

Wilmington City Council met on Thursday, January 7, 2010, with President Fred Ertel presiding.

Roll Call: Jaehnig, present; Wells, present; Peterson, present; Wallace, present; Mead, present; Mongold, absent; McKay, present.

Assistant Chief Weyand was also present.

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

Council gave the Pledge of Allegiance to the flag.

A motion was made by Wells and seconded by Peterson to approve the minutes of the last regular meeting, December 17, as received.
Motion passed.
Minutes approved as received.

A motion was made Jaehnig and seconded by Wells to approve the minutes of the last special meeting, December 30, as received.
Motion passed.
Minutes approved as received.

President of Council – Fred Ertel : I would like to announce the first public hearing on the 2010 CDBG programs. That is to be held January 21 here at 7:30 pm in council chambers. That is the public announcement for that. Having completed my portion of the agenda, Mr. Mayor?

Mayor – Mayor Raizk: No report, Mr. President.

President Ertel: Thank you very much. Moving into committees...Asset, Acquisition and Use?

Asset, Acquisition and Use –Councilman McKay: No report.

President Ertel: Thank you. Mr. Auditor?

Auditor – David Hollingsworth: Nothing, Mr. President.

President Ertel: Thank you. Finance Committee?

Finance Committee – In the absence of Chairperson Mongold, Councilman McKay: We have one item...in the absence of Chairperson Mongold. We were notified that we have a retroactive correction to the negative appropriations that remain at the end of the year. In other words, there was a small error. David?

City Auditor David Hollingsworth: Yes, I will explain what happened...as part of the special council meeting that we had...the state auditors a few years ago...we were cited. It wasn't a major citation, but they wanted us to make sure that our appropriations at year-end agreed with what we had actually spent. So, if we've appropriated more money than we have actually spent, then we have to go through and make negative appropriations. Well, In December, we had made some note payments that had not been posted to our records when we went through to see what items we needed to make negative adjustments to – the note payment account being one of them, or the bond account. We had spent money, but it wasn't reflected on the report before we went through and made a listing of what negative appropriations we were going to have to make. So, it looks like we actually spent more than what we had appropriated once that was posted. So, now we are going back and re-appropriating that money since it was spent, so that it zeros out. So, that is the legislation that you have before you tonight.

Councilman McKay: Thank you. And that is the amount, \$89,426.82. Are there any other questions?

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

Motion passed

Director of Law read ordinance by title only.

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

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

Director of Law read the ordinance by title only.

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

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

Motion passed.

President of Council declared Ord. No. 4895 passed as read.

President Ertel: Is there anything else?

Councilman McKay: That is all I have, sir.

President Ertel: Okay. Water Committee?

Water Committee – Chairperson Mike Wallace: I really have nothing. You saw your packets this evening. The charts based on our last years' sales and you see some of the issues we're trying to [inaudible for transcription]. It is nothing new, it is nothing [inaudible for transcription], it is just for your information.

President Ertel: Thank you, Mike. Streets Committee?

Streets Committee – Chairperson Peterson: We have no report.

President Ertel: Tell me about the snow.

Councilwoman Peterson: We have no report.

[Laughter]

President Ertel: Okay. Solid Waste/Recycling?

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President, I have no report tonight, but I would like to arrange to have a solid waste committee meeting in the near future if we could get everybody a time and date. That is all, Mr. President.

President Ertel: Thanks, Don. Wastewater/Sewer Committee?

Wastewater/Sewer Committee: Chairperson Mark McKay: No report, Mr. President.

President Ertel: Thank you. Judiciary Committee?

Judiciary Committee: Chairman Rob Jaehnig: No report, Mr. President.

President Ertel: Thank you. Safety Committee?

Safety Committee- Chairperson Rob Jaehnig: We have one item tonight. In an effort to be as fiscally responsible as possible, the police department has found a way that we can make our auctions go a little bit smoother and a little bit quicker so that we are not storing things for so long. There are times that we are actually holding onto things for such a length of time that the value of the product drops substantially – either because of the weather, or it has been in storage and it is dirty and filthy, or it's worn down, or whatever. So, we are looking at a contract with GovDeals on the internet, which will allow us to process things immediately upon them being available to be put up for

auction, so we will not be storing things for a great length of period. It will allow us to turn things much quicker. They have had some serious luck in regards to this process up in Columbus and are getting much better bids on the products. They found a serious boost to these cities revenues because of that. I applaud Assistant Chief Weyand for pursuing this and I think it is a good deal for us to move forward. I would like to ask for the first reading if there are not any questions.

Councilman Wallace: I have one. Is there a way that we could get our local auctioneers involved? Because, once again, we are taking money away from the local guys. Is there a way that we can get them involved somehow, as maybe as a advisory committee or something? So they could say, "You know what, if you can get more money there than I can get for you, then go for it." Something like that...so that we can get them. It just seems to me like...I just know that one of the things that hurts these local auctioneers is this internet auctioning. I'm not trying to take money out of our pocket – don't get me wrong – but in the same sense, if it is going to be about the same dollar, I would rather give it to our local people.

Councilman Jaehnig: Mark?

Councilman McKay: My question was just about the process. I guess I am hearing that there is a certain length of time that we hold items until they are available to the auction. At that point, they will go on the internet auction site as though it were an E-bay type situation?

Assistant Chief Weyand: As it stands now, currently we typically hold almost everything almost a year or better for our car auction, and by the time we get ready to auction, we have to have it towed out of our impound lot...that costs us money...and then we have to auction it. Typically, people don't buy it because it doesn't run. So we've auctioned off, the auction is gone, the car is still sitting there, and we have to tow it back into fence or do something else with it. So, there is a cost to that. Plus, in the past, we have paid \$1200 to run the advertisement plus \$800 to do it, whereas in this case you pretty much are just taking a digital picture and are putting it on line.

Councilwoman Peterson: My point is, have we approached anyone locally to say, "Here's the deal we've got..."

Assistant Chief Weyand: No, I haven't. I've talked to other communities that have ran this, and they have seen dramatic increases in the volume and the bidding and stuff like that. No, as far as locally, I have not talk to anybody.

Councilman Wallace: One of the auctioneers I know is like the president of the State Auction Association. I just think it would be nice to at least get their input and have them say, "You know what, I can't compete. We can't compete. It would be smart for you to do that." Then, I would feel much better about that for us going that way, than just taking money out and not even conferring with them.

Councilman McKay: We do pay them to...

Assistant Chief Weyand: We pay them to run the auction.

Councilman McKay: We pay them a certain percent.

Assistant Chief Weyand: Well, it is a flat fee of around \$850, and then we have \$1200 wrapped up into the advertising, and then you have pretty much everybody's labor wrapped up into doing the auction itself.

Councilman Wallace: The way I read this, though, we could put an item on there like today. There would be no holding time. You could just run right on there today.

Assistant Chief Weyand: Well, we have to declare it surplus first. But, yeah, typically, once [inaudible for transcription] to credit surplus, I could post it on that day.

Councilman McKay: I don't think there is an immediate need that we pass this tonight.

Clerk Laura Curliss: No. It is the first reading.

Councilwoman Peterson: Could we consider going out to the local. They may say, "Hey, you know, thanks but no thanks."

Safety Director Nick Babb: The thing that we are getting that we can't get locally is we are getting basically nationwide coverage in an auction.

Councilman Jaehnig: One of the issues that we run into currently locally is that the auctioneers are having trouble selling the products that they have now at auction. So, it is not even as if we were in a good economy when auctions were going well. So, that becomes an issue on top of it. You put it on the internet and all of a sudden we have national coverage instead of having maybe a hundred people looking at it to bid on it, we have tens of thousands.

Mayor Raizk: We'll make an attempt to reach out and have a report back before the next meeting. We'll have it on next time for the second reading. Hopefully between now and then, or if we haven't gotten everybody contacted, we'll maybe ask for a postponement for one time. We'll reach out.

Councilwoman Peterson: Thank you.

Scott Kirchner: Out of curiosity on the advertising, is that auction-specific or is it regarding declaring the material surplus to the city and exactly what those items are. If you are going to do these auctions on an ongoing basis, you are going to have this advertising on an ongoing basis for these items. I'm not sure we are going to save as much in the advertising.

Assistant Chief Weyand: The advertisement that we were paying for before was for running the auctioneer's ad and that would cost us \$1200 to run that for x-number of weeks in the paper. Typically, when we declare surplus council declares an ordinance and we run a small little ad saying that any property that we hold if not claimed by such and such a date is deemed (I can't remember the actual wording), but it is deemed as like forfeited to the city.

Scott Kirchner: So it is a different set of advertising. I just wanted make sure that you weren't...

Mayor Raizk: It is not the ordinance advertising.

Councilman Jaehnig: Do you have a question, Geoffrey?

Geoffrey Phillips: Essentially this is a procedural question. Would we as a city also use GovDeals for surplus items for other departments or would it only be the police. It would be for any department?

Councilman Jaehnig: That is correct.

Geoffrey Phillips: How frequently do we expect that surplus list to [inaudible for transcription]? Would it be quarterly or biannually?

Assistant Chief Weyand: The intent is whenever we have enough to put out there. Currently I probably have 13-14 car titles. I have probably around 200 bikes and a whole bunch of other stuff. You're not going to post this all at one time, but you could run this quarterly or biannually; there is not any set standard. We just have to run the ordinance.

Geoffrey Phillips: My second question is on a cost analysis. I know some numbers have been talked about, but page 2 describes what the fee will be out of the bidders. Do we

pay the current auctioneer anything or we only pay those two numbers you had mentioned?

Assistant Chief Weyand: We pay the current auctioneer a flat fee of \$850.

Geoffrey Phillips: So, we pay him \$850 no matter what he sells or what he gets for it, and then we pay \$1200 to have it advertised. So, at any auction, we are in for \$2000.

Councilman Jaehnig: Are there any other questions?

A motion was made by Jaehnig and seconded by McKay to give the first reading only on a resolution Authorizing the Mayor to Enter into a Contract with GovDeals, Inc. to Sell City Surplus Items to the Public through an On-Line Auction Service.

Motion passed.

Director of Law read the ordinance by title only.

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

Councilman Jaehnig: That is all I have today, Mr. President.

President Ertel: Thank you. Downtown Revitalization?

Downtown Revitalization Committee – In the absence of Convener Sandy Mongold – No report.

President Ertel: Thank you. Parks & Recreation?

Parks and Recreation Committee - Convener Mike Wallace – No report.

President Ertel: Service Director?

Service Director- Service Director Larry Reinsmith: No real report. We do need to get a streets committee scheduled.

President Ertel: Safety Director?

Safety Director – Nick Babb: No report.

Reports:

A motion was made by Wells and seconded by McKay to approve the Water Revenue Report, as received.

Motion passed.

Reports accepted as received.

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

Scott Kirchner: 245 S. Mulberry Street. In reviewing the water revenue chart...and thank you for this, it is a very good chart...I would ask two questions. Number one, can we get a similar chart for the sewer department, because I suspect we have seen similar falls in sewer revenue – not exact – because we have been doing rate increases through this that would change that curve, but still it goes to a point of understanding what our revenue level is. Number two would be, have we reviewed the water rates and are we anticipating a potential rate increase? Because based on these numbers, in my recollection of our operational costs and debt service, although I know we have retired some water bonds, we may be looking very soon between this revenue loss and the increase that we put on through the Honeywell deal, it is very possible we will be doing a rate increase this year. Has the water department had a chance to look at that yet?

Councilman Wallace: Well, that is always under consideration. Right now, we are trying to see if we can do a couple things. We have a couple of things floating out there. We are trying to look at that happening first. That is a potential.

Mayor Raizk: We are not anticipating. We think we will be able to meet our debt coverage.

Councilman Wallace: We are closer to the debt coverage than that picture shows us.

Scott Kirchner: To drop it back to pre-2004 levels, which I know we were going through rate increases back in the early 2000 time-frame. As 2005, 2006 and 2007 came on, we were just barely getting to those bon ratio numbers that we desired. Now, as I said, you have retired bonds since then, I am unfamiliar with the numbers since then, but that seems to be a very drastic drop, which I am sure is alarming to all of you. But, that is also why I encourage that we get the same sewer chart out because I have a feeling we will have similar issues.

Councilman Wallace: That is kind of where we are right now, we're still hanging in there.

Scott Kirchner: Okay. Thank you, Mike. And, then I would also ask, is the auction contract going to go back to committee for consideration of some of the concerns here, or is it just going to move forward as is?

Councilman Jaehnig: Well, I guess we will probably have to take it back to committee once we have responses from the local auctions.

Scott Kirchner: Thank you.

Councilman McKay: I would expect that their response is they are not interested.

Councilman Jaehnig: And then there would be no need for a meeting.

Rhoda Zion Alale: Dr. Alale introduced herself as a health physicist and gave her address 1282 Ridge Road in the Warren Knolls area. She thanked council for giving Wilmington a unique disposition nationally as the first green enterprise zone. She said that she is in the position of presidential commissioner serving on the EPA Care Initiative, which focuses on lowering air irradiation. She said that she had been in that position for almost two years at the appointment of the President George Bush. Alale stated that her home in Warren Knolls is contaminated with lethal radiation. She said that she is a survivor of "black breast" syndrome and showed pictures of examples of the disease. In addition, she said that her son had 60% of his brain waves fade away. Alale went on to say that her husband was the prince of Ijo, West Africa, and that she is an African Princess. She shared, at length, the personal experience of illness that she and her son have suffered because of living in her contaminated home. She asked that council continue in creating a new path for the future of Wilmington by passing a resolution to support a center of bioscience for regenerative medicine in the area. She said that radiation was a problem in many area homes, as well as in area schools, and that the city should be proactive in helping solve the problem of increased radiation levels in the area. She thanked council for their time.

President Ertel: Thank you. We appreciate it. That was quite eye-opening...definitely. That gives us some food for thought there...something we can possibly do something with in the future, not only at the city level but also the county level, because I am very familiar with the radon issue at the county level. This is something that not only affects us in the city but certainly also the county.

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

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

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

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk