

Wilmington City Council met on Thursday, January 21, 2010, with President Fred Ertel presiding.

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

Assistant Chief Weyand was also present.

Council gave the Pledge of Allegiance to the flag.

A motion was made by Wells and seconded by Jaehnig to approve the minutes of the last regular meeting, January 7, as received.

Motion passed.

Minutes approved as received.

President of Council – Fred Ertel: Okay. Welcome to the meeting.

President Ertel opened the public hearing on the 2010 CDBG Programs by Mr. Whitaker Wright of CDC of Ohio.

Whitaker Wright: Thank you, Mr. President. Good evening, ladies and gentlemen, members of council. This is our annual first public hearing for the federal Community Development Block Grant program. This evening I will briefly discuss eligible programs that the state and federal government will be offering this year. There are several housing programs offered through the Ohio Department of Development. The first one is the Community Development and Housing Improvement program. It is an application process that is due in April. The City of Wilmington would be eligible to apply for \$500,000. There are several programs that the Community Action Program is eligible to apply for. These include the Housing Development Assistance Program, the Housing HDAP program, and the CHDO operating program. In addition, Clinton County Homeless Shelter applies annually for the Homeless Assistance Program, with an application due in July, and the larger metro areas are eligible to apply for housing for people with AIDS. There are several community development programs offered by the state. The City receives \$51,000 annually through the Community Development Block Grant Formula program. That application is always due in June. This year it will due on June 25. In addition, there are water and sewer programs with an open cycle of about \$600,000 on a maximum award. There are several economic development programs that focus on employment for low and moderate income residents. These include the Downtown Revitalization Program. That is the grant that the city received last year. There are also the microenterprise loan programs and the economic development programs for cities and counties. The crux of the Community Development Block Grant program is to assist households who are considered low and moderate income to receive funds either through infrastructure or housing. Areas can be qualified either by the Census Bureau by direct benefit, or through what is called limited clientele, which means they are senior citizens, they are elderly, they are abused, handicapped, homeless or have other disabilities. To be considered low and moderate income, HUD publishes in March of each year an annual estimate of 80% of what they consider to be the area median income in Clinton County. It is currently, for a family of four, \$49,750. That has not changed in several years as we have discussed in the past. It is primarily because HUD had estimated high through the 90s and they have been holding that figure constant for about the last four years. In addition, the City solicits project proposals from interested parties each year for the Community Development Block Grant program. The Mayor's office has copies of the project proposal form. Eligible organizations are welcome to submit a proposal to the city for review and comment, and then the city will select programs that they will spend their \$51,000 for this year. I have left this with the clerk. Are there any questions? Thank you.

President Ertel: Okay. Thank you so much.

President Ertel closed the public hearing on 2010 CDBG Programs.

President Ertel: Okay. Green Enterprise Zone. Mark Rembert and Taylor Stuckert.

Mark Rembert: I just wanted to come before you on behalf of my fellow members on the Green Enterprise Zone Development Council to announce that Monday, January 25, we will holding a public meeting to officially release the Green Enterprise Grant program. This will be its inaugural year and the window will run from January 25 until March 19. At this public meeting, we will introduce the members of the council, discuss some of the guidelines of the grant and sort of the expectations and visions of the grant. Before you, we have a packet of that cover letter, the guidelines that we put together, and the application that the council approved.

President Ertel: Very good. Well, we look forward to that.

Mark Rembert: Thank you.

President Ertel: Okay. Are there any questions?

Mark Rembert: Well, I guess I should announce that is at 6 pm in the Community Room.

President Ertel: So, that is January 25 at 6 pm. Very good. Thank you so much. That completes my portion. Mr. Mayor?

Mayor – Mayor Raizk: Thank you, Mr. President. Once again, it is time for the annual State of the City.

Mr. President, Members of Council, Distinguished Elected and Appointed Officials, and Fellow Citizens:

This past December, in an interview with Scott Pelley for *60 Minutes*, I was quoted as saying "...this community runs on hope." As a realist, I know that hope does not put food on the table or pay the mortgage or put clothes on the kids. But despair doesn't do those things either. Wilmington, in its darkest hour, had a choice: hope or despair. We chose hope. Why? Because it is who we are. And hope is not the easy way. It is not the path of least resistance. You have to work at hope.

I believe that every act of kindness, every act of generosity, every act of spiritual support, gives hope to both the giver and the receiver. We have had many such acts this past year. So many that I cannot list them here nor properly thank the givers. But a few bear special mention. Allen Willoughby, whose call to feed the hungry gave us hope. Jay Leno gave us hope with laughter in the face of adversity. Rachael Ray and Carter Oosterhouse prepared and fed us hope and good food. *60 Minutes* gave us hope by treating us with dignity and caring. And hundreds of people across this wonderful country gave us hope by opening their hearts and pocketbooks to total strangers. DHL, with their generous donation of the airpark, also gave us hope. This outstanding facility will give us an engine that, with hard work and self-determination, will once again create jobs and prosperity in our region.

You know, despair is easy; it doesn't require much effort. It's always about what is wrong. It offers many questions but never any answers. Hope is hard. It requires us to give of ourselves in order to help others. It requires us to recognize that need is need, wherever we find it, and it requires us to address that need. As the recent devastation in Haiti demonstrates, with supplies and aid flowing from a community as hard-hit as ours to this earthquake ravaged country, there is always someplace where the need is greater.

There are others who deserve our thanks as well. Governor Ted Strickland, Lieutenant Governor Lee Fisher, Congressman Mike Turner, Senators Sherrod Brown and George Voinovich, State Representative David Daniels and State Senator John Carey have all played key roles in assisting our community. I want to especially thank John Limbert for his role in negotiating the DHL/Airpark Donation. His skills and expertise were invaluable. I also want to thank former councilman David Hockaday for his wise advice

and counsel. I would like to thank the President and Members of City Council, along with the Auditor, Treasurer and Director of Law, for their support and encouragement in these trying times. Most of all, I want to thank all the wonderful city employees whose hard work and sacrifice have kept us afloat this year.

The spirit of hope that has been created in our community has, and will continue, to attract many good things. The spirit of despair only attracts more despair.

The State of the City is safe, secure and financially strong. But that is today. While we hope for the best, we must also prepare for future economic challenges. We need to reduce our budget by \$800,000 to \$1,000,000 to ensure adequate carryover for 2012. Since 80% of our costs are personnel related, we will need creative solutions to meet these goals and preserve jobs. We will continue to negotiate with our bargaining units in good faith. We know this will be painful and difficult. Reaching our financial goals will require everyone's cooperation, and we hope to have a plan in place by the end of the first quarter. Again, this is not about today or even tomorrow – but about making sure we have a firm financial footing for the future. We are also hopeful that by 2011, with control of the airport and our redevelopment efforts, we will have new revenue streams that will mitigate these sacrifices.

This year, 2010, is the bicentennial year for Wilmington and Clinton County. As we begin our celebrations, we look back with pride on 200 years of a rich heritage, of self determination, of resilience, of faith, of hard work, of opportunity, of ...there's that word again...hope. Since 1810, we have always been led by hope for a better and more prosperous tomorrow for ourselves, for our children, and for our grandchildren. Thank you.

President Ertel: Well. That was very good. Thank you so much. That was very, very good. I would also like to draw everyone's attention to the rest of the report, with all of the different departments and whatnot. Very interesting statistics and information about our different departments. It is very well put-together, and I assume we can thank the Mayor and Laura for that.

Mayor Raizk: And Andrea...

President Ertel: And Andrea.

Mayor Raizk: And all of the department heads. They have done a great job.

President Ertel: They certainly have. Thank you. Moving into committee reports. Asset, Acquisition and Use?

Asset, Acquisition and Use –Chairperson Sandy Mongold: No report, Mr. President.

President Ertel: Thank you. Mr. Auditor?

Auditor – David Hollingsworth: I have nothing, Mr. President.

President Ertel: Thank you. Finance Committee?

Finance Committee – Chairperson Sandy Mongold: No report.

President Ertel: Very good. We won't hear from you until what, about May or June.

Councilwoman Mongold: I hope not.

President Ertel: Water Committee, please?

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

President Ertel: Thank you, Mike. Streets Committee?

Streets Committee – Chairperson Peterson: We have no report.

President Ertel: Okay. Solid Waste/Recycling?

Solid Waste/Recycling Committee: Chairperson Don Wells: Mr. President, I have no report this evening on the agenda, but I would like to read a memorandum concerning our recycling program.

The Sanitation Department, on behalf of the City of Wilmington, recently submitted a request from the Ohio Department of Natural Resources for a \$150,000 grant for the curbside recycling program. This grant is made available specifically for programs such as ours. In late 2009, we contacted the Ohio Department of Natural Resources grant personnel and explained the needs of our growing recycling program. We were very well received by Chet Chaney, Grant Section Manager. Mr. Chaney then visited our facility and saw the operation in action. At this point, he invited Braden Dunham of our Sanitation Department to attend a meeting in Columbus. This meeting provided Mr. Dunham with information needed regarding the grant writing process. After attending the meeting, Mr. Dunham then submitted the grant application, with directions and suggestions provided by Mr. Chaney.

This grant was submitted to the Ohio Department of Natural Resources on January 7, 2010, and we should receive notice by May 2010. The purpose of this grant is to expand our current program and to obtain a recycle vehicle and curbside recycle bins, which would reduce the labor-intensive procedure we are now using. Our program now ranges from 11% to 16% participation each week. Mr. Cheney believes that with the expansion and improvements in our program made possible from this grant, our participation should increase.

This was sent to us by Don Maher, Superintendent of the Sanitation Department. So, hopefully, we will have some good news in May.

President Ertel: Very good.

Councilman Wells: We are having a Solid Waste Committee meeting on February 3. Thank you. That is all I have.

President Ertel: Thank you. 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 on the agenda tonight. That is the second reading on a resolution authorizing the Mayor to enter into a contract with GovDeals, Inc. to auction off city surplus items for the City and for the Police Department. I intend to go ahead with the second reading tonight. We do have a meeting scheduled on Wednesday, January 27, at 6 pm in which the local auctioneers have been invited. I have already heard back from Mr. Kersey and he will be in attendance. They will present alternative options and allow us to then directly compare our options to move forward at that point. There are some interesting avenues that could possibly be pursued, but it will allow us to openly discuss our options. I am going to go ahead and ask for the second reading tonight. There is nothing that says that we can't turn it down after that next week.

Mayor Raizk: Are you meeting on the 22nd, tomorrow, or...

Councilman Jaehnig: Wednesday, the 27th at 6 pm. I would like to go ahead and make a motion if there are no questions in regards to anything I have said.

Councilman Wallace: Are we under a time restraint? Is there any reason we are pushing hard to get this thing done?

Councilman Jaehnig: The only reason we are pushing hard to get this thing done is because our current system is not acceptable. We do have many things that need to be auctioned off. We have been holding them. We haven't had an auction since 2008 and things do need to start to move – whether it is this way or another method. But this does not approve the final resolution at this point. This still gives us an opportunity to step back if we decide after the committee meeting next week.

Councilman Wallace: I just think we are pushing pretty hard to get it done without doing the other first. It seems to me...I don't know why we can't sit on this at this point until we hear from the auctioneers. It may take more than one one-hour meeting to get this thing accomplished.

Councilman Jaehnig: And we'll know that by the end of the meeting. One of the concerns that I have is I have put phone call out to all of the auctioneers in the city and I have gotten one phone call back. There was very little attempt for them to contact us. The only contact that has been made is the contact that we have initiated ourselves.

Councilwoman Peterson: So I guess the reason that we want to do this is we are two weeks further along in the process if they are not able to bring something to fruition with regard to other options.

Councilman Jaehnig: If there is any option other than this, then we can stop and no longer and continue with this, then we will take it. If there is an opportunity to improve what we are currently doing and remain Buy Local and use that Buy Local multiplier on the revenues, then we can definitely step back and do that. Obviously, it would be in the city's economic interest. It may not make as much money necessarily for the City itself, but it could be economically appropriate for the city. If there isn't an option, then we need to move ahead with auctioning off these materials. A lot of them are out in the weather. The longer they sit out, the less value that they have and the worse shape that they get. Like I said, we haven't had an auction since 2008.

Geoffrey Phillips: Help me make the reference to the numbers. Will you on the 27th have some pro forma numbers in terms of what it would cost if we do what we have been doing versus what it will cost over the next 12-18 months. From what I understood from the presentation two weeks ago, we will have multiple on-line opportunities, which means there will be multiple ads in the paper and what those costs are.

Councilman Jaehnig: No, there will not be multiple ads in the paper, because it would all be done on-line.

Geoffrey Phillips: I thought this council had to agree the items were surplus.

Councilman Jaehnig: My apologies. I thought you meant advertising for the auction.

Geoffrey Phillips: That is a cost right now we pay once a year and you propose we pay it four times a year. I'm just asking. Those are just costs we need to put on paper. [inaudible for transcription] creativity, we just need to see the numbers.

Councilman Jaehnig: That is already being done.

A motion was made by Jaehnig and seconded by Mongold to give the second 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.

Wallace voted nay. All others voted yea.

Motion passed.

Director of Law read the ordinance by title only.

President Ertel: Very good. I look forward to seeing what the meeting on the 27th has to say, and we will move forward from there.

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

President Ertel: Thank you very much. Downtown Revitalization?

Downtown Revitalization Committee –Convener Mark McKay – We have no report, Mr. President.

President Ertel: Thank you. Parks & Recreation?

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

President Ertel: Thank you. Service Director?

Service Director- Service Director Larry Reinsmith: No report.

President Ertel: Safety Director?

Safety Director – Nick Babb: No report.

President Ertel: Before you, you have a number of reports: the Auditor-Treasurer's Report, the Treasurer's Report, the Statement of Income Tax – Six Months, Twelve Months and Interest Earned, Income Tax Reports – Both December and Annual, and the 2010 Projected Revenue Report. Geoffrey Phillips would like to talk about a few of those.

Geoffrey Phillips. Thank you, Mr. President, Mayor, Director of Law, Auditor, and Members of Council. Three things that I want to bring to your attention as you look at these reports and underscore some of the message that the Mayor gave in his statement tonight. The good news, as you look at the Income Tax Report, the one-page report that Marque prepares for you annually. And I certainly want to compliment the tax staff. Marque, Cheryl, and Julie have worked very diligently to ensure enforcement of the income tax and very regularly were in this room for small claims or were next door for criminal action. That aside, in the nearly 33 years that the City has collected income tax, the good news is that in 2009 we set a record all-time high of collections of just over \$7,000,000. It is the most in those years, and to put that number in perspective, just two years ago, in 2007, we collected \$4.5 million, and of course with the annexation of the airpark that was effective on January 5, 2008, in the year 2008 we collected just over \$6,000,000, and last year we peaked over \$7,000,000. Beyond the good news, the second thought tonight is the estimate for 2010. In the ten years that Marque and I have worked together, and it has been a number of years, the estimate for 2010 was by far the absolute most challenging. The sobering reality of the job loss in this community, as you read down to very bottom line of the report is, while we set an all-time high in 2009, with just over \$7,000,000, we will see and experience the greatest one-time drop that this city has every experienced in the 33 years of the tax. Our projection for 2010 is \$4.175 million dollars. In round numbers, we are projecting for you a \$3,000,000 drop in this source of revenue. Certainly, the loss of some 7500 jobs at the airpark is a major contributing factor. However, in just putting it all in perspective (and most of us are aware of this), that loss is compounded by the fact of business closings. As we meet tonight, in the last 12 months, Textron has closed. There are no employees and obviously it is a facility that we plan to reutilize for city services. White Castle has closed. Bob Sumerel Tire has closed. Fort Dodge is in the process of closing. In addition to those closing, and many of us are aware that there are a number of businesses in the community that have down-sized, "right-sized," as the politically correct term may be, including the business that I work for. We do not have as many employees at Liberty Savings Bank in our operations center on Rombach Avenue as we had a year ago. All of that contributes to the estimate that we give you in projecting a \$3,000,000 drop.

Geoffrey Phillips: The second source of revenue that I have responsibility to assist the city with, as you look at the Treasurer's Annual Report in the packet that the President

outlined for you, there are a couple of numbers in there that I draw to your attention. The Auditor-Treasurer report that David and I provide to you, the very first attachment after my message, in the General Fund we ended 2009 with \$4.6 million dollars. \$4.6 million dollars is the cash that will assist in the current budget deficit of \$2,000,000. If we spend \$2,000,000 next year, that leaves \$2.6 million a year from now and underscores (and I appreciate very much the comments of the Mayor tonight) that we look out for 2-3 years in attempting to provide some stability in services. The other number that I would call your attention to in this packet, as you thumb back three or four pages, in terms of the interest earnings for 2009. We are earned just less than a quarter million dollars in our investments, \$220,000. The challenge for 2010. A year ago I gave you a quote and I put it in the tallies in my report, a word of caution, falling investment rates in the 4th quarter of 2008 will make it impossible to repeat last year's success in 2009. Our city begins 2009 with investment rates of almost one-fourth of where they were one year ago. With very little editing, I could say to you tonight and a word of caution, falling investment rates in 2009 will make it impossible to repeat last year's success in 2010. One of the investments that we have at the end of the year has already, in the first days of 2010, dropped 50%. It is very possible that in 2010 we will have our lowest ever interest earnings that we have ever had. So, with those two sources of revenue, I support the Mayor's admonition to you to go back and look at the general fund budget for some appropriate adjustments. We are fortunate with the airpark jobs that this community had inside the city in the last two years, but the sobering reality to repeat a couple of words that I used a minute ago, is that there is going to be a significant fall-off in our revenue in 2010.

Geoffrey Phillips: The third thought that I have tonight, and I applaud Finance Committee and look forward to working with them in the quarterly reviews, along with my colleague Auditor, David Hollingsworth, one of the things that Marque and I will do, we will ask your indulgence, and we will make appropriate adjustments as we go quarter to quarter. I shared with you a minute ago that it was the most challenging estimate. Marque and I will normally do an estimate once and it will go to ink and it will come up the clerk's office and then you will get it. This estimate we did three different ways because I just could not believe what it would be. I shared much of this with the Mayor and with David. We went back and kicked the tires, but the reality is there is going to be a significant fall-off. The real challenge we have is the income tax of this City if the fund generator of the General Fund. Most of you, as you understand the budget process and transfers out to police and fire, there are significant services of the city that depend on that income tax, and it is not going to grow next year. The real challenge as you look at these two revenue sources is that there is no immediate replacement of those dollars in the immediate side of the next 12-18 months. And the Mayor spoke well...we talked 2012. We have to generate dollars and the longer it takes to generate those jobs and those dollars, the more it pushes it out in the budget. I appreciate these moments to share those things and bring them to your attention. Thank you very much.

President Ertel: Thank you, Geoff. Are there any questions?

Reports:

A motion was made by Wells and seconded by McKay to approve the December 2009 Auditor-Treasurer Report, Annual 2009 Treasurer Report, The Statement of Interest Earned – Second Six Months 2009, Twelve Months 2009, and Interest Earned 1982-2009, Income Tax Report December 2009, Income Tax Report Annual 2009, and the 2010 Projected 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.

Councilman Wallace: Mr. President, can I mention the fact that at the last meeting there was a request, I think, for this diagram, and it has been printed and put in your packets. I just want to make sure that you are made aware of that. I appreciate the Sewer Department for putting this in here.

President Ertel: I think that Scott made that request, didn't he.

Mayor Raizk: Larry put this together for you. One thing, we will try to in future, I know Jerry has been putting one together. We will also try to make them compatible. The information is accurate, but the graphs are stark-totally different. They still represent the same figures, but I think it would be more advantageous if we looked at similar graphs so that you can get a little handle on it.

Councilman Wallace: I just appreciate the effort and I wanted to make note of that.

Mayor Raizk: Thank you.

Paul Hunter: You could use the same graph and adjust ...

Mayor Raizk: Yes. Well, realize that two different people were preparing the graphs, but we will get some consistency there so you can put them side by side and make a little more sense to you.

President Ertel: Very good.

Councilman McKay: Mr. President. Just a brief comment, on the heels of our Mayor's report, he notes, these are the best of times and the worst of times, and I really look forward to realizing some of the things that could very well happen – good things that could happen to this city, and putting the worst of times behind us. And as the Mayor spoke of hope, I think that if we all keep that hope, good things are going to happen.

Councilman Wallace: Mr. President. I just want publically to thank Mayor Raizk for all of the work that he has put in...the extra effort that he has put forth for this community. I think it is very applaudable. I think that the committee did work with DHL in getting that, I think that is huge. I think David was very instrumental in that, and I appreciate all he is doing for us. Thank you.

Councilman McKay: I think we will look forward to Mr. Riley attending a meeting soon to make good on a process.

Mayor Raizk: Well, you know...

President Ertel: Is everyone aware of what that promise may have been. Would you like to mention that?

Mayor Raizk: I will mention that for those of you who do not know. Mr. Riley, early on, when I told him over my dead body, some way or another we're going to get this airpark back for the community and it was going to be donated." He said, "If you get that done, I'm going to come to council and kiss you on top of your head." Now, we have all seen the glorious News Journal photo...in fact we did include it in your state of the city, where he rubbed the top of my head, and he was cajoled to try to do it on national TV at the press conference. He would not do it, but I do have his firm commitment that the first meeting in March, he will be here to exercise his duty. I mean, he is still hanging out for signing the documents on the 28th of February. But, I will guarantee he will be here. We are actually going to make him an agenda item, so we can make sure he can't back out.

President Ertel: We will make sure that that is at the beginning of the meeting so small children and others can join.

Mayor Raizk: We may need to protect small children.

[Laughter and Banter]

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