

Wilmington City Council met in regular session on Thursday, November 20, 2014, at 7:30 p.m. with President Cindy Peterson presiding.

Call to Order

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

Chief Weyand was also present.

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

Motion passed.

Absent member excused.

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

Mayor Riley recognized the passing of Roy Joy Stuckey and Jim Hasler.

Moment of silence observed

President of Council

A motion was made by Milburn and seconded by McKay to approve the minutes of the last regular meeting, November 6, as presented.

Motion passed.

Minutes approved as presented.

President Peterson - The Clerk of Council will be sending out an email confirming that 5:30 p.m. on January 2 works for councilmembers as a meeting time.

Mayor - Mayor Riley announced that he proclaimed November as Diabetes Awareness Month earlier in the week.

Mayor Riley presented a proclamation to Joe Merritt declaring November 16-22 as Geographic Information Services Week in the City of Wilmington.

Mayor Riley – The Buy Local 25 Days of Christmas Campaign will be starting again soon. The Holidazzle Event will be held the weekend after Thanksgiving.

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 requested three readings on legislation from the Sanitation Department to replace broken equipment. The landfill TEREX dump truck has permanently broken down.

Braden Dunham confirmed that the purchase would be made in payments.

A motion was made by Jaehnig and seconded by Mead to give the first reading only on the ordinance Authorizing a Contract to Purchase Landfill Equipment Without Formal Bidding Advertising Due to a Real and Present Emergency, and Declaring an Emergency.

President called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

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

Director of Law read the ordinance by title only.

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

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

Motion passed.

President of Council declared Ord. No. 5191 passed as read.

Wastewater/Sewer Committee - Chairperson Milburn had no report.

Judiciary Committee - Chairperson Jaehnig explained that Ahresty was pursuing a \$3.5 million expansion and was requesting an enterprise zone tax abatement. The tax abatement is on property improvements and would be for a ten-year period. The effects on the school would be small and would be partially offset by the increase in jobs.

[Discussion of Enterprise Zone agreements]

Councilmembers expressed concern that the schools had been notified. Clerk Brenda Woods explained that the schools had received notification.

Councilwoman Miller asked about the emergency clause in the legislation and Councilman Jaehnig explained it needed to go into effect immediately due to construction timelines.

A motion was made by Jaehnig and seconded by Milburn to give the first reading only on a resolution Authorizing an Agreement with the Ahresty Wilmington Corporation Providing for a Project and Tax Exemption Pursuant to the State Enterprise Zone Program, and Making Determinations in Connection Therewith; Repealing All Prior Conflicting Ordinances, and Declaring an Emergency.

President called for vote.

Motion passed. All yeas.

Director of Law read resolution by title only.

Jaehnig requested that the second reading be on the Agenda for the next council meeting, whether regular or special.

Safety Committee - Chairperson Spicer had no report.

Finance Committee - Chairperson Miller introduced legislation making supplemental appropriations.

Clerk Brenda Woods explained that the supplemental appropriations were divided into two pieces of legislation – those that require Budget Commission approval of an amended certificate and those that do not. The Budget Commission canceled their regularly scheduled meeting for this morning and rescheduled it to a later date without informing the city. The second piece of legislation states that the supplementals will be contingent upon budget commission approval.

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

President called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

A motion was made by Miller 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; Miller, yes; Milburn, yes; McKay, yes; Jaehnig, yes; Spicer, yes.

Director of Law read the ordinance by title only.

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

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

Motion passed.

President of Council declared Ord. No. 5192 passed as read.

Councilwoman Miller introduced the second piece of legislation making supplemental appropriations contingent upon approval by the Budget Commission.

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

President called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

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

Director of Law read the ordinance by title only.

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

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

Motion passed.

President of Council declared Ord. No. 5193 passed as read.

Councilwoman Miller introduced legislation making miscellaneous transfers.

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

President called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

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

Director of Law read the ordinance by title only.

A motion was made by Miller and seconded by Milburn to pass the ordinance as read.

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

Motion passed.

President of Council declared Ord. No. 5194 passed as read.

Councilwoman Miller asked for council commentary on budget.

Councilman McKay said he thought the budget was bare bones but asked if the administration had identified any other places that could be cut. Miller replied that so far the answer is “no.” They would need council’s inspiration as to where else to dig.

Mayor Riley – The budget is barebones. We have been through it countless times looking for opportunities to increase revenues and opportunities to reduce expenses. Other than slashing services or eliminating services, there really is no reduction. There is a 25 percent carryover. My hope is to find ways to increase revenue, bring more jobs to Wilmington, find ways of eliminating expenses as they crop up. We have had some successes with job creation. We have had increased collections, but Governor Kasich has balanced the state budget principally by withholding money that used to go to counties, townships, villages and cities. The Streets Department lost approximately \$800,000 a year when R&L decided to license their trucks in Indiana. In reality, we never should have gotten that money. When the Air Park decided they were going to have all of their property reassigned to have property tax deferred, that cost us \$150,000 to \$200,000. There is a million dollars that we will not get back. We’ve lost money on the inheritance tax, and we will not be receiving any of the casino money that is going to the county.

Councilman Spicer – We say we’re bare bones, but I’m looking at some of the salary line items and several of them are inflated based on last year’s budget, even after taking into consideration the 4 percent raise they got plus allowing a little for overtime. There is \$32,701 in administration after factoring in the raise and allowing about 10 percent for overtime on that raise.

Councilwoman Miller – I think a big surprise was the effect of the step increases. The jump surprised me.

Councilman Spicer noted that the Police Department salary line increased by \$100,000 and asked if that included new officers.

[Discussion of staffing levels]

Chief Weyand – We should have 21 people in our department. We are at 19. We are testing to hire two to put us back at the 21, which we are required to have in our current collective bargaining agreement.

Councilwoman Milburn asked if the budget was for 21 people in the Police Department and Chief Weyand verified that it was.

Councilman Spicer questioned the fuel line in the landfill. It is budgeted at \$90,000 as it was last year, but we transferred \$30,000 out for the current year. Let's get this budget passed honestly, and then as we see what our revenues are. If we're doing well, I will be the first one to vote for adding things. I realize we are bare bones, but if we keep passing a budget that is more than what we are bringing in, we will not have that 25 percent carryover. I think that is fiscally irresponsible.

Councilwoman Miller – What do you want to see?

Councilman Spicer – I know we need more revenue. I am willing to compromise. I don't want to be hard nose. I want to see full staff in every department, but not until we can afford it.

Councilwoman Miller – I carry a similar concern. I know this is as good as it gets without making deeper cuts, but it's still a million dollar more than what we have. We can keep saying that we are using savings and we have that 25 percent carryover. This is, by definition, not a balanced budget. The definition of a balanced budget is when revenue matches or exceeds spending. We can keep saying that it's balanced because we have something in carryover and we're not spending it, but a balanced budget, black and white, is when the revenue matches the spending. I am not unwilling to compromise, but the gap is so big from what we are making.

Mayor Riley – Three or four years ago, we hardly had any carryover at all. And through a lot of hard work from the superintendents and the administration, we have been able to meet Bob's request of 25-percent carryover and we have been able to maintain. In fact, several times during the year and last year, it has gotten above 35-percent carryover when you look at it month by month. Budgets have to be somewhat fluid. It's a good blueprint. It's a good plan for entering into a new year, but budgets are all written on paper, not carved in stone. There has to be flexibility in them. My goal is to end 2015 with a 25-percent carryover. To have any less than that, I would start getting nervous. I think our goal is always to have 25-percent carryover.

Councilman Jaehnig – I have more philosophical issues with this debate. Two years ago, we told the administration we wanted them to have a 25-percent carryover in the budget. The administration budgeted it and for the 25 percent last year. They delivered a greater-than-25-percent carryover coming into 2014. So, now at the end of 2014, we are up in the 30-something percentile carryover, and we're needing to use some of that. At no time did council ever come to an agreement that said, we want this budgeted to revenue that is brought in. We don't want you spending any of the carryover. The council has never given that instruction to the administration. There have been specific council members that has been their desire, but the only thing that all seven people agreed on in council was the fact that we were asking them to maintain a 25-percent carryover. Now, the administration and the department heads have done exactly what we have asked them to do. Then, once they bring it forward to us, all of a sudden we are saying that is not good enough. Yet, our answer back to them is "You go find more savings." It's not, "I think we should cut this or I think we need to cut that or we need to reduce this." If those that feel we need to make changes aren't going to offer real suggestions of what needs to

be changed, they have done exactly what we have asked them to do. On top of that, we added nearly a thousand jobs in 2013. Those revenues start to show up in 2014, and we saw approximately \$450,000 over our budgeted tax revenues in 2014. We have repeated the same thing in 2014 now. We have added nearly a thousand jobs in the community that we are not seeing any of the return on yet that we will see in 2015. Because those taxes as people move in, we are getting partial years.

Councilwoman Miller – So, that is not included in Marque’s forecast?

Councilman Jaehnig – He is looking at the numbers and then he is doing a very conservative potential increase in what could be. He doesn’t count the number of the jobs. They look at the revenues that are brought in and estimated increase in revenues. It is calculated estimate, but when we look at the number of jobs that have been created, we have 259 new jobs that are being created out at the Air Park that are not complete. Timbertech has been adding as fast as they possibly can. They cannot get enough people out there. Ahresty continues to add on a regular basis. We also have the new finance company that has added a tremendous amount of jobs. We also have L&L foods. These are all jobs that have started to move in, but we don’t have full years’ worth of jobs. There are still a lot of jobs that are being filled. We will still probably see the same type of increase next year – about \$450,000 increase over what we anticipate based on job count.

Councilwoman Miller – So that’s still a half a million difference.

Councilman Jaehnig – But, when you start to use the math that you and Joe used in regards to when we are going to run out of money, if we have that type of increase, instead of spending a million dollars more, we have maybe only spent \$500,000 more. All of a sudden now, if you spend \$500,000 more and you have two and a half million dollars in the bank at the end of the year, without any improvements or any changes, now we are five years out instead of two years out. I believe we need to take into consideration the entire picture. Personally, I think the budget is a responsible budget. When Davey Raizk was mayor, he did a very good job of bringing budgets in real low, but two or three weeks into the year we would be doing supplementals already. It’s because instead of having it in there so we knew where it was, he would cut it all the way down and get it down to whatever council would pass to make them happy, and then immediately have to start throwing supplementals in. We normally don’t have a lot of supplementals that aren’t something unusual that we weren’t expecting and we get to have a nice long talk about them. Personally, I applaud the department heads. I think they have done a good job. I think the administration has done a good job. I think this is a great starting point. Randy has promised every single year that the budget that we go in with is not the budget that we end with. He has delivered on that every single time. I am fine with the budget as it is.

Councilman Spicer – We still have nothing about streets.

Councilman Jaehnig – That is something we need to fix. He’s got \$100,000 in there for streets and we need to figure out how to move more in there.

Mayor Riley – We didn’t have anything in there for streets last year and we still did streets.

Councilwoman Milburn- I agree with a little bit of everything. I’ve looked at the budget. I think that we are bare bones. I think we are doing what we can right now. Ideally, I don’t want to see any layoffs. I want to see the Police and the Fire Department get what they need. With that being said, what Rob was saying, I’ve looked at the same thing. Just looking alone at what I am doing at Timbertech, I can’t bring in enough people. I see the revenue that just this little company that I’m working with is doing, I know that is going to multiply. The more you grow, the more you’re going to spend. That is just how it is. When we had ABX and DHL, we were spending like crazy because we had so much we had to keep up with. We took a hit, we’re growing, we’re getting back, and we’re needing to spend more again. I still am comfortable where we are at. Would I like to see it better? Sure. I think everybody would, but I’m comfortable right now.

Mayor Riley – I would point out, like I said earlier, we've lost a significant amount of revenues that used to be coming the city's way...well over a million dollars a year. If you add up just the permissive taxes from R&L and the difference in the property tax from the Air Park – that's a million dollars right there. There is probably at least another \$500,000 that has been lost. I will be ready to say that we need more revenue. We don't have a spending problem, we have a revenue problem, and sometime ...by the first of the year...I'm going to be talking to people about levies. Whether we have a street levy that is designated for taking care of the streets, or whether we look at a safety levy and we try to get police and fire to be almost like enterprise funds just operating off of levy dollars, and then the General Fund money that would have gone to them would be used for the streets so that we can do that. Of course, all of this has to go to the voters. We allow the voters the opportunity to say what they value and where they want their money to go. Or whether we look at, and I did this just within the past two weeks, the state average for earnings tax or income tax is 1.41 percent and 1.43 in southwest Ohio. If we went from 1 percent to 1.4 percent, that is going to be over a million dollars a year more coming in that could be used for streets and used for the things that we haven't been able to do. We actually should be planning more for the future, but because we have been so bare bones since 2009 or 2010, we have not been able to do that. In our near future are going to be discussions about levies or earnings tax adjustments and how much we need to bring in, how we are going to bring it in, how it is going to be allocated. It will not be to profit anybody except for the citizens of Wilmington. Because then we can do their streets. We don't have to worry about which police officers we're going to have. We can maybe get the bike patrol back. We can get those things that we have valued in the past that we don't have. Basically, give the citizens of the City of Wilmington the opportunity to say, "Yes. I value these services and I think we ought to support them."

Councilwoman Miller – I want to piggyback off of something that Rob said. It's not that I disagree. I do agree with the Rob in the sense that we are right at that crest. But what I struggle with is I'm not there yet. I feel like I have a responsibility to spend what I have. That's where my conflict lies and there is where I am stuck.

Councilman Spicer – Mine too. I think we are improving.

Councilwoman Miller – I honestly do think that we will have more income tax revenue than what we are budgeting. I truly believe that. But that is not what has been presented to me. My responsibility is to deal with what has been presented to me.

Mayor Riley – And I can't present what I don't have in my back pocket. I agree with you. I'm an optimist. I believe that we will have more jobs coming in. I have talked to companies that I am not privileged to talk about right now. They have been here a good long time...kind of like our friends at Ahresty. There is another company that has been here for a good long time and who have been successful and they are looking at significant expansions. God bless them. In fact, there are a couple of those companies looking at significant expansions, but right now, it has not happened. I can't tell you it's going to bring in this amount of earnings tax, because they're not here yet. I don't know absolutely when or how it is going to happen, but they're looking.

Councilwoman Milburn – I think that is where I am at too. Normally I would be on the err on the side of caution side, but I feel like being where I am at, seeing and talking with other companies. I talk to Ahresty on a regular basis and a lot of other companies. We are all growing. We are all hiring like crazy and job fairs. You drive downtown and you see even Wendy's and McDonald's are holding open interviews. It's crazy how much all of these businesses are growing. Just like talking to them, that is what gives me that comfort level, to see firsthand that it is coming.

Councilman Jaehnig – I don't think we should be irresponsible. I do think we should be responsible. At the same token, I tend to look at things from an economic development point of view. If we are not responsible with cuts, if that is the direction that we are forced to go, we not only potentially damage that service, we also potentially damage our ability to attract this expansion and these new companies. Because we haven't made those drastic cuts, we have been able to attract these businesses like Polaris, L&L foods

and the others. I would hate to do anything that would jeopardize that potential or the potential for their employees to decide to live inside the city instead of moving down to Mason or Centerville. We want them living here as well as working here.

Councilman McKay – New Sabina has a nice warehouse out there also. If we go back to the DHL days, we were making a lot of money. We, for the most part, budgeted and saved it back. Now, we are using it. My business has increased. I think overall economically in Wilmington and Clinton County, in the last six months to a year we have seen a lot of increases. We have to get over this hump. We are still going to have to use some of those monies that are predecessors prudently kept back and didn't spend.

Councilman Mead – There have been a lot of good comments tonight. They are all important things. We just can't continue year after year to spend more than we bring in and hope to survive as a city. If we need more taxes, then whoever feels that way should go out and ask the voters. But, we have to get over the hump. I think we spent the money that we saved over the DHL days and we gradually cut back on the budget and the carryovers, and we're now down to a point where last year we did very well. It was balanced with a good carryover. We are hoping to do the same this year, but we are so far away. I keep hearing, we know we're not going to use all that. Why then is it in the budget? I know it's human nature to feel like you have to make sure that you have enough, but we sit here in council say that we're not going to spend all that.

Councilwoman Miller – I think the comment before has been previously it has been expressed that we have never spent all that we have budgeted and it was confirmed. It has been said in committee.

Councilman Mead – There has been a comment to that effect. Just like we are going to have more at the end of the year than we have budgeted for income.

Councilwoman Miller – In Loren's absence, he asked me to get some information. Loren wanted to know what our cash-ending balance for 2014 – just confirming that what we were presented was accurate. The cash beginning and ending balance for 2015 was also accurate.

Mary Kay Vance explained that this was an estimated amount as we have not reached the end of 2014 yet.

Councilwoman Miller said that Councilman Stuckert also wanted a breakdown of the positions in the various salary lines in the budget.

Mayor Riley said he would like to do a comparison between 2014 and projected 2015 and the FTE budget in each department and their salaries.

Councilwoman Miller asked for a list of the positions in each department and a comparison of their salary and fringe benefits for 2014 and 2015.

Downtown Revitalization Committee – Convener McKay – We have three of our stars with us from Dancing with the Stars. They are all to be congratulated.

Parks and Recreation Committee – In the absence of Convener Stuckert, Councilwoman Miller had no report.

Service Director - Service Director Reinsmith – I went to the Public Works Integrating Committee over in Lebanon, and we approved the package for all of the projects for next year. In the package, we had all three of our projects approved. We got about \$1.3 million for the three projects. One of them is the connector road at Ahresty, the aerators and mixers for the towers, and the Fife Avenue water line replacement. Our match was \$21,000. We will be doing those projects next year.

Councilman Jaehnig asked if we were going to do the Truesdell sidewalk next year. Service Director Reinsmith said he thought that was a 2016 project year, but they have sent letters to the property owners, so it might be sooner than that.

Mayor Riley - The Sugartree Street crossing has been completed and it looks very nice.

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

Reports

A motion was made by Jaehnig and seconded by Spicer that the Auditor-Treasurer Report – October 2014, be accepted as presented.

Motion passed.

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.

President Peterson – I’ve asked the mayor to give us a brief update on the status of the cemetery.

Mayor Riley – The cemetery association has done phenomenal job of making the cemetery run for decades on a shoestring. They voted early this month to dissolve their association. By law, when a cemetery association is dissolved, the cemetery responsibility goes to the political entity in which it lies, which is the city. Bob, next year, you are going to have a cemetery. We have had one or two meetings already with the cemetery board to transition it. Their goal as of our last meeting was to make it a January 1 transition. There are several things that need to be done. By Ohio Revised Code, the Service Director is the Director of the Cemetery. Our goal is to operate it as an Enterprise Fund so it will pay for itself. It will involve doing some new things that will bring some revenue back to the cemetery. About 60 percent of deaths result in cremations rather than burial, but we don’t have a really good way to handle cremains at our cemetery. We will be looking at improving our profitability over the next year. As of today, it will be ours as of January 1.

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

Councilman Jaehnig – The Saturday after Thanksgiving is HoliDazzle. I would like to thank and apologize to all of the officers in advance for having to work. We have some exciting new entries in the parade before. Polaris and ATSG will be making appearances. R&L has developed a brand new float. They have four entries in the parade. It looks like we will have a lot of horses this year. There are a few wonderful surprises that will not be advertised anywhere. I would like to publically thank the Wilmington High School FFA. Kids’ activities will be in the city building. Horsefeather Farms will have wallabies upstairs. Frontier will have Santa’s hotline so you can call the North Pole and talk to elves. We have bouncy houses, which are free. The support for HoliDazzle corporately has been very strong.

Councilman Spicer added that the Convention and Visitors Bureau is going to be open during HoliDazzle.

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

A motion was made by Miller to adjourn.
President of Council declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk