's a perfect partnership with electricity and lights. We have some surprises this year that you won't find written down anywhere. You'll have to come. Santa Claus will be delivered by R&L this year.

Paul Hunter – 200 Randolph Street. In 2013, 131.32 million gallons of treated water was unaccounted for. In my opinion, the importance of this matter requires further study and action. Some have disputed my numbers, but they are indisputable. I note that the administration is now taking a little bit more interest in this water loss problem. After several days of searching the public records and talking with utility billing and water department personnel, I collected the following historical data that you have in front of you. Review the numbers if you would please. The water department distributed to the system 557 million gallons of treated water. The utility billing office billed for 396.8 million gallons of treated water. The difference between the water delivered and water sold was 160.7 million gallons. Data on the back of the handout shows that in 2013 the unsold total was 29%, the highest amount over the past 12 years. I was given some figures by the consultant for water department revenue and I cannot validate their numbers. They said the amount of non-revenue water has been relatively stable for a four-year average of 18.5%. If you look at the graph on the back, you see that is hard to justify. Non-revenue distribution is only part of my audit story. There are some known non-revenue distributions that must be added to the equation. Authorized non-revenue distribution, the water department used 27.1 million gallons to treat water. From the Utility Billing Department, Wastewater, City Building and other city accounts use 2.37 million gallons but are not charged. So far, we know where that part has gone. The balance, 131.32 million gallons is non-metered and, as indicated, only guesswork to provide an explanation for the loss. Some of this loss can be attributed to legitimate uses including fire hydrant flush, fire suppression, sprinkler tests. Some erroneous meter functions can be expected. Our meter system is probably fairly accurate. All non-metered, non-accounted for treated water equals 23.5% of all treated water in 2013. Again, quoting RCAP, water loss under 15% is considered acceptable. According to the EPA website, average water loss in systems of 16%, of which 75 is recovery. Some leaking is to be expected, but in my uneducated opinion, a 24% loss rate is more excessive, it is shocking. The loss represents thousands per year in wasted treatment costs. Once the automatic flushing fire hydrant system we are going to be getting is completed, we are going to be using a lot more non-metered water because it flushes at a set schedule. This information is valid and action should be taken as outlined and included in the link. I am not aware of any local attempts to contract with professional municipal leak detection services, but it might be money well-spent. I want to bring this up to the water committee, but they have a policy of you have to have an agenda.

President Peterson – I was under the impression that at the next water committee meeting with an agenda item, this would also be up for discussion.

Councilman McKay – I'm glad you brought it where everyone can comment and listen.

Councilwoman Miller – Having water loss 10% over the average is surprising.

Paul Hunter – You would think with a leak that big, you would see it, but you don't.

Service Director Reinsmith- Paul, you could have a leak that happens to be right next to a storm sewer, and that water goes straight into the storm sewer and you would notice it. We have a big leak out on Rombach Ave right by the Kroger's intersection. We had the leak detectors come out. We even dug a great big hole about nine feet deep out there, and didn't find the leak. This was recently. There are leaks. The whole system is about 70 or 80 years old. Every town has the same problem with leaks. We need to spend millions of dollars to replace all of that infrastructure. If we can identify it, we will fix it. We don't let it just sit there. We are getting ready to get a major replacement out on Fife Avenue. The meters are also less reliable as they get older. The good thing is they err

them on the side of the resident, not on the side of the city. We have not had the money to do a lot of change-out.

Paul Hunter – According to the state of the city, they change out 100 per year.

Service Director Reinsmith – Jerry used to bring a company in and they would test them. It would cost about \$6000 or \$7000 to have them tested. He has not done that in the last few years.

President Peterson – I think it would be healthy to have a discussion about this in an upcoming water committee meeting.

Councilwoman Miller asked for information about the website.

[Discussion of City Water System]

Councilman McKay – We are aware of the situation. We recently enacted legislation that will allow us to put more money into the water department to help correct this problem. It's not as though we are not aware of it and it is not as though we aren't doing anything.

President Peterson asked if anyone else wished to address council while in session.

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

A motion was made by McKay to adjourn.

Motion passed.

Council adjourned.

ATTEST:

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President of Council

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Clerk