

Wilmington City Council met in regular session on Thursday, October 1, 2015, at 7:30 p.m. with President Pro Tem Mark McKay presiding.

Call to Order

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

Chief Weyand was also present.

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

Motion passed. All yeas.

Absent member excused.

Pledge of Allegiance

Council gave the Pledge of Allegiance to the flag.

Moment of silence observed

President of Council

President Pro Tem McKay asked for a motion to amend the agenda as follows: Add item 13B – Legislation declaring surplus vehicle for the police department, and amending items 9A and 9B, changes to the traffic control map, to reflect that each piece of legislation now includes a map exhibit.

A motion was made by Jaehnig and seconded by Miller to amend the agenda to provide for the addition of item 13B and the amendment of items 9A and 9B.

Motion passed. All yeas.

Amended Agenda Accepted.

A motion was made by Jaehnig and seconded by Miller to approve the minutes of the last regular meeting, September 17, as presented.

Motion passed. All yeas.

Minutes approved as presented.

A motion was made by Jaehnig and seconded by Miller to approve the minutes of the special council meeting, September 22, as presented.

Motion passed. All yeas.

Minutes approved as presented.

President Pro Tem McKay presented a Notice to Legislative Authority from the Ohio Division of Liquor Control; Application for a New C1 Permit: 863 South Ridge Inc. dba Quality Food Market 7, 863 S. South Street.

President Pro Tem McKay presented a Notice to Legislative Authority from the Ohio Division of Liquor Control; Application for a New D2 Permit: 863 South Ridge Inc. dba Quality Food Market 7, 863 S. South Street.

Mayor - Mayor Riley presented a proclamation recognizing October 1, 2015, as Kinship Care Day. In addition, he announced that a free kinship care conference will be held on October 17, 2015, for caregivers in Clinton and Warren Counties.

Mayor Riley presented a proclamation recognizing the month of October 2015 as National Disability Employment Awareness Month.

Auditor - Auditor David Hollingsworth had no report.

Asset, Acquisition and Use. – In the absence of Chairperson Mead, Councilwoman Milburn said there was no report.

Water Committee - Chairperson McKay had no report.

Streets Committee - Chairperson McKay presented two pieces of legislation to amend the traffic control map and traffic control file to create a no parking zone on South Walnut Street and to add a four-way stop at the intersection of South Walnut and East Short Street.

A motion was made by McKay and seconded by Milburn to give the second reading only on the ordinance Amending the Traffic Control Map and the Traffic Control File to Create a No Parking Zone on South Walnut Street, As Amended.

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

McKay requested that the third reading be on the agenda for the next council meeting.

A motion was made by McKay and seconded by Milburn to give the second reading only on the ordinance Amending the Traffic Control Map and the Traffic Control File to Create a Four-Way Stop at the Intersection of South Walnut Street and East Short Street, As Amended.

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

McKay requested that the third reading be on the agenda for the next council meeting.

Solid Waste/Recycling - Chairperson Jaehnig gave an update on recycling statistics. When the program began in 2010, the goal was 20% participation. Now, five years later, the participation in the program is 50%.

Wastewater/Sewer Committee - Chairperson Milburn had no report.

Judiciary Committee - Chairperson Jaehnig presented legislation creating a Community Reinvestment Area (CRA). The CRA would provide tax abatements on the increase of value of property due to improvements to residential property, infill construction, and other new construction. The length of tax abatement would be determined by a variety of factors: the type of improvement, the age and historical significance of the property, and new construction versus rehabilitation. The intent of the remodeling and rehabilitation must be primary home ownership rather than creating more rental properties.

Wilmington has a 52% rental rate, while a healthy community usually runs around 35%. The Mayor, Taylor Stucker of Regional Planning and he have been working on the legislation for two years. Taylor Stuckert will attend the next meeting and will be able to field questions.

Law Director emphasized that the legislation does not implement the CRA; it simply authorizes the application to the State to create a Community Reinvestment Area. The state would make final approval.

[Discussion of Community Reinvestment Area]

A motion was made by Jaehnig and seconded by Spicer to give the first reading only on the ordinance Implementing Sections 3735.65 through 3735.70 of the Ohio Revised Code, Establishing and Describing the Boundaries of Community Reinvestment Area in the City of Wilmington, Designating a Housing Officer to Administer the Program, and Creating a Community Reinvestment Housing Council and a Tax Incentive Review Council.

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

Councilman Jaehnig introduced legislation granting assistance in the form of a revolving loan fund to Nelson Machine Products. He explained that the application had been through revolving loan fund committee and judiciary committee twice and they had voted to recommend to council going forward with the loan. The money would allow her to stabilize the existing business. This would be for operating fund assistance, and equipment from the business would be used as collateral. The city will be in a first position on the equipment lien.

A motion was made by Jaehnig and seconded by Stuckert to give the first reading only on a resolution Authorizing Loan Assistance Through the Revolving Loan Fund (UDAG) to Nelson Machine Products, Inc.; and Declaring an Emergency.

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

Director of Law read resolution by title only.

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

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

Director of Law read the resolution by title only.

A motion was made by Jaehnig and seconded by Stuckert to pass the resolution as read.

Roll call: Stuckert, yes; Miller yes; Milburn, yes; McKay, yes; Jaehnig, yes; Spicer, yes. Motion passed.

President Pro Tem of Council declared Res. No. 2436 passed as read.

Safety Committee - Chairperson Spicer presented legislation accepting a Safety Intervention Grant for a cot and stair chair for the Fire Department. The grant application was approved earlier in the year.

A motion was made by Spicer and seconded by Miller to give the first reading only on a resolution Accepting a Safety Intervention Grant from the Ohio Bureau of Workers Compensation for the Purchase of a Cot and Stair Chair; and Declaring an Emergency. President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read resolution by title only.

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

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

Director of Law read the resolution by title only.

A motion was made by Spicer and seconded by Miller to pass the resolution as read.

Roll call: Milburn, yes; McKay, yes; Jaehnig, yes; Spicer, yes; Stuckert, yes; Miller yes. Motion passed.

President Pro Tem of Council declared Res. No. 2437 passed as read.

Councilman Spicer introduced legislation declaring a vehicle in the Police Department as surplus.

A motion was made by Spicer and seconded by Miller to give the first reading only on a resolution Declaring Surplus Property, to Wit: Police Vehicle Valued at More than \$1000, and Authorizing the Sale of Said Vehicle.

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read resolution by title only.

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

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

Director of Law read the resolution by title only.

A motion was made by Spicer and seconded by Miller to pass the resolution as read.

Roll call: Jaehnig, yes; Spicer, yes; Stuckert, yes; Miller yes; Milburn, yes; McKay, yes. Motion passed.

President Pro Tem of Council declared Res. No. 2438 passed as read.

Finance Committee - Chairperson Miller presented legislation making supplemental appropriations, previously reviewed at the September 22 and September 24 council meetings.

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

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

President Pro Tem called for vote.

Motion passed. All yeas.

President Pro Tem of Council declared Ord. No. 5258 passed as read.

Councilwoman Miller introduced legislation making miscellaneous transfers, previously reviewed at the September 22 and September 24 council meetings.

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

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

President Pro Tem called for vote.

Motion passed. All yeas.

President Pro Tem of Council declared Ord. No. 5259 passed as read.

Councilwoman Miller introduced legislation making supplemental appropriations: From the Emergency Ambulance Fund to Capital Equipment - \$35,762.67; From the Fire/Ems Fund to Capital Equipment - \$17,403.13.

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

President Pro Tem called for vote.

Motion passed. All yeas.

Director of Law read ordinance by title only.

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

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

Director of Law read the ordinance by title only.

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

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

Motion passed.

President Pro Tem of Council declared Ord. No. 5260 passed as read.

Councilwoman Miller opened the 2016 budget discussion.

Mayor Riley asked Auditor David Hollingsworth to give an overview of the budget.

Auditor David Hollingsworth I am in the process of preparing a supplement to this that will give more information about the current year's budget in comparison to the 2016 budget. Projected revenues for next year: 4.5 million in income tax as opposed to \$4.3 million in 2015. I highlighted three changes: The income tax revenue is going up \$200,000. The building permits had projected \$87,500 for 2015. We are backing that down to \$50,000, which is a reduction of \$37,000. We have received our last payment from Union Township, which will reduce our contract revenue by \$143,000. The revenue is basically a wash when you take what we are projecting as an increase in income tax revenue and what we are reducing in our building permits and what we are

losing in contracts. Our cash balance at the end of September of this year is \$1.8 million. Last year it was \$2.8 million. We are in line with what we have discussed extensively. I thought twice about how much information I want to prepare for the budget because I feel like I gave you more information than you needed when we took a look back at the end of May. At that time, I did a comparison all the way back to 2006. There was a lot of work put into that and it kind of died on the vine, but I will do whatever you want me to do.

Councilwoman Miller – What you said you were preparing sounds good.

Auditor David Hollingsworth – I just hope it points out what I've been saying for a while. We have a revenue problem and not necessarily a spending problem.

Councilwoman Miller – How much did the budget increase this year?

Mary Kay Vance – On the budget of 2016 over 2015, there's an increase of approximately \$441,000. If you've looked at the detail in there, please remember that there is a line in there that says street paving that has almost \$350,000, which are the Truesdell, Rails to Trails, and Ahresty Connector projects that you have approved and worked on. Of that \$441,000, about \$350,000 would be the line item for street paving. You're really looking at about a \$94,000 difference between what you passed in 2015 and what you have today.

Auditor David Hollingsworth – Here is my concern as we are looking at the budget. Our shortfall is going to be around \$1.3 million. I'm not sure what you are going to cut to wipe that out. Even if you are able to cut out \$1.3 million, it only gets you back to even. It still doesn't give you any money to do street paving or anything else that needs to be done in the city. So, really, you're looking at more than a \$1.3 million deficit if you want to do anything. I don't know what else to say.

Mayor Riley – My hat goes off to every employee in the city, but especially the supervisors. The enterprise funds have done well. Braden has been very innovative by taking plans he has developed and implementing them. The enterprise fund of landfill and garbage pickup is doing well. Jerry and Harry are doing a good job in their departments. They are operating as an enterprise. They are making enough money to pay their staff and keep expanding and keep doing the things they need to do and set aside some because we know that there can be potential liabilities. If the EPA comes down on Harry with new criteria and requirements, he has a little money to take care of that. The increase that we gave Jerry this past year has helped a lot. It has not been the full answer, but it has taken the heat off of him. Where we're looking for any type of balance for the whole city budget would have to come from the non-enterprise fund. Basically, you're looking at administration, police, fire and streets. I believe we cut over \$300,000 in administration the first year I was in office, mainly through not replacing people who left or replacing them at a much lower rate. Basically, it comes down to what desks should be empty and what can the city do without. In looking over the organizational charts and the services provided by all the departments, they are doing a bang-up job in providing services. I appreciate everything they are doing. It would be really, really difficult as a citizen to say we can do without police and fire. Denny has been getting along on a shoestring or less for the past few years. I applauded council when you made the decision earlier this year to supplement his budget so we could do paving. I agree with David completely. We do not have a spending problem; we have a revenue problem. We have been getting a little more revenues, employment has been up, and we have a fairly bright future. PC Connections is moving into the city. ATSG is doing great. We have a new Pepsi distributorship. Things are looking up, but that doesn't make up for the losses we have had, particularly from the Federal and State governments. Governor Kasich has done a great job in balancing the state's budget and reducing taxes, but it has been balanced on the backs of the villages, cities and township governments who do not get the revenues they used to get from the states. They are bringing in less money. It does impact cities negatively. As soon as we take a few steps forward with job creation, we get knocked back a couple of steps because of an absolute absence of local government funding. Those casino revenues that were supposed to be spread out across the state stop at the county commissioners' office. They collected \$400,000 thousand this year. There

is some sharing that has not happened. We need to work together and work with other communities. We need to look at revenues. If we want to come up with a paving program that can be implemented, we should be on a regular program. We cannot budget and do that without revenues for the Streets Department. There are many things that we want to do but we cannot because we just don't have the money. We would like to implement some traffic softening to make the city more pedestrian friendly, but it takes money. I think it is time for the city to go to the citizens and say, "This is where we're at. This is what happening, and would you be in favor of a 0.5% earnings tax increase to bring in the money that we need to make this city absolutely beautiful?"

Councilwoman Miller – So are you going to prepare something to present to council?

Mayor Riley – I have already talked to Brian about getting something ready to consider. It is nothing that we are going to pass. It is something that we give to the voters to consider. Let them say they want to move forward with projects and vote for it. Honestly, even if we could pass an earnings tax increase without voter approval, I would not want council to do that. I want the citizens to drive the process. The citizens need to be behind it completely.

Councilwoman Miller – When would be able to see that come through?

Mayor Riley – I would like to have it ready for the primary next year, which means we would move on it fairly quickly.

Councilman McKay – Do you mean when would you have the legislation ready for council?

Councilwoman Miller – Yes.

Mayor Riley – We're working on it now. I asked Brian a week or two ago about getting something ready for council, so it's in the works now.

Councilman McKay – I believe we have talked about a 25% carryover, it looks like this budget will have only a 10-15% carryover.

Mary Kay Vance – At the end of 2016, it might be less than 5% if you don't do something. Running the numbers, it is not pretty.

Auditor David Hollingsworth – Short of getting rid of departments or getting rid people, we have done everything we can. We can refinance some outstanding debt in 2017, but that only affects the Water Department. We have refinanced everything we can. Unless somebody else has another idea, I think we have done.

Councilman Stuckert – Did we say we ended up with a carryover of around 35% or something?

Mayor Riley – We were bumping 35% during the year.

Councilman Stuckert – So we have gone from 35% to 15%?

Mary Kay Vance – That was the year before you were at 35%. Last year it was right around 23%.

Councilman Jaehnig – One of the issues we don't want to accept is the game changed. One of the philosophies I have been told is that the communities should be responsible for themselves. You shouldn't be taxing the entire state to support certain communities. If we lower the state taxes and put the responsibility back in the communities' hands, then the communities can decide what type of community they want to be. We saw the first part of that with the reduction of the state taxes, but we have not done any adjustments in our community.

Councilwoman Miller – David's analysis showed that very well.

Councilwoman Milburn – I understand that we have a problem and it is not looking good. At the same time, I have been in the situation where my husband has been unemployed and I didn't knock on my boss' door and said can I please have some more money because we have a depletion of funds. I'm all for looking at a tax increase if that is what we absolutely have to do, but I don't feel like we've exhausted every effort yet, and I want to exhaust every effort.

Councilwoman Miller – What other effort do you think we have not exhausted?

Councilwoman Milburn – I don't know. I don't have the answers right now, but wish we could come up with anything else.

Councilwoman Miller – I think we all wish that.

Councilman McKay – We will be able to review this in finance and have a spirited debate in council. I welcome a proactive approach. We may have kicked the can down the road as far as we can.

Councilwoman Miller – After David's presentation, it didn't die on the vine. I don't know where else I can kick the can.

Auditor David Hollingsworth – I think we have to address it sooner rather than later because you can't wait until you are in fiscal emergency and then say you should have done something.

Councilwoman Miller – I think we waited to offset, thinking that we were going to get some other revenue and it didn't happen.

Councilman Spicer – You probably have seen in the paper that the fire department has asked for some part-time people. We have a major problem down there. It is time we address it. They need some people down there to respond. We are looking at part-time people which we can get three for the price of one. His overtime costs are out of the ballpark. He needs to get those costs down. Part of the expenditure can be offset, but it is not going to cover all of it. The greatest problem that we face now is citizens being adequately protected. It's not *if* we get the big one, it is *when* we get the big one. I would not want to be Chief right now. I have asked him to amend his budget to reflect what he is trying to do. We have to address it.

Councilwoman Miller asked Auditor David Hollingsworth when the other worksheets would be done. He said he would have them to them before the next council meeting. He said he providing something that showed the revenue stream for the General Fund and where those monies end up moving to, showing all the special Enterprise Funds and what money they receive in levies and what has to be supplemented out of the General Fund to support those.

Auditor David Hollingsworth - I've said this before and I will say it again...I have lived here most of my life. I don't mind paying a little extra because I know where it is going. I think we sometimes get a little bit confused when we look at what goes on at the federal level and the state level. I would much rather give a half percent back to the city of Wilmington than an additional half a percent to the federal or the state, because I don't know what social program that is going to fund.

Councilwoman Milburn – We need to have a plan B, because we are assuming, even if we do give it to residents, it is going to pass, because there is a high likelihood it will not.

Councilman Stuckert – Maybe that should be our plan now.

Auditor David Hollingsworth – I think if it does not pass, you are going to have to take a hard look at the departments.

Mayor Riley – This budget is the plan.

Auditor David Hollingsworth – Eighty-five percent of what we spend is personnel related. We are service industry. It is going to affect services in some way.

Councilman Jaehnig – We can look at this two ways. We have the opportunity to set it up to turn the community over to a mayor who, to be honest, is used to building things. If we set it up properly and move it forward and give him the funds, I would love to see what he could do with building and improving this community. If we don't go down this road, the other half of jobs and construction is tearing things down. If we don't give him the funds to do it, then over the next four years, his job is going to be to slowly but surely take apart the city. Those are the two choices we are down to. We either have to make the decision to move forward to give him the things he needs to make this a great community or we have to understand that his job is to be slowly take apart the community to live on the budget that we have. There are no other options.

Auditor David Hollingsworth – I don't want to go over each department's budget unless you have specific questions.

Councilwoman Miller – We were offered the opportunity – I didn't ask for the department heads, the mayor did.

Mayor Riley – I love having these guys here because they're the experts.

Councilwoman Miller – I don't want you guys to feel like we aren't using you. I don't know that council...we don't have our worksheets yet and we're not prepared to...

Mayor Riley – My feeling on this is what you have tonight and what our conversation has been tonight, it is October 1. This is first-glance material. This is just step one. In looking at more cuts or more cuts, we have tightened belts throughout the city for four years. The only other cuts that can be made are safety services. I have had citizens come up to me and say if we let the police department go, then the sheriff by law has to cover the city. But who wants to really do that? I was speaking to Drew Hastings on Monday from Hillsboro. They no longer have a life squad or fire department and they are depending on Paint Creek as part of a joint fire district. Is that what we want to do? I don't think so, but those are the only other possibilities out there.

Councilman Jaehnig – Even if we do that, we still can't pay for the streets.

Mayor Riley – You're absolutely right.

Councilwoman Miller closed the discussion of the 2016 budget.

Cemetery Committee – Chairperson Spicer had no report.

Downtown Revitalization Committee – Convener McKay – There is a ribbon cutting at Strength and Dignity Clothing on October 3 at 10 a.m., the Chocolate Walk is October 16, Downtown Trick or Treat is October 24, and Dancing with the Stars is October 24 at the Murphy Theatre.

Parks and Recreation Committee – Convener Randi Milburn had no report.

Service Director - Service Director Reinsmith had no report.

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

Reports

A motion was made by Jaehnig and seconded by Miller that the Income Tax Report – September 2015, be accepted as presented.

Motion passed. All yeas.

Reports accepted as presented.

President Pro Tem McKay opened the meeting up to the general public and/or members of council to address council while in session.

Councilman Spicer said that he had heard complimentary comments about the care and maintenance of Sugar Grove Cemetery from a former board member.

President Pro Tem McKay asked if anyone else wished to address council while in session.

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

A motion was made by Miller to adjourn.
President Pro Tem McKay declared the meeting adjourned.

Council adjourned.

ATTEST:

President of Council

Clerk