

Wilmington City Council met on Thursday, January 20, 2011, with President Fred Ertel presiding.

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

Chief Mike Hatten and Assistant Chief Duane Weyand were also present.

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

Council gave the Pledge of Allegiance to the flag.

President of Council – Fred Ertel: Thank you so much. I'm glad to see everybody here. We have more people here on snowy evenings than we do on clear evenings, so this is good news. Maybe we'll have snow next time. Hopefully not.

A motion was made by Wells and seconded by Wallace to approve the minutes of the last regular meeting, January 3, as received.
Motion passed.
Minutes approved as received.

President Ertel: At this time, I would like to turn the floor over to Brian Shidaker. If you would, Brian, come up and state your name and address for the record.

Brian Shidaker: 857 Willowbend Dr. Thank you, Mr. Mayor and Members of Council, for the opportunity to speak tonight. As many of you are already aware, I am here to formally announce that I am seeking the office of Director of Law for the City of Wilmington. Before I begin, I would like everyone to know that approximately 10 months ago, I had the opportunity to sit down with Ms. Hapner and discuss the future of the office of Law Director for the City of Wilmington. It was at that time that she indicated to myself that she had no intention of seeking re-election for the office. After discussing the various options with my family, close friends and coworkers, I decided back in November 2010 to announce to the Republican Party my intentions to run for the office. Today, I would like to make the formal announcement to the City as well. In light of that announcement, I would like to briefly tell you a little about myself. I was born here in the City of Wilmington at Clinton Memorial Hospital back in 1981. I had a wonderful childhood. I spent the first 16 years of my life on Peggy Lane over in McDermott Village. Everything, you know, a child could want, kick the can, hide-and-go-seek, riding bikes with all the neighborhood kids. That is when I began to truly love the City of Wilmington and this community. When I was 16, my parents decided to move out to Loving Lane, which is just right outside the City of Wilmington, and they still reside there today. I graduated from Wilmington High School in 2000. After that, I went to the Ohio State University and my undergraduate degree was in criminology. I graduated from there in 2003. Next, I attended Thomas M. Cooley Law School, which is located in Lansing, Michigan, but I will assure you I am a Buckeye at heart.

[Laughter]

Brian Shidaker: I graduated with my Juris Doctorate in 2007 and I immediately began working as an intern for the Clinton County Prosecutor's Office in April 2007. Next, I passed the bar in November of the same year and at that time became a full-time Assistant Prosecutor for Clinton County. Like most prosecutors, I started out prosecuting the child support cases. I slowly moved into Children's Services work with cases of abuse, neglect and dependency. Then, in January 2009, I was fortunate enough to be appointed the chief felony prosecutor for Clinton County. Since that time, I have handled the majority of the felony cases that go through our county, and that includes the entire process of Grand Jury, plea negotiations, jury trials, sentencing, appellate work (which is the appeals process), and several other responsibilities as well as far as the criminal

aspect is concerned. With the help of the other criminal prosecutors in our office, we have not lost a criminal trial in this county in over two years, and that is something we are very proud of in this office. We have been very successful over the past couple of years. On a personal note, I am married to my beautiful wife, Dori. She works for Children's Services as an investigator. She is on call tonight, so she cannot be with us. I just want to give you a very, very brief story about our first date. First of all, I was lucky to have the opportunity to get that first date. At the same time, I did have one major concern, and that was I knew that my wife Dori was from Iowa and I knew her family was from Iowa. We have all heard the phrase, certain things can be "deal breakers," and that was a deal-breaker...that issue. So, on the first date, as on many first dates, I was extremely nervous. It was important to me, and I finally asked the question what her intentions were...did she plan on moving back to Iowa or not. There was a lot riding on that answer. She did not hesitate. She said, "no," and that huge weight lifted from my chest. We were married. We are now expecting our first child, and it is a wonderful life. The reason I tell you that story is to demonstrate to all of you how important this city is to me. If she would have told me that her intentions were to move back to Iowa, that would have been the last date, no matter how lucky I was to have that opportunity to have the first date, because I grew up in this town. When I went off to college and I went off to law school, I always knew I was coming back to this town. I knew I wanted to do public service work for this town. What I am here to tell you tonight is that I pledge to the City of Wilmington, if I am elected as Director of Law for the City, I will be here at every meeting for City Council. I will work harder than any other attorney in this county at the job I am doing. I will perform the duties to the absolute best of my ability. Over the course of the next several months, I look forward to meeting each and every member of Council, including you, Mr. Mayor. I would like to discuss the issues and concerns that face our city today and in the future, and I want to answer any and all questions that any of you may have. With that said, I do not want to take any more time away from the business that needs to be conducted here tonight. Once again, I want to thank you for the opportunity to make this announcement tonight, and I look forward to working with each and every one of you very soon. Thank you.

Mayor – Mayor Raizk: Thanks, Brian.

President Ertel: Thank you so much.

[Applause]

President Ertel: Okay. That completes my portion. Mr. Mayor?

Mayor Raizk: Thank you, Mr. President.

Mr. President, Members of Council, Distinguished Elected and Appointed Officials, Guests, and Fellow Citizens: "Faith is taking the first steps, even when you can't see the whole staircase," Martin Luther King, Jr. said that and I believe it to be true. The year 2010 may have been the most momentous year in our history. The word "history" is most important here because 2010 was the 200th anniversary of the founding of Wilmington and Clinton County. Our hats are off to Debbie Stamper and the Bicentennial Commission, and the thousands of people who participated in the many events, activities, and celebrations. It was not a carnival; it was a year-long celebration of our heritage, our history, and our commitment to our future by building on our past. I cannot mention all the events or thank all the people involved, except to say that this was a celebration truly worthy of the citizens of Clinton County.

The year 2010 also saw the gifting of the Wilmington Air Park to the community in June. It is said that the days of doing business on a handshake, where a man's word is his bond, are gone. But I can tell you that the commitment that John Mullen made to me on May 28, 2008, to donate the Air Park never wavered. It did, however, have to navigate some pretty tricky and dangerous waters. There are not enough words to express our thanks to John Limbert, CEO of National Bank & Trust and Chairman of the Port Authority, whose expertise, savvy, and due diligence navigated those difficult waters and

made the donation of the Air Park a reality. John, the citizens owe you a debt we cannot repay. Thank you.

Joe Hete, CEO of ATSG, is another person who deserves our thanks. He committed to me in Washington, on a handshake, to keep his business here at the Air Park. This meant that the Air Park never went dark, and the growing business of AMES and other units is a real foundation for job creation.

We also welcome Kevin Carver. Kevin has been invested with us since Memorial Day weekend 2008 as Regional Director of the Ohio Department of Development. He has worked right alongside us through some of our darkest hours and now brings his considerable talents to us full time as Executive Director of the Air Park.

2010 brought orange barrels to Wilmington. And while many of you hope you never see another one, we were able to install or replace miles and miles of curb, gutter, sidewalk, driveway pads, and pavement on Locust, Main, South and Xenia. Some of the sidewalk we replaced was put in by the WPA (Works Progress Administration), which was a federal program from the late 1930s and early 1940s. This 4.5 million dollar project, funded entirely by The Stimulus Act, has greatly improved the appearance and the safety of our community, at no cost to the city or the property owners. Another major project was the reconstruction of Nelson Avenue with curb, gutter, storm sewer, a new roadbed, and... Surprise – some sidewalk! This upgrade of our most westerly north-south connector will not only support the residential traffic but commercial and industrial growth as well.

This brings us to another major project: the acquisition of the Randall-Textron facility. It seems folly to acquire a 62-acre abandoned industrial complex in the face of crippling job losses in our community. But with the help of grants from the Clean Ohio Fund for acquisition and environmental remediation, we will soon have a facility and a new industry that will create good jobs in our community.

Buy why even attempt any of this, given the hard times our community has and is still suffering? Because we have faith...the faith that Dr. King spoke about: faith in our heritage, faith in our community, and faith in each other. Our forefathers knew that if you weren't moving forward, you were standing still; and if you were standing still, you were falling behind. They had the faith to keep taking those steps forward, even though they couldn't see the whole staircase. We must continue that tradition and that faith. Two hundred years of history demands it.

The State of the City is safe, secure and financially sound. For the first time in 27 years, the city will have a new treasurer. Geoffrey Phillips will be taking his skills and talents to the office of County Treasurer. In a way, he won't be leaving us at all, as he will still be collecting our taxes! Geoff, congratulations and good luck in your new position, and as to your city service, we say, "Well done!"

Wait a minute! Did you say financially sound? What about these "budget deficits" I've heard about? Last year at this time, our budget projected a \$2,000,000 deficit to the carryover. I said we would have to cut \$800,000 to \$1,000,000 out of that deficit. At the end of the year, we had reduced the projected deficit from \$2,000,000 to \$900,000. Yes, we had to lay people off. It was the worst time of my life. I tried for two years to avoid layoffs, with wage and step-increase freezes, but when the budget is 80% personnel, it was inevitable. After ten years of unprecedented growth, building up departments and adding staff, we were faced with right-sizing staff to deal with the decrease in revenue and in service. But, there is some reason for hope. Because of the herculean effort to control costs, we will begin 2012 with the largest carryover since 2005, without Air Park revenue. We have always said

it was about 2012. The actions taken since 2008 were to try to position us for sustainable operations in 2012. The real stars of this effort are our supervisors. I want to take this opportunity to thank them. Many of them are here tonight. I would like you and any employee of the City of Wilmington, please stand up. Please. There is one around the corner too.

[Applause]

It is not just a job for them, as some have said. They have taken ownership of not just their departments, but of the City and the people to whom they provide service. It is their creativity and hard work and diligence that have resulted in our budget savings, without any tax increase or reduction in service. And we fully expect their effort to continue to reduce our budget in 2011. They understand, as I do, that it's not just about cost-cutting or balanced budgets, but about stewardship. Stewardship is using our limited resources to provide the best service we possibly can to the citizens of Wilmington. The citizens don't provide us revenue for a savings account. They want top quality service; they deserve nothing less. Our only agenda is the health, safety and welfare of the citizens of Wilmington and the services needed to support them. There can be no other.

To that end, all of our employees have had no cost of living increases or step increases since 2008. Given the increase in living costs over the last three years, that amounts to a significant pay cut. Yet, they continue to give maximum effort to serve the citizens and I thank them. Additionally, they have given 77 days of voluntary furlough to help our efforts, even though this negatively impacts their retirement. Why? Because they care about our community and its citizens. For this reason...because they are good stewards of both the resources and the trust the citizens have given us and because they have faith that tomorrow will be brighter, I stand with them. To that goal, we are "all in!" As a result of everyone's efforts and creative new sources of revenue, we will shortly be looking at the possibility of recalling some of our safety personnel. I am committed to two things in 2011: no additional layoffs and no tax increases.

I want to thank Auditor David Hollingsworth and especially Deputy Auditor Mary Kay Vance for working with the administration during these strident financial times. Their hard work and creative engagement have been invaluable in showing a little light at the end of the tunnel. I wish to thank the members of Council, especially those who stood together when it wasn't popular to make sure the city ran smoothly. Additionally, I wish to thank Laura Curliss. Laura is the in-house administrator of our third downtown grant, and wrote the successful grant application. Grant-writing was a service we formerly paid for, so this was a tremendous savings for the City. Also, without her talents, we would have never been able to navigate the Clean Ohio grants necessary for the Randall-Textron project. Laura, our hats are off to you. Finally, Andrea Tacoronte, our first line of defense for the administration and the council, we thank you.

Wilmington stands at the crossroads. We can stand still, we can go backwards, or we can have the faith to take those steps forward. None of us can see the rest of the staircase, but let's have faith in each other and in our community. Let's collaborate, not criticize. Let's strive for consensus, not antagonism. The example for us is 200 years old. Our founders took those steps, believing where they could not prove. Let's honor our heritage and their example and continue to take those steps forward. There are tremendous opportunities ahead of us, if only we have the faith to engage the future. And, if we have enough faith, maybe we'll get a peek at the whole staircase. Thank you.

[Applause]

President Ertel: Thank you so much, Mr. Mayor. Moving to the agenda...Asset, Acquisition and Use?

Asset, Acquisition and Use – In absence of Chairperson Sandy Mongold, Councilman McKay: No report, Mr. President.

President Ertel: Thank you.

Auditor – In the absence of Auditor David Hollingsworth, there was no report.

President Ertel: Finance Committee?

Finance Committee – In the absence of Chairperson Sandy Mongold, Councilman McKay: We have several items tonight. Unfortunately, we will only be able to give one reading to each of those because we don't have the necessary votes to suspend the rules. The first item is an ordinance establishing a new fund, the CORF grant fund. Does anyone have any questions in regard to that?

A motion was made by McKay and seconded by Jaehnig to give the first reading only on the ordinance Establishing a New Fund.

Motion passed

Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Councilman McKay: The second item is an ordinance establishing a new fund, which is a CDBG Formula Year 2010 fund.

A motion was made by McKay and seconded by Jaehnig to give the first reading only on the ordinance Establishing a New Fund.

Motion passed

Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Councilman McKay: The next item is an ordinance making Supplemental Appropriations.

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

Motion passed

Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Councilman McKay: The last item is a resolution requesting advanced payment for settlement from the County.

A motion was made by McKay and seconded by Jaehnig to give the first reading only on the resolution Authorizing A Request for Advance Payment for Settlement from the County.

Motion passed

Director of Law read ordinance by title only.

McKay requested that the second and third reading be on the Agenda for the next meeting.

Councilman McKay: That is all I have.

President Ertel: Thank you. Water Committee?

Water Committee – Chairperson Mike Wallace: We have no report.

President Ertel: Thank you. Streets Committee?

Streets Committee – In the absence of Chairperson Peterson, Councilman Wells: Mr. President, in Cindy's absence, we have the first reading on a final resolution authorizing the Urban Paving project and declaring an emergency. Larry Reinsmith is going to speak to us about that.

Service Director Reinsmith: Yes. This is a project that is going to...do you remember when we did the stimulus project on West Locust Street and at that time ODOT would not let us pave westbound Locust Street. They did put the curb and gutter in, but they said we paved it not too long ago, so ODOT didn't want to spend their money. But, the Mayor kind of worked on Hans and it is probably one of Hans' last big gifts to the City, because he's gone now. He did agree to do an urban paving project to pave Locust Street and clean that up. ODOT engineered it. It is ready to bid out here in the next couple of weeks, and we really need three readings tonight, but we'll work around that.

Councilman Jaehnig: Do we need to have a special meeting?

Service Director Reinsmith: No. When he talked to me this morning, I figured we would get it passed, but then I think a little later on we had one councilmember cancel on us. They had to have it in Columbus on Monday morning, so I'll break the bad news to them in the morning. But, they'll just slide it down a month, probably.

Councilman Wells: Are there any questions?

A motion was made by Wells and seconded by Wallace to give the first reading only on the resolution Authorizing the CLI US 22D (Urban Paving) PID 89011 Project and Declaring an Emergency.

Motion passed

Director of Law read ordinance by title only.

Wells requested that the second and third reading be on the Agenda for the next meeting.

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

President Ertel: Thank you. Solid Waste/Recycling?

Solid Waste/Recycling Committee: Chairperson Don Wells: No report.

President Ertel: Okay. Wastewater/Sewer?

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

President Ertel: Okay. Judiciary Committee?

Judiciary Committee: Chairperson Rob Jaehnig: We have two items tonight, Mr. President. The first reading is on an ordinance setting a salary for Mr. Reinsmith at a lower rate than the minimum amount required by the City of Wilmington for an employee pay plan adopted under Ordinance 4823 for the Director of Public Service. For those who were not at the Finance Committee meeting, this will allow us to bring Mr. Reinsmith in at a lower than starting rate, which would allow the City to save a larger sum of money toward our budget. Are there any questions in regards to that?

Councilman Wells: I had one question. I didn't get to be at the Judiciary Committee meeting. In the ordinance, under Section 1, it says "this Ordinance concerns only the setting of an annual salary for Larry Reinsmith." I wanted to ask about the benefits package. Would this be just like a new hire. Is that how it works?

Mayor Raizk: No, it is not exactly like a new hire because by law he has his time in. The benefits would be the same as he would be receiving now in terms of that.

Paul Hunter: It is a percentage of his income.

Mayor Raizk: That is exactly right. The cost savings calculated all of that in there. This will save us about \$44,000 of what he is currently making. He will retire and then be hired. The reason why we are bringing this before council is that we are going off of the pay plan. He could be re-hired without council's approval at the opening range of Service Director. What we are asking is to do a range that is lower, which will actually save the City an additional \$7000 than where he would normally be. The total savings...it is all calculated out...is around \$44,000, and that includes vacation and all of that.

Councilman Jaehnig: But it does not take into consideration if we did not have Mr. Reinsmith, any contracts we would have to sign for building inspections.

Mayor Raizk: No it does not. As you know, Mr. Reinsmith is the only Chief Building Official in the county. He is providing the services of Building Inspector to the City. He is not paid any extra for that. The last time prior to doing that, we contracted for \$36,000 for that service. Prior to that, two years before that, we were paying \$72,000 for that service. So, not only are we saving \$44,000 but we are also saving \$36,000 for the Building Inspector. Now, that is actually in the current budget because he is doing that as we go along, but I think it needs to be pointed out that he is doing that job. Yes?

Councilman Mead: I just want to make a statement concerning this ordinance. I know the other day at the meeting of the committee, the Mayor made it very clear to us what he had planned and that he was not asking for permission to do whatever he was doing. He was simply asking council to approve a lower wage rate. That is the only involvement that council has in this ordinance. Personally, I am basically against retire-rehire, but in this case, since we have no involvement...the Council has no involvement...we're not proposing for or against whatever the mayor chooses to do. He has full authority to do this. We are only voting on whether we establish a lower wage rate in this particular instance. And because it saves the city \$44,000, I will be voting 'yes' on this ordinance. Thank you.

Councilman Jaehnig: Yes, Larry.

Service Director Reinsmith: Can I say something?

Councilman Jaehnig: Of course you can.

Service Director Reinsmith: I hear everybody talking about me in the third person...so...I just want to say that I, myself, don't like double dippers. I never could figure out those that retire and that are rehired at the same amount of money, because it seemed like a real windfall for those employees. I said, "What benefit is it for those jurisdictions or bodies that do that?" Earlier this summer the Mayor and I were talking and he was really distressed that he had to lay people off...he had to lay firemen off...he had to do this and do that. I said, you know, here is a way that I can still work and get paid but not have the City pay my salary. I can get a little stipend from PERS and I can save the city money. Maybe you can take that money and hire somebody back. I didn't realize when I made that offer (it pains you a little bit, because you make that offer), but you have to sit out for two months of not getting paid from PERS. I had \$82,000 worth of sick leave I'm going to lose and start all over again. So, that was 39 weeks worth of sick leave – I never missed. But, I made the offer and I said, "Let's do it," so hopefully it all works out.

Mayor Raizk: A card laid is a card played. Don't pull it back now.

[Laughter]

Service Director Reinsmith: No, I wouldn't do that. But it's not easy. It's all because the Mayor and I talked and it really bothered him to lay people off...you know...safety people. And he said, if there is a way I can do something to help try to get some of these people back, and I just threw that out as a way. Because I'm not ready to retire. I'm fairly young. Paul?

Paul Hunter: If Mr. Sexton would have followed your lead, the school would be in a better position that they are. He took \$25,000.

Service Director Reinsmith: He did?

Paul Hunter: Period.

Service Director Reinsmith: Well, I think if it was possible for others...

Paul Hunter: He got a bonus.

Service Director Reinsmith: I think it would work good for people. Not everybody is in that position. Maybe those that are covered under civil service couldn't even do it anyway, but this situation is an appointee. The Mayor can do something...and just take a pay cut.

Councilman Jaehnig: Thank you, Larry.

[General comments of appreciation]

Councilman Jaehnig: Are there any other questions?

A motion was made by Jaehnig and seconded by McKay to give the first reading only on the ordinance Setting the Salary for Larry Reinsmith at a Rate Lower than the Minimum Amount Required by the City of Wilmington Employee Pay Plan Adopted in Ord. #4823 for the Director of Public Service.

Motion passed

Director of Law read ordinance by title only.

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

Councilman Jaehnig: The second item today is a resolution expressing support for the implementation of a bio-purchasing program inside the city. Since we are a green enterprise zone and we are promoting green development in our community, we have a piece of legislation that encourages, when fiscally and economically responsible, our department heads to pursue bio-products when they can to replace chemical-based or oil-based products. Obviously, they need to work as well, if not better, than what we are already using. If we are using twice as much, that is not economical. But, it helps us walk the talk of becoming a green economy and heading down that road. But, this is to kind of give them the motivation to pursue that. There will be opportunities for them to participate in on-line webinars to talk about the products, they will get product lists, and so forth. So, I think it is a step in the right direction. As the vote goes forward, I will need to abstain myself from the vote since this legislation was originally suggested by CIFT, the Center for Innovative Food Technologies, which I currently work for. Any questions?

Councilman Wallace: I want to play the what-if game for a second. If, by chance, one of our City directors was doing something and they decide to purchase some item and later on it is found that there was a bio-substitute that they could have used that they did not use, could they be up for a legal type of thing if we put this in place?

Councilman Jaehnig: Oh no. In it, it clearly states that our intention is to encourage them to pursue that. Number one, it has to be economically responsible. The last thing we need to do is increase our costs in order to try to pursue something of that nature. Secondly, it may be less expensive, but if it is not as effective, then we're not gaining anything. Literally, there is not going to be anybody checking over their shoulder to see

if they are even pursuing this. It is more of a “Let’s work together and see what we might be able to find.” We might be really surprised. The state is continually adding products to this list. The real advantage is...these are bio-based products...so they come from agriculture. We are an agriculture county. That has been our backbone for as long as the county has been around. This is something that could eventually help our farmers or help development in bio-based products in this area. It is something the state is pushing for in regards to development and looking into. Again, the number one thing and my biggest concern when we start talking about this is we have to be economically responsible first. Any other questions?

A motion was made by Jaehnig and seconded by McKay to give the first reading only on the resolution Expressing Support for Implementing a Bio-Preferred Purchasing Policy for the City of Wilmington, Ohio.

Jaehnig abstained. All others voted yea.

Motion passed

Director of Law read 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 tonight, Mr. President.

President Ertel: Thank you. Safety Committee?

Safety Committee- Chairperson Rob Jaehnig: No report.

President Ertel: Thank you. Downtown Revitalization Committee?

Downtown Revitalization Committee - Convener Mark McKay – I would just like to mention that it looks like we are going to get some more nationwide publicity on the Beck Show again Friday night, so everybody listen. That is all I have.

President Ertel: Thank you. Parks & Recreation?

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

President Ertel: Excellent. Thank you. Mr. Service Director?

Service Director- Service Director Larry Reinsmith: I would just like to say that is going to be cold and very windy over the weekend. It snows and it blows, so drive carefully.

President Ertel: Okay. Safety Director?

Safety Director – Mayor Raizk: Ditto. Drive carefully. Denny is really just here taking a break. He worked all day long and he is going to work all night long, but he is just here taking a break.

President Ertel: As you can see, we have a lot of reports; however, the Treasurer’s report would like to be presented by Geof. Geof, would you come up please for that?

Geoffrey Phillips: Mr. President, thank you. Mr. Mayor, Mr. President, Director of Law, Members of Council, Distinguished Guests. Five thoughts tonight and I will speak quickly, because I know I’m the only one between you and going out in the snow. Five thoughts tonight. You have in your packet an annual report for 2010, and I would direct your eyes to page one. Just some brief highlights. Obviously, as the world has turned in America, interest rates are at record lows. One of the first things I did back in the 80s was to look at CDs that the City had on the books. At that point, 1982, interest rates were 15-16% and the City had had previously several hundred thousand dollars at 3%. We’ll never see that again. We had in 2010 a number of CDs that placed at less than 0.5%. The net result of that you see on the page is our interest earnings in 2010 were less than \$65,000. In 29 years of aggressive cash management, we have produced considerable returns, but it was the lowest year. The highest year, you will notice lower on the page, 1998, almost \$1.25 million – a drastic difference in interest rates and a drastic difference

in available funds. You have that information. The second thing I draw your attention to is the annual report from the Tax Commissioner. One of the greatest challenges that Marque Jones as Tax Commissioner and I dealt with was to give you a revenue forecast for 2010. Some of you are aware and may recall that we gave an initial number, and during the budget process 14 months ago we went back and revised it. The biggest challenge that we had was in 2009, we crossed \$7,000,000 in income tax. With the closing of a lot of the operations at the Air Park, what was that impact going to be? Many of us had to feel that the Air Park was going to go to zero and that there would be very little activity. When it was all done and settled in 2010, there were about 800 jobs. As I shared with many of our government leaders across the state, 8000 people went home. Importantly, 800 people have employment in this community. A lot of communities in Ohio would love to have 800 employees. We miss that zero at the end – it was 8000 jobs. Our estimate in March report for 2010 was that we would collect \$4,175,000. We almost got there. Marque wrote a note for me. We were \$1,969.07 short. We collected \$4,173,000. What was exciting to us is as a City, we don't have a financial model. We talk to a lot of businesses and we looked at a lot of numbers as we made this estimate. We have good friends to the west of us in Montgomery County and they have a very extensively developed University model. They missed their estimate by six figures. It is a compliment to Marque and his staff and their understanding of this community that we came that close. At the bottom of the page, the estimate for 2011 is beginning to show some stability. We are suggesting we will be at \$4,100,000, a little less than what we collected this year. The thing to remember is that a year ago at this time, we had a number of folks at the Air Park that were receiving retention and severance dollars. Those dollars are all completely gone, so the tax impact of that is gone. The encouraging thing is, and Marque and I have briefed the Mayor and David Hollingsworth in our estimate, the encouraging thing is that there are a number of businesses in this community that are showing slight upticks in employment. We have one major industry on the south side of town that a year ago at this time versus today, they are up 70 jobs. Seventy families are back working, and that indicates a stronger local economy. David's predecessor, Nick Eveland and I used to always look at this income tax report. This is our true measure of the local economy. How strong are we? Seven million dollars represents \$700,000 in income and wages paid. Last year, we collected \$4,173,000. That is \$400,000,000. We had an economic drop of \$300,000,000 in available revenue in this market. We know people who lost jobs. Some of you may have had spouses or family members who lost jobs. We have neighbors, but that is the dollars and cents of the impact. Three hundred million dollars gone. One of the things I pass tonight as we move forward, and Marque and I have been looking at ways that potentially we could enhance our income tax ordinance, and if you will pass these over, Laura. For consideration by the Judiciary Committee, Mr. President, if you wish, the income tax ordinance has always been under the Judiciary Committee. Ohio is welcoming soon casinos. Ohio is welcoming increased lottery in other options. One of the things that is weak in our ordinance is the ability of your Tax Commissioner to tax and collect when those kinds of major earnings occur. I stand before you tonight recommending one of the first enhancements to our income tax ordinance in a long time. That you consider this year taxing income qualifying wages relating to opportunities from lottery, gambling, sports winnings, games of chance, and the language is there for you, obviously allowing for some deduction. This language comes from our tax advisor, who we work very closely with in reformulating our rules and regulations as well as our ordinance, so we give that to you tonight for consideration. My fourth item (first the annual report, the tax report, and this tax suggestion) is some thoughts. Probably in all of the 11 years that Davey has given his annual report, there was only one slight error there, tonight is my 29th year as treasurer. You had 27...you are close. Some numbers to share. It has been my privilege to receive packets to 698 regular council meetings. Twenty-nine years and one month. On the annual report I gave you tonight on page one, in 29 years, interest earnings for the city almost broke \$14,000,000. Had interest rates been any where near reasonably normal last year, we would have done that. Thirteen million, nine hundred and fifty-two thousand dollars. As I stand before you tonight, and I said I would not have a John Boehner moment, but I think it could safely be said that in the history of the city, in the 200 years, no treasurer has ever given you \$14,000,000 from interest earnings. The reality is, it is probably pretty difficult that another treasurer will ever give you \$14,000,000 during their time as treasurer. Some things just happen. You look at the growth of the City. We did a number of bond issues with water improvements, sewer

plan improvements, the construction of this building. While all of those funds are in our hands, we earn interest on them. We earn more interest than what we paid the bondholders. A lot of those things are not going to happen in the next immediate period of time. CD interest rates stayed now less than 0.25%. You have to create a lot of money for somebody to earn interest. Income tax to have come that close in our estimate, it's kind of shuddering. Marque came out to the office this week...and one of the things I turn over to you is a Tax Commissioner/Deputy Treasurer who can carry on. He knows the job and he has been wonderful to work with. In 1981, when I campaigned for Treasurer, I campaigned that the City needed a money manager and suggested from our best resource that the city had \$250,000 un-invested. What was important about that? Interest rates, for those who were around in 1981 (Brian was just in diapers by the end of the year. I had the privilege to work with his father. Ron was Auditor for the City), Interest rates were 15-16%. What I found in January 1982 as I became your Treasurer was over \$600,000 un-invested. Interest rates were 15-16%, and the City was getting paid zero. Interestingly, it was almost equally split between the two major banks on South Street – one on the east side and one on the west side. Some of you have heard me tell this story through the years. In 1982, you figure that \$45,000 on the east and west side probably just about paid for the tellers' salary and benefits in both lobbies

[TRANSCRIPTION INTERRUPTED – END OF TAPE]

Geoffrey Phillips: ...that money was always working. So, for a period of time, we talked about the fact that the City has been 102% vested. Mary Kay and David send the bills out and they take those funds off of the fund report and the money is gone. The cash is still in the bank as your banker. We ended December 31 at 104% invested. My last thought tonight, there are some acknowledgements I would like to make. Obviously, to all of the elected officials I have had the privilege to work with and Department Heads and employees, I didn't arrive thinking that I would stay as long. It has been my privilege to work with Marque for 27 years. There is a tough part about what I'm leading up to tell you is Marque stays and I go south. It has been my privilege to work with Mary Kay and David. David has been here, I believe, 24 years now. We have been on a number of bond issues on your behalf. First it was with Nick and then with David. Young whippersnappers from Wilmington going to New York to meet with Standard & Poor's, to meet with investment insurance houses, to sell the City as to why we should get the lowest possible interest rate and why our credit was the best in the world. The experiences that you couldn't have if you were on Council or you couldn't have if you were President of Council, but experience you could have as finance officials. It has been my privilege to work not only with David, but with Ron, I mentioned, and Kent Vandervort even before them. At some point this weekend, I will tender my resignation as Treasurer of the City. The plan at this point is that Sunday (and you are all invited) at 2:30 at the Courthouse, I will take oath of office as the next Treasurer of Clinton County...this coming Sunday, Sunday the 23rd at 2:30. This afternoon, I had one of those good family experiences. My wife and daughter were able to go with me. I went to Columbus. When you are a City elected official, you get a certificate of election mailed to you from the Board of Elections. We've all gotten them. Sometimes they save postage and they give them to Laura and we pass them out. I learned something – some of you may know – when you're a county elected official, you can't take office until you have a commission from the governor. To make sure that we could do this on Sunday, because yes, I will be shifting from collecting income taxes to real estate taxes, and to be able to go to work at the courthouse on Monday, I needed a commission from the governor and I need to be sworn in. I couldn't be sworn in until I have a commission. The commission has to be delivered to the Clerk of Courts, and it will be delivered tomorrow. The uniqueness of this commission is that, unlike many in the State of the Ohio that are signed electronically in this age...the commission that I received today has original signatures of governor Kasich and Secretary of State Husted. So, I quipped to my wife and Hannah that on E-Bay on Sunday, it will be worth lots of money to somebody. It has been my privilege. I took a little longer, Mr. President than I initially thought. I do thank you for the opportunity. I thank the community for the opportunity. It has been my privilege. Somewhere between now and Monday, there will probably be some John Boehner moments, but thank you for the opportunity. Mr. Mayor.

Mayor Raizk: Geoffrey, before you leave the podium, we would request that you and your family come to our next council meeting, if you would. If you remember when I called to congratulate you, you weren't sure what the time frame was going to be. We were unprepared to honor you in such a way, but we would like to do that at the first meeting in February. Hopefully, it will be a lot more moderate weather.

Geoffrey Phillips: Mr. Mayor, I appreciate that. I did get a call this afternoon, and there is one guy in the audience who knows this. But, I did find out this afternoon what the City is giving me as my going away present, and Gary, he can see it if he wants to comment later. While we were in Columbus to get the commission, there is snow in front of my house, and our mailbox is going to be replaced. So, thank you for that.

[Laughter and Applause]

President Ertel: Geoffrey, thanks for all your wonderful years of service to the City. Thank you so much.

Reports:

A motion was made by Wells and seconded by Jaehnig to approve the Auditor-Treasurer's Report December 2010, Treasurer's Report – Annual 2010, Statement of Interest Earned, Second Six Months 2010 and Twelve Months 2010, Income Tax Report – December 2010, Income Tax Report – Annual 2010, 2011 Projected Tax Revenue Report, and Report of Operation of Clinton County Municipal Court - 2010, 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.

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

A motion was made by Wallace and seconded by Jaehnig to adjourn.

Motion passed.

Council adjourned.

ATTEST:

President of Council

Clerk