

Wilmington City Council met in special session on Wednesday, December 11, 2013, with President Scott Kirchner presiding.

Call to Order

Roll Call: Jaehnig, present; Stuckert, absent; Wallace, present; Mead, present; Siebenaller, present; McKay, present.

A motion was made by Mead and seconded by Siebenaller to excuse the absent member, Loren Stuckert.

Motion passed.

Absent member excused.

Ad Hoc

President Kirchner opened the public hearing on Gas Aggregation Plan of Operation.

Tom Bellish from Buckeye Energy Brokers gave an overview on the process of gas aggregation. After the second hearing, the city can file for certification before the Public Utilities Commission. Buckeye Energy Brokers is currently in the process of looking at proposals, and they plan to bring those to the December 19 council meeting. He presented a summary of the plan. There will be no termination fees; residents can leave the aggregation at any time. Vectren will provide a list of all eligible customers. Percentage of Income Payment Plans will not be eligible. If you are with another supplier at the time of aggregation, you will not be available for automatic sign up but you may sign up manually. Billing process will remain the same. Budget billing and automatic payments will not change. Two letters will be sent. The first one comes from the supplier and explain that residents have 21 days to opt-out. If the resident does not opt-out, then Vectren will send a letter informing the customer they are about to be switched and give them seven days in which they can change their mind. The gas aggregation is just for city residents. Buckeye Energy has a toll-free number and it will be provided to the residents. If a person moves to another residence within the city limits or if their account number changes, they will be removed from the aggregation program and will need to sign back up manually.

Councilman Wallace – How do I know about the aggregation plan if I just move into Wilmington.

Tom Bellish – There will be a mailing about every six months to catch people who may have been missed in the initial aggregation. There could also be an announcement on the city website periodically to try to pick up other people.

Councilman Wallace suggested information be given to realtors.

President Kirchner asked if people under contract with another company could cancel their current program and opt-in. Tom Bellish answered that they could.

President Kirchner closed the public hearing on gas aggregation.

President Kirchner announced the second public hearing on gas aggregation will be held at the December 19 council meeting.

Finance Committee - Chairperson Mead asked President Kirchner to lead the discussion of the budget review.

Mary Kay Vance presented updated budget worksheets and explained two changes. First, the mayor's salary had been included twice in the original administrative salary calculations and this has been corrected. Secondly, the M&R fund transfer number was reduced based on latest information on the revenue stream.

Mary Kay Vance presented a spreadsheet that included the following information: 1) Year-to-date budget including all supplementals and purchase orders, 2) YTD expenses; 3) Last year's original budget appropriations requests, 4) Current year budget appropriation requests, and 5) Difference between last year and this year's appropriation requests.

The net difference from 2013 to 2014 was \$295,000. Of the \$295,000, the transfers are \$204,000. When you add all the differences between the current budget and the supplementals, and we have \$585,000 in supplementals that were done to the General Fund alone in this calendar year.

Harry McVey presented information on the Wastewater Department budget and answered questions from council. He pointed out that the utility line was reduced because TBS was not using as much energy currently.

President Kirchner asked if the utilities in the Nelson Avenue building would be split between the M&R and Wastewater with the joint use of the building. He expressed concern about an enterprise fund supporting a General Fund department. Mary Kay Vance explained that the Wastewater Department will invoice the Streets Department for the utilities they use and will be reimbursed by check. The paper trail is an optimum way of tracking the movement of funds.

[Discussion of accounting process splitting costs between departments]

Harry McVey explained there is an increase in architectural engineering because of anticipated engineering costs associated with an upcoming permit renewal and phosphorus removal requirements. They will not know what changes will be required until the permit process begins.

Councilman Jaehnig asked if the Wastewater Department anticipated being able to add to its bottom line by the end of the year. Harry McVey answered that it depends on what happens during the permit process.

Councilman Jaehnig asked why the performance of the department is better this year than was projected. Harry McVey answered that they did not do any sewer rehab, which saved \$200,000. The stormwater permit was due this year and preparation for that took up most of the time. The lines did not get cleaned and cleared in order to do lining, so they are hoping to do that next year. There are no capital requests in the budget. The department would like to purchase a new concrete truck and use their existing concrete truck to replace a 1980 Ford grit truck.

[Discussion of Wastewater budget and performance of the sewer/stormwater system]

Councilman McKay asked to explain the decrease in the CORF project. Harry explained that the CORF project is almost finished. They are keeping \$83,000 in the budget in case they need to come back for well testing.

[Wastewater Department Q&A]

Denny Gherman presented the budget for the Maintenance and Repair Department. Utilities have increased mostly due to the move to the new building. We have done several things to try to make repairs to save energy. Our utilities include all of the traffic lights in town. Street maintenance went from \$30,000 to \$50,000 due to the fact that we haven't done any major paving for several years. We have to do work on the streets. That's the only two items of increase in our budget.

[Discussion of increase in utility billing line and move into new building]

Councilman Jaehnig asked how much money Denny would need in order to get the street paving program in full gear. Denny Gherman answered it would take about a million dollars to get it back up where it needs to be. Councilman McKay said they would be addressing that early in the next year. Mayor Riley explained that the licensure

of truck vehicles going from Ohio to Indiana was a reduction of \$800,000 a year from the street maintenance budget. He went on to say that he had spoken to both the Director of the BMV and R&L about the issue.

[Discussion of paving needs in the city]

Chief Andy Mason presented the Fire Department Budget and answered questions from council. The utility line and the facilities maintenance lines have been reduced because they are not operating Station 2 as they were before.

Councilman Jaehnig noted that the liability insurance was lower.

Councilman McKay asked if we are still leasing engines to other jurisdictions. Andy Mason said they were.

President Kirchner asked for an explanation of the Fire Department personnel. Chief Mason said they started 2013 with 16 people, and they currently have 17 people.

[Discussion of fire staffing levels and overtime]

President Kirchner asked if there was a squad on the capital item wish list. Andy Mason said it was not a top priority. He said that he has four squads; two are currently under repair.

[Discussion of number of squads and repairs required]

Chief Andy Mason said that he has a vehicle replacement schedule, but it has been put on hold for the time being. His number one priority on the capital wish list is the roof on the station downtown. Of the vehicles that need to be replaced, the ambulance is the number one priority.

[Discussion of Fire Department and EMS vehicles and equipment]

Chief of Police Duane Weyand presented the budget for the Wilmington Police Department and answered questions. He pointed out there is a reduction in salaries because of turnovers this year. Employees have been replaced at a different rate of pay. Maintenance contracts have been reduced. Fuel is lower. Vehicle maintenance is a little higher because of aging vehicles. The city has reduced costs by eliminating the impound lot. We would like to add an officer but have not funded for it. We are at 21 officers.

[Discussion of vehicles]

Chief of Police Duane Weyand presented the budget for the Communications Department and answered questions. The schools are now hiring their crossing guards so that saves \$12,000. Contract expenses are a little different because we are phasing maintenance contracts out and have a different 9-1-1 system.

President Kirchner asked council if they had questions or comments regarding the budget.

Councilman Mead asked for prioritization of the capital requests for 2014.

Councilman Siebenaller said his main concern is that we had \$500,000 in supplementals this year and was worried that we could have up to \$800,000 additional costs once the capital needs are considered. He would like to see where savings may be found.

President Kirchner noted that the city benefited from inheritance tax and that will not happen again. He also suggested there were savings from an operational standpoint that had not been found yet.

Councilman Siebenaller indicated that he would like to see the roof for the fire station be added to the budget. Mayor Riley said they did not have a cost estimate on it yet.

Councilman Jaehnig said he thought it was important to know what the budgetary needs will be. He would also like to look at three revenue issues at the first quarter; skilled gaming regulation; increase in water rates/decrease in wastewater rates; operation of the landfill by a third party. We should get these on the agenda for the first quarter so we can tackle the capital expenditure issues.

Mayor Riley said he spoke with Scott Nally, the Executive Director of the Ohio EPA. Mr. Nally told him that the city should decide if it really wants to be in the landfill business and wished to come to council at the beginning of the year to discuss the landfill.

Councilman Jaehnig said that council has concentrated a lot on cuts but has not concentrated on funding issues.

Mayor Riley said he hoped that the county would share some of the state casino money. He said he also worries about the financial effects of a natural disaster such as what happened in Joplin, Missouri.

Councilman Mead said the budget needs to be as accurate as possible and it should take into consideration probable upcoming capital needs. President Kirchner agreed. Councilman Jaehnig said that it was imperative to actually look at the revenue side was well.

[Discussion of taxation and budgeting philosophies]

[Discussion of skilled gaming facilities in the community]

Councilman Wallace asked how much money it would cost to give raises to the employees. Mayor Riley said he wants to wait to see what happens with the insurance. He said they did not know yet how much that would cost. The employees have gone for at least four years without any increases and the cost of living has gone up.

President Kirchner said that he thought council's way of saying "thank you" to the employees and show their appreciation was to do everything they could to make sure they still had jobs. He said there was nothing they could do if the revenue was not available. He pointed out that many people in the community had lost their jobs and their insurance. He added the analysis from the state should tell us about how our salaried positions compare to peer cities and how the benefit package compares. The single largest expenditure that this city has is the benefit line item.

Councilman McKay asked what Councilman Mead wanted to do regarding the capital items. Councilman Mead said we should look at what the department heads are asking for and prioritize them and then seriously consider that when looking at the budget totals.

Mayor Riley said that there were certain things that he would not be comfortable including. He said that would confer with the department heads and prioritize the items and present them to council.

[Discussion of meeting schedule]

A meeting was scheduled for December 30, 2013, to finish the year-end fiscal business.

Councilman Wallace suggested a special meeting before the December 19 council meeting in order to bring the absent members up to speed.

A special meeting was called for 6 p.m. on December 19.

Clerk Woods suggested that the absent members provide a list of questions regarding the budget so that the administration can be prepared to address their concerns. She agreed to put a budget packet together with the latest information for them.

President Kirchner asked Clerk Woods to put together the budget ordinance for council’s consideration at the regular council meeting on Thursday, December 19.

Mary Kay Vance said that if there were specific questions, it would be helpful if they would email them ahead of the meeting so they can be addressed.

President Kirchner asked for the first reading of the ordinance to be done on Thursday, December 19, with the second and third readings on December 30.

A motion was made by Jaehnig to adjourn.
President Kirchner declared the meeting adjourned.
Council adjourned.

ATTEST:

President of Council

Clerk