

MIDDLETOWN, OHIO

October 5, 2010

ROLL CALL

Mayor Mulligan called the meeting to order at 5:30 P.M. in the City Council Chambers, One Donham Plaza, Middletown, Ohio with a moment of meditation followed by the Pledge of Allegiance to the Flag. Members present: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard and Smith. Staff Present: City Manager Gilleland, Clerk Parr, Law Director Landen, R. Carolus, D. Wooton, J. McCoy, N. Begley, R. Dalton, D. Adkins, D. Hamet, M. Wall, S. Longworth, S. Botts, M. Robinette, J. Phillips, D. Duritsch, C. Strayer, D. Burke and N. Wilson.

PRESENTATION

Mr. Mulligan invited Weatherwax Golf Course Director, Dave Tieman to the podium to say a few words.

Mr. Tieman stated he was so proud to introduce the young lady being honored this evening. He said she is on her way to an LPGA career. He also said he would be remiss if he didn't mention others who made names for themselves in the professional field of golf. Two locals on the LPGA tour were Marty Dickerson and Marianne Morris and two on the PGA tour Mike McGee and Frank Lickliter. He said hopefully this young lady will make a great career of golf too and follow in those footsteps. He said he has known Carling Coffing since she was ten years old and started golfing at Weatherwax with her two brothers and parents. He said it didn't matter what the weather was, they were there. Carling holds a record at Weatherwax. He has a score card posted there where she shot a 66 as a junior in the District Event. He also explained there will be a sandblasted sign placed at Weatherwax in her honor. He introduced Carling's mother Leona in the audience.

Mr. Mulligan congratulated Carling Coffing stating it was good to see our student athletes do well. He read and presented the following proclamation and Key to the City to Carling Coffing:

PROCLAMATION

WHEREAS, for decades the City of Middletown has prided itself with an impressive array of organized athletics, channeling the energies and enthusiasm of so many student athletes into healthy activities, teaching sportsmanship, the competitive will to win and true "*Middie Pride*"; and

WHEREAS, Carling Coffing grew up playing golf at Weatherwax Golf Course with her parents and two older brothers. The City and Weatherwax are proud to claim Carling Coffing as one its favorite and outstanding daughters for bringing honors to her home course and the City with her outstanding athleticism in the sport of golf; and

WHEREAS, Carling was born in Cincinnati, she was raised in Middletown and graduated from Middletown High School in 2004 and from The Ohio State University in 2008. As an amateur, Carling was winner of the Ohio State High School Championship in 2002 and runner-up in 2003; she is a 4-time High School GMC Champion; a 4-time High School Sectional Champion; a 2-time High School Districts Champion; she was named the 2005 Freshman Player of the Year while at Ohio State University; and was a 2-time Big Ten All-Conference Second Team selection; and

WHEREAS, Carling has embarked on a career that has brought her wide acclaim. Going pro in 2008, she has competed in two full seasons on the Duramed Futures Tour making over seventy percent of the cuts. Carling recently won the Golf Channel's 2010 *Big Break Sandals Resorts*. She has put Weatherwax Golf Course and the City of Middletown on the map and continues to give back to her community by donating some of winnings back to her alma mater, Middletown High School.

NOW, THEREFORE, I, Lawrence P. Mulligan, Jr., Mayor of Middletown, Counties of Butler/Warren, on behalf of City Council and our citizens do present this Key to the City as an expression of our esteem and our very best wishes for many years of happiness and continued success and do hereby proclaim October 5, 2010 as

"Carling Coffing Day" in Middletown

C. Coffing

Ms. Coffing stated she has golfed in many events and will be travelling next week to play in the CVS Challenge in Danville, California. She explained she has traveled lots of places and met lots of people and the people are not the same as the people in Middletown. She stated her appreciation for everyone's support.

CITIZENS COMMENTS
D. Bronston

There was a round of applause from the audience.

Dora Bronston, 4817 Earl Avenue, gave congratulations to Middfest for a wonderful event. She believes Mrs. Ritan deserves a round of applause for all of her hard work and effort. She said it is so educational you can't put a dollar amount on the value of education. Ms. Bronston said the citizens of Middletown also have the opportunity to go out to vote right now. The Board of Elections is on Princeton Road in Fairfield and she encouraged all to get out and vote. She expressed concerns from council's action at the last council meeting to release CONSOC. She said she didn't understand why council gave the City Manager the authority to release CONSOC. The City Manager didn't need council's approval to release CONSOC. With all the complaints that Mr. Adkins spoke of, did council receive those complaints. How much thought was given before council took the vote. She wanted some clarification.

P. Nagy

Mr. Paul Nagy, 1325 Orchard Street, said he didn't expect to be back before council so soon, but in light of what happened this morning with another natural gas incident, he wanted to again ask council to consider his request from the last meeting. He said at 8:43 a.m., the Middletown Journal reported that a contractor struck another gas line and the hissing from the leak was audible. He said most of his concerns come from these reported incidents lately. He asked council did Duke Energy run gas lines through sewer lines here in the City and is there continued and existing danger, will council investigate and report to the citizen's of Middletown. If there is a danger will the City do what needs to be done to assure citizen's safety. Citizens' safety should be Council's first priority. He advised everyone that has such a tag on their sewer line to photograph it at once. All they are doing is destroying evidence of prior knowledge. What would a law suit cost the City that the taxpayers would have to pay?

EXECUTIVE SESSION

At 5:45 p.m. Ms. Scott Jones moved to go into executive session under the authority of O.R.C. 121.22 (G)(2) to consider the purchase of property for public purposes, or for the sale of property at competitive bidding. Mr. Smith seconded and the motion carried. Ayes: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard, and Smith.

A.J. Smith

Before council members left the chamber for executive session, Mr. Smith thanked Dr. Dora Bronston for her comments and advised the Board of Elections was actually located in Hamilton and not Fairfield, Ohio.

MEETING RECONVENED

At 6:40 p.m. the meeting reconvened with all council members present.

MANAGER REPORTS

Emerald Ash Borer – Ms. Gilleland explained that from the last Council Meeting there was a request for photos to help identify the borer and to identify an Ash tree. She had a slide presentation and said for further questions call 1-888-OHIO-EAB or go on the web-site.

Metro Parks of Butler County – Jon Granville, Executive Director

Ms. Gilleland introduced Jon Granville for a report from Metro Parks. Mr. Granville explained they were founded in 1955. The properties they manage are scattered across the county. Mr. Granville had a slide presentation which showed park usage. He explained there is a ballot issue this fall for a ½ mill levy that would cost \$15 a year for the homeowner of a \$100,000 home. A majority vote will permit maintenance, recreational opportunities, improvements and preservation. He showed a graph that showed 60 cents of each dollar would go to operations. They stretch dollars where ever they can. If interested in learning about the Metro Parks system, visit the web-site at www.metroparksofbutlercounty.org. Also, the campaign levy has a web-site at www.PeopleforOurParks.org. He explained he had presented printed information for each council person. He explained the permit fee for vehicles is also being waived. Mr. Granville explained possibilities with levy funding which included Bike Path completion.

Mr. Mulligan expressed appreciation for Metro Parks collaboration with the City on Sebald Park.

Council on Aging of SW Ohio – Ken Wilson, Director of Program Operations

Ms. Gilleland introduced Ken Wilson for a report on the Council on Aging of SW Ohio. Mr. Wilson provided an annual update on the programs provided by the Council on Aging. He explained they provide in-home care through the Elderly Services Program and PASSPORT, Meals on Wheels, The ESP provides personal care, home-making and emergency response devices. Clients have a care manager who advocates their needs; answers questions and makes sure they receive the right services; to qualify, a resident of Butler County must be age 65 or

older and impaired in everyday activities. Care through the ESP Program is funded through Butler County Senior Services Tax Levy. It will be on the ballot again this November for 1.5 mills. It will not raise taxes and will cost about \$37 per year. Butler County's population over age of 60 will increase 70% in the next few years. Many would have to leave their homes if not for the Elder Services Program. He distributed printed information. He explained the most used services through the program. He thanked council for allowing him to make the presentation and thanked the community for their continued support.

Mr. Mulligan thanked Mr. Wilson for the presentation. Mr. Mulligan explained he helped kick off the program about a month ago.

2011 Budget Discussions

Middletown Municipal Court – Judge Mark Wall presented the Municipal Court's 2011 budget request which includes court security improvements. He explained that in 2008 the court requested a security review by the Supreme Court of Ohio. That review identified several deficiencies in the court facility. The court has been working with a Court Security Committee which Vice-Mayor Scott Jones serves. They have developed a facility security plan and the budget request contains capital upgrades for security improvements for the municipal court. He explained that revenue from collection of fines increased over 2009 through September. The City's portion of fine's collected is up \$200,000 over the same period in 2009. Regarding expenditures the garage charges have increased and a 1% cost of living increase is budgeted for non-union employees. Judge Wall said the Municipal Court continues to be mindful of the City's budget constraints.

Mr. Becker asked if the General Fund transfer into the court stays the same.

Ms. Gilleland answered affirmatively.

The remaining budget discussions were moved to the end of the agenda.

CONSENT AGENDA

Matters listed under the Consent Agenda were presented:

Approve: City Council minutes September 21, 2010

Receive and File Board/Commission Minutes:

Middletown Public Housing Agency – September 21, 2010

Confirm Personnel Transactions:

Water Treatment Plant Operator-Michael Huling

Maintenance Worker - Christopher Bjorklund

Receive and File Oath of Office: Shelby A. Sanders

Approve a Contract Extension with Kaiser Medical Corporation for Health Care Services for the City Jail

MOTION

Ms. Scott Jones moved to approve the issues and actions as listed on the consent agenda. Mr. Smith seconded and the motion carried. Ayes: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard and Smith.

COUNCIL COMMENTS **T. Allen**

Mr. Picard and Mr. Becker had no comments.

Mr. Allen commended the Judge for the budget presentation and the good news regarding the increased collection of fines.

J. Laubach

Mr. Laubach sent condolences to Steve Daley's and Mike Davis's families on the death of loved ones.

A. S. Jones

Ms. Scott Jones sent condolences to Steve Daley's family and to Officer Mike Davis on his mother's death, and Vanessa Grooms and Greg Clark on the loss of a family member. She sent well wishes to Mr. Jessie Hill for a speedy recovery. She acknowledged Hispanic Heritage Night next Thursday. She will present a proclamation at that event. She acknowledged an email from Ms. Kerry Owens regarding Fire cuts. She commended the Middfest organizers and volunteers. She stated her appreciation for the event and the culture we are exposed to here in Middletown. She spoke on a concept called the Apollo Syndrome. She said those persons in that shuttle eventually began thinking alike and doing like things. It became a negative rather than a positive. In this city, there are people who are intent on telling us how to do our jobs. There was a recent article about disrespecting City Manager Gilleland. She said she took a little issue with that article. She said conflict doesn't always have to be thought of in a negative connotation. She said council made an oath not to be influenced by any consideration. She said she made two promises when elected; to be accessible to the people and to ask informed intelligent questions so the citizens would know where tax payer dollars are going.

A. J. Smith	<p>Mr. Smith sent well-wishes to one of our officers injured within the last thirty minutes and at the hospital now. He apologized for running late to the meeting and apologized for stepping out of meeting when the gentleman from the Metro Parks was making his presentation. He stated he has a conflict regarding elections. He congratulated Ms. Virginia Ritan and had an opportunity to do some announcing at the Middfest event. He saw some dancers and appreciated the differences and diversity in our cultures. He said that early voting continues through November 1st. Citizens can vote at the County Board of Elections. He gave the address of the Board of Elections or a phone number you can call with any questions, 424-0469.</p>
L. Mulligan	<p>Mr. Mulligan also commended Middfest. He stated they did battle some inclement weather. The event is a testament to the volunteers. He recognized Betsy Parr, Vice-Mayor Jones, and Mr. Becker for trying to jump into the electronic age with Nook Readers. They are trying to save some paper and downloading the packet on the Nook. If the technology works out, it will save some dollars and have a positive effect on the environment.</p>
A.S.Jones	<p>Ms. Scott Jones said they need to let the public know they are paying for the Nooks themselves.</p>
Ord. No. O2010-60 Notice on Bids	<p>Ordinance No. O2010-60, an ordinance establishing the process for giving notice of competitive bidding was read for the second time.</p>
	<p>Ms. Scott Jones moved for the adoption of Ordinance O2010-60. Mr. Smith seconded and the motion carried. Ayes: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard and Smith.</p>
Ord. No. O2010-61 Contract w/Tri-State Habitat Humanity	<p>Ordinance No. O2010-61, an ordinance establishing a procedure for and authorizing a contract between the City and Tri-State Habitat for Humanity for the sale of city owned property was read for the second time.</p>
	<p>Mr. Smith moved for the adoption of Ordinance O2010-61. Mr. Picard seconded.</p>
	<p>Mr. Mulligan asked the time line for demolition.</p>
	<p>Mr. Adkins answered within six months after taking title.</p>
	<p>Motion Carried. Ayes: Allen, Becker, Laubach, Mulligan, Picard and Smith. Abstained: Scott Jones.</p>
Res. No. R2010-32 Appropriations Comm. Center	<p>Resolution R2010-32, a resolution to make adjustments to appropriations for current expenses and other expenditures of the City of Middletown, Counties of Butler and Warren, State of Ohio for the period ending December 31, 2010. (General Fund – Community Center), was read for the second time.</p>
	<p>Ms. Scott Jones moved for the adoption of Resolution No. R2010-32. Mr. Smith seconded and the motion carried. Ayes: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard and Smith.</p>
Ord. No. O2010-62 RUMPKE Contract	<p>Ordinance No. O2010-62, an ordinance authorizing a contract with RUMPKE of Ohio, Inc. for refuse collection and disposal for 2011 through 2013 was read for the second time.</p>
	<p>Ms. Scott Jones moved for the adoption of Ordinance O2010-62. Mr. Smith seconded.</p>
	<p>Mr. Becker asked when the bigger totes and recycling bins would be available.</p>
	<p>Mr. Duritsch explained they are going to try to start the program before the end of the year. As soon as the contract is in place they will begin the program.</p>
	<p>Mr. Smith asked how persons received the totes and bins.</p>
	<p>Mr. Duritsch explained that residents can call the City and staff would create a list to provide to Rumpke on a weekly basis.</p>
	<p>Motion Carried. Ayes: Allen, Becker, Scott Jones, Laubach, Mulligan, Picard and Smith.</p>

**Ord. No. O2010-63
Water Rates**

Ordinance No. O2010-63, an ordinance amending Sections 1042.02, 1042.05, and 1042.06 of the Middletown Codified Ordinances establishing water rates was read for the second time.

Mr. Picard moved for the adoption of Ordinance O2010-63. Mr. Smith seconded.

Ms. Scott Jones asked if this was the ordinance requiring a \$6.00 assessment for inactive accounts and if it affected active accounts in any way.

Mr. Duritsch explained it's not an assessment it's a minimum charge for the storm water fee and solid waste fee. Active account holders already pay these assessments.

Mr. Smith asked if we knew how much this would generate annually.

Mr. Duritsch explained that this is broken into several components. He said over three dollars goes for storm water fees, \$1.70 toward the solid waste fee and there is landfill debt service and post closure. These are fees that accrue on a monthly basis over and above the water usage fee.

Discussion ensued about utility billing that includes the water fee, sewer usage, storm water charge, solid waste fee, landfill debt and regulatory requirements that the city has on the landfill closure and the well-field fee. Inactive accounts and permanently inactive accounts were discussed. There are about 2,000 inactive accounts.

Mr. Laubach stated this ordinance also includes the water rate increases for 2011 and 2012 that were discussed at the last meeting.

Discussion ensued about separating the water rate increase and the assessment on minimum billing.

Mr. Laubach explained he is opposed to the water rate increase. He felt that increase was nothing more than a tax. He could support the minimum billing charges, but is opposed to the water rate increase.

Mr. Smith stated he agreed with Mr. Laubach. He would support the assessment but not the water rate increases. He asked if the two could be separated.

Mr. Mulligan stated there is a motion and second on the floor.

Ms. Scott Jones asked if the ordinance is not passed, is there a way to bring the other issue back for a vote.

Mr. Landen stated if the ordinance is not passed and council directs staff to bring it back in a different form, staff can do that.

Mr. Becker said everyone needs to understand that water and sewer must be self-sufficient. You use water and you pay for it. These aren't necessarily tax increases. These fees are to make sure our system stays solvent, intact and is self sufficient. Water and sewer services have to pay for themselves. We go through these discussions about every-two years. These enterprise funds have to stay self-sufficient. If we get too far behind, it will create additional problems down the road.

Ms. Scott Jones said with all due respect, Mr. Laubach asked the question about whether there had been increases in cost to the City to provide the services and there were no increased cost to the City to provide the service.

Mr. Laubach stated he wanted to be perfectly clear about why he was calling this a tax increase. If a consumer is purchasing a good or service, if the provider is not providing services needed, they can go somewhere else. He said the citizens have no choice. There is no market here, the City has complete control. He would be a proponent of privatizing this service.

Mr. Duritsch explained that in the late '90s staff did go through the managed competition process and looked at the private sector versus the public sector. They went from 19 employees in the Water Department down to 12 and Waste Water went from 32 or so down to 17. They looked at the value that we get for our services. Privatization would give you minimum standards. The City has much

higher standards. It was very clear at that time that the City was providing a very high commodity at a very affordable rate.

Mr. Laubach said if he were purchasing a product, he would make sure it was coming from a safe place. He feels this is a tax increase because people can't go anywhere else.

Ms. Scott Jones asked that when Ms. Parr calls the roll and it doesn't pass, does it get rid of the inactive account portion and how difficult is it to separate it out.

Mr. Landen said yes, if the ordinance is not adopted, it gets rid of the entire ordinance. At council's direction, it could be brought back in any form that council chooses. The problem with this now is that this is a second reading. The process would have to start completely over. He said no one indicated they wanted the two issues be separated.

Discussion ensued and a couple council members did not recall the two being combined during the first discussion of these rates.

Mr. Mulligan said he would like to move forward with the motion and second on the floor.

Motion Carried: Ayes: Allen, Becker, Mulligan and Picard. Nays: Scott Jones, Laubach and Smith.

Mr. Smith said for the record, he wanted it known that he would have supported the assessment for inactive accounts, but not the water rate increase.

**Ord. No. O2010-64
Sewer Rates**

Ordinance No. O2010-64, an ordinance amending Sections 1040.03 of the Codified Ordinances levying and assessing sewer rates was read for the second time.

Mr. Picard moved for the adoption of Ordinance No. O2010-64. Mr. Smith seconded.

Mr. Laubach said if staff is looking at things as if people aren't paying enough and need to pay more, we are looking at this entirely backwards. He doesn't think we are fixing anything by continually increasing rates and fees. There are bigger problems here.

Mr. Smith asked for clarification on this ordinance. He didn't find a staff report.

Mr. Duritsch explained this ordinance implements a 5% increase in the sewer fund for next year and the year after. The minimum billing was part of the water rate ordinance not this sewer rate ordinance.

Motion Carried: Ayes: Allen, Becker, Mulligan and Picard. Nays: Scott Jones, Laubach and Smith.

**Ord. No. O2010-65
Est. Cemetery Board**

Ordinance No. O2010-65, an ordinance establishing a Middletown Cemetery Board was read for the second time.

Ms. Scott Jones moved for the adoption of Ordinance O2010-65. Mr. Smith seconded.

Ms. Scott Jones asked if there was any consideration as to who is appointed to the board.

Mr. Landen stated there is nothing written in the ordinance. Council has the ability to pick whoever they so choose to serve.

Mr. Smith said the original report addressed demolition of the vault within six months if money was not raised. He wanted that struck from the agreement. He asked if this addressed demolition of the vault.

Mr. Landen explained there is nothing in the ordinance regarding demolition. He explained rather than but that in the legislation, staff felt the Cemetery Board will make that recommendation to council when the time comes.

Motion Carried: Ayes: Allen, Becker, Scott Jones, Mulligan, Smith and Picard. Nay: Laubach.

**Ord. No. O2010-66
SK Const. Contract**

Ordinance No. O2010-66, an ordinance establishing a procedure for and authorizing an amendment to a contract with SK Construction Co. for replacement of a waterline on University Boulevard and declaring an emergency was presented.

Ms. Scott Jones moved to waive the Charter provision requiring reading on two separate days and the Ordinance No. O2010-66 be declared an emergency measure and read one time only. Mr. Smith seconded and the motion carried. Ayes: Becker, Laubach, Scott Jones, Mulligan, Smith and Picard. Abstain: Allen.

The ordinance was read one time only.

Ms. Scott Jones moved for the adoption of Ordinance No. O2010-66 as an emergency measure. Mr. Smith seconded.

Mr. Duritsch gave the presentation on the request for additional funds to close out the account for the water main break. The repairs were \$8791 above estimated numbers. The asphalt estimate came in a little less than anticipated.

Mr. Laubach asked about the bid and the parameters for the bid.

Mr. Duritsch explained there was a breakout of quantities at the time. The problem was the repairs on the water break went a little further than estimated.

Motion Carried. Ayes: Allen, Becker, Laubach, Scott Jones, Mulligan, Smith and Picard.

**Ord. No. O2010-67
Synagro Contract**

Ordinance No. O2010-67, an ordinance authorizing a contract with Synagro Central, LLC for biosolids management service was read for the first time.

Purchasing Agent Cindy Strayer gave the presentation for disposal of biosolids from the Waste Water Treatment Plant. This is a three year contract with two optional years built in.

Mr. Smith asked why only one vendor responded.

Ms. Strayer explained it is a specialized service. We have used Synagro in the past very successfully.

Mr. Picard asked what we were doing with the biosolids now.

Ms. Strayer answered we are doing the same thing now. Synagro has the current contract.

A. S. Jones

Ms. Scott Jones wanted the record to show that she was going to abstain on the vote on the Supplemental Appropriation for the Community Center, Resolution R2010-32. She sits on the Distribution Committee for the Community Foundation and wanted her change her response to abstain.

**Res. No. R2010-33
Appropriations
HOME Fund**

Resolution No. R2010-33, a resolution to make adjustments to appropriations for current expenses and other expenditures of the City of Middletown, Counties of Butler and Warren, State of Ohio, for the period ending December 31, 2010. (HOME Fund) was read for the first time.

Mr. Adkins explained the request for the adjustments to appropriations.

Mr. Smith asked what fund does this come from.

Mr. Adkins answered from the HUD Home Fund.

Mr. Landen explained the appropriation process. The money is in the fund, and goes back into the same fund. Council has to appropriate the expenditure of the money. When council does a supplemental appropriation, it authorizes expenditures from that fund.

**Ord. No. O2010-68
Amend 1411 Flood**

Ordinance No. O2010-68, an ordinance amending Section 1411 of the Codified Ordinances (Flood Damage Prevention) was presented and read for the first time.

Mr. Duritsch explained the request for the amendment to the Flood Prevention Ordinance. FEMA has updated all flood plain maps in the county, the City has to modify our ordinance to reflect the new maps. There were no drastic changes but there may be some changes on the properties on Oxford State Road.

**Ord. No. O2010-69
Amend 260 Boards**

Ordinance No. O2010-69, an ordinance amending sections 260.01 (Required Meeting Minutes); 260.02 (Failure to Attend Meetings); and 260.03 (Residency Requirement) of the Codified Ordinances was presented and read for the first time.

Ms. Gilleland explained that council asked staff to look at the current ordinance and requirements. The current ordinance calls for all members of boards and commissions to be residents of the City. It is very typical of most cities to appoint residents or electors. At the same time some boards and commissions may require an area of expertise. If Council feels this is in the best interest of the City, the recommendation is to keep a majority of any board or commission be filled by electors.

Ms. Scott Jones questioned the default language.

Ms. Gilleland answered the current default language states resident. They are proposing it be electors.

Mr. Smith asked if this could be changed regarding the minutes.

Mr. Landen stated the change in section one pertained to those boards that do not meet monthly. The current ordinance calls for all boards to meet monthly and provide minutes.

Discussion ensued regarding resident and elector and the definition of elector. An elector is defined by state law, it states a person who is entitled to and is registered to vote.

Mr. Laubach questioned the justification for non-residents being on a board or commission. If the theory of a board or commission is to advise council, he didn't understand how someone from outside the city could be a part of the decision making process. He thought it would be a violation of the fundamental principles of representative democracy. The basic principle is to have a connection and interest. He said he wouldn't vote to support this.

Mr. Smith agreed. He stated it defeats the purpose of local government. This law would be enacted for future councils as well. Special interests could take a toll and play a role in a faction of how this ordinance works.

Discussion ensued.

Mr. Laubach stated maybe this is a small principle and not a big deal to some people. He said he has issues with all the boards and commissions. Why have a city government when you could get a conglomeration of people from the tri-state to serve.

Mr. Smith agreed with the amendments except the residency requirement.

Ms. Scott Jones said she personally thinks the City of Middletown has plenty of well-qualified individuals in this city to fill the board and commission seats.

Mr. Allen spoke in defense of the language. There are many who have businesses here in Middletown or have expertise in for example a cemetery but live outside the boundaries. You have the ability and the need to fill the vacancy on a board with specific expertise.

Ms. Scott Jones said better yet, why change the ordinance. Why not address it at that time. She said we are bordering on insulting the citizens of the City. There are over 50,000 people in this city, and she said you can't tell her there are not enough residents to fill these vacant seats.

Mr. Laubach said this is all part of a bigger problem here. Maybe government has become so complicated that we have to have all these experts to help us govern ourselves. There is nothing that goes on in the City that we couldn't deal with.

Mr. Picard said there are over 50,000 people in the City and there must be someone. The cemetery is a perfect example. Fred Wehr operates a cemetery. He doesn't live in the City and couldn't be appointed to this board. There is nobody else in the city with as much experience and expertise as Mr. Wehr. He works in this city, provides jobs in this city, and there is no one as qualified. No one else operates a cemetery in the City.

Mr. Laubach told Mr. Picard he was missing the point.

Mr. Picard said no he wasn't. He asked if you'd rather appoint somebody on that board that knows nothing about a cemetery.

Mr. Laubach said no, he didn't vote for the board to begin with. He thinks it's a useless proposition. He asked how far you want to take this.

Mr. Picard began by saying he wanted to provide the opportunity...

Mr. Laubach interjected, saying no seriously, how serious is it....

Both council members were talking at the same time.

Mr. Picard told Mr. Laubach he was speaking and he'd appreciate it if Mr. Laubach would shut up while he was.

Mr. Laubach said excuse me, you have the floor.

Mr. Picard said he wanted the option to be able to appoint someone with the expertise to serve on these boards to better serve this community. You are putting forth the position that you want to totally cut that off. We are stuck with who we have and that's it and you don't want to have the opportunity to allow someone with expertise to come in.

Mr. Laubach said stop right there. Let's say we don't have enough people to run at the next election for council. It could very well happen.

Mr. Mulligan said state law dictates the council positions.

Mr. Landen said the charter dictates the council positions.

Mr. Laubach said what was written in the charter in 1913 was written for a reason. The same reason there was a residency requirement written in there.

Mr. Smith said there have been instances in the past where a Council has granted a variance in this current law to appoint someone from outside the city and why can't we continue to do that.

Mr. Landen said mainly because it's not appropriate. The ordinance says you have to be an elector of the city.

Mr. Smith said so we've been breaking the law.

Mr. Landen said we have been ignoring our own ordinance.

Mr. Mulligan said the request was to merely straighten up that language. The comfort that he finds in the proposal is in the fact that the majority of the board and commission members are to be residents. He appreciates where Mr. Laubach is coming from. It's strictly in an advisory capacity but the ultimate authority resides in the governing body.

Discussion ensued.

Mr. Becker said any new or different council can change any ordinance as they see fit. It could be changed by a new council anyway.

Mr. Landen said there are two options that can be taken here and since decisions are made by council on the opinion of four and not any single person. He asked if council wanted to leave as it stands and bring back for a second reading or separate the wording. What's the pleasure of council?

Mr. Picard, Becker, Allen and Mulligan said leave it as it stands.

Ms. Scott Jones, Mr. Laubach and Smith said to separate it.

Ms. Scott Jones said it seems to her there are people that want them to rubber stamp issues all the time. It seems that what is appearing to happen on Council now is a four, three split all the time on issues where they disagree. She stated for the record that her opinions are simply her opinions. She did not like the direction of council on its votes all the time. She will not be a part of any faction. She said they

	<p>should not be about factions. They should be about what is in the best interest of the city and if they disagree that's okay, but all the time the votes are four to three, it's the same factions. They need to take a clear look at that.</p> <p>Mr. Mulligan said he agreed with Ms. Scott Jones observations. There are some four, three decisions, but ultimately that is the way things work. All input is valued. Valid discussions are appreciated. They will have differences of opinions and they need to recognize that and move forward.</p>
<p>Ord. No. O2010-70 Amend 436.072 OMV</p>	<p>Ordinance No. O2010-70, an ordinance amending sections 436.072 (Operating Motor Vehicle Without Valid License) and 436.074 (Driving Under Financial Responsibility Law) of the Codified Ordinances was presented for first reading.</p> <p>Mr. Landen explained this change is the result of the State law recently changing. It assures consistency in our court system. It allows us to charge under the local code and part of fine money stays in city.</p>
<p>D. Picard</p>	<p>Mr. Picard said he did have a question regarding the Municipal Court Budget. He apologized for not asking sooner. The Judge indicated a capital outlay of \$600,000 for the 2011 budget and the funds are coming from the Courts Special Projects Fund. Those are funds that already exist and they exist for these types of purposes. It is not additional funding to come from the General Fund.</p> <p>Finance Director Russ Carolus answered that is correct.</p>
<p>Recess</p>	<p>At 8:11 p.m. council recessed for ten minutes. The meeting reopened at 8:20 p.m. with all council members in attendance.</p>

2011 BUDGET PRESENTATION: Ms. Gilleland read some background information.

Background:

- The 2011 general fund budget is the 2nd year of a 3 year plan as approved by city council.
- The tenets of the plan:
 - Move the cash balance from 25% down to a floor of 15% of expenditures over the three year period (2010 to 2012).
 - Make required cuts sooner than later to lessen impacts in later years.
 - Keep public safety a priority.
 - Lessen the overall impact of a lengthy recession (up to 3 years).

After lengthy internal and council discussions, the 2010 budget was passed with over \$1.5 million in cuts and the layoff of 7 employees in early 2010.

Process:

- Finance Committee and City Council involvement in year-round financial issues and fiscal monitoring.
- City staff met monthly with Financial Advisor to review budget status.
- Department Heads began preparing the 2011 budget in July according to the financial plan.
- City Staff and City Manager met to discuss issues related to the 2011 budget.
- Draft budget given to council on October 1st.

Assumptions for 2011 Budget:

- No layoffs.
- 1 % cost of living adjustment for non-organized and union groups up for renewal (corrections, dispatch, police records).
- Remaining unions as passed by council in collective bargaining agreements.
- No cuts to Local Government Fund.
- TIF funds will generate \$266k in debt payments.
- Income tax revenue will increase 2% in 2011 and 2012.
- Police Pensions remain at current rate.

Personnel Changes:

- New Program Manager at Community Center – Salary funded by CDBG.
- Removal of Administrative Assistant in Transit with person being moved to Personnel as a Training/Special Projects Coordinator.
- 3 vacant unfunded but authorized positions in Fire (Deputy Chief, Training Captain, and Fire Marshal) removed from the 2011 budget.
- Part-time secretary to full time in Law.
- Removal of secretary position in Municipal Garage.
- Addition of Public Work Superintendent in Storm Water (PERS retirement requirement).

Significant Statistics from 2011 Budget

- Total General Fund budget of \$30,585,885.
- 71% of General Fund budget is public safety related.

Fire in 2011 will respond to an estimated:

- 8,177 calls for Emergency Medical Services
- 738 Fire calls
- 1,216 Investigation/Assistance Calls
- Average 5:00 minute response from time of call to arrival on scene.

Police in 2011 will respond to an estimated:

- 51,399 calls for Service.
- Investigate and report on 1,572 traffic accidents.
- Process 8,356 arrests in the City Jail.
- Average 5.3 minute response from time of call to arrival on scene.

Transit will conduct a route study to make sure our operations are as effective as possible.

Continue the expansion of programs at the Community Center for our citizens.

Continue Pothole program in 2011.

Maintain 240 miles of roadway

Maintenance of 113 Traffic Signals

Average 7.38 million gallons per day of award winning water to our residents thru 343 miles of water main.

Average 16.1 million gallons per day of waste water thru 320 miles of sewer main.

Other Discussion points:

Even when our budget is set, we will continue to examine each position as it becomes vacant as to whether or not it should be filled. This is good practice even during good economic times.

- Restore socio-economic balance – preserve neighborhoods, improve housing stock
- Improve city image – demolish blighted buildings, improve RR crossings, I-75/SR122 widening, crack sealing, pothole patching, street striping, and sign replacement
- Improvement of Lefferson, Yankee Road
- We've made great strides and this budget reflects these goals carried forward.

	<u>2010</u>	<u>2011</u>
General Fund	\$29.1 M	\$30.6 M
Special Revenue Funds	29.0 M	31.1 M
Debt Service Funds	3.8 M	4.2 M
Capital Project Funds	10.9 M	12.4 M
Enterprise Funds	23.3 M	22.0 M
Internal Service Funds	7.8 M	8.5 M
Trust Funds	2.4 M	2.6 M
Federal Grant Funds	<u>18.7 M</u>	<u>14.5 M</u>
TOTAL	\$125.0 M	\$125.9 M

The budget before Council is staff's recommendation to maintain a balanced financial position through the year 2012. If you have any questions or require additional information, please call or email the City Manager.

The next budget meeting is scheduled for 10/19. Council can add additional sessions as needed. Staff plans to present the budget for first reading at the council meeting of November 2nd. They have earmarked the council retreat in January to begin discussions on the Safety Levy.

Some food for thought included the street light assessment that could raise \$700,000, if council was willing to pass those charges along to the residents.

Mr. Becker asked about the slide showing the draw down to 15% of reserves. He asked when we have spent down to the 15% there is no plan after that. We have to be careful that we can sustain services.

Ms. Gilleland responded that we are in deficit spending of about \$762,000 annually.

Mr. Becker stated we aren't doing it on purpose we are still in a survival mode. We are deficit spending to keep police and fire on the street. We have to look further out and come up with some solutions.

Mr. Laubach stated he was really concerned with the budget. There are increases in health care costs and wage increases. He said this could be really ugly. He felt it was a very short term plan and Council needs to get very serious about this.

Ms. Gilleland said in this type of crazy economy, three years is about all we can plan for. We have to monitor the finances very closely. Last year we did make some substantial cuts that we hoped would take us to the end of 2012.

Mr. Smith asked at the beginning of January 2013 if the safety levy is not renewed, the spending of the encumbered amount down to 15% at the end of 2012. We get down to that amount the same time as that levy expires.

Mr. Mulligan said it is a real concern and maybe another topic for the retreat in January. We need to look at a contingency plan to address this. Along with public safety levy discussion, it will allow us to look at some of those hard decisions. We cannot add \$750,000 in revenue very easily.

Discussion ensued regarding spending the unencumbered funds.

Ms. Gilleland said that is a policy decision. That was a directive that council discussed in 2009 and it was adopted. If council wishes to change that, they can. It was a policy decision.

Mr. Mulligan said this was a policy decision of council in late 2008. We were looking at an abrupt decline in revenue. Council can take that on. The bulk of the budget is personnel and the bulk of that being public safety. Mr. Mulligan said to keep these thoughts in the back of our minds as we go through the budget session and listen to the presentation.

POLICE Major VanArsdale reviewed the 2011 goals for the Division of Police.

2011 Primary Goals

- Operate within our authorized budget
- Crime reduction : Decrease Part 1 Crimes against Persons
- Pass CALEA re-accreditation
- Work in cooperation with other City departments to address the issues associated with subsidized housing
- Seek additional funding opportunities through grants
- Continue to address crime issues in the downtown
- Improve the safety of the motoring public through enforcement and other programs

Major Hoffman reviewed the Budget request for 2011. He explained the proposed budget is \$12M which is 5.8% over 2010. It is under the Financial Plan by \$27,543.

	2010	2011	
Police Administration	321,591	361,072	↑ 12.2%
Criminal Investigation	1,563,724	1,741,779	↑ 11.3%
Uniform Patrol	6,669,929	7,112,036	↑ 6.6%
Police Services	371,976	378,273	↑ 1.6%
Police & Fire Dispatch	1,186,440	1,148,515	↓ 3.1%
Humane Officer	81,841	84,087	↑ 2.7%
Jail Management	1,166,672	1,180,519	↑ 5.4%
School Crossing Guards	17,000	17,000	0.0%
Total Expenditures	11,379,173	12,023,281	↑ 5.8%

	2010	2011	
Personal Services	9,995,406	10,622,451	↑6.2%
Contractual Services	969,367	948,160	↓2.1%
Commodities	139,283	141,820	↑1.8%
Capital Outlay	275,117	310,850	↑12.9%
Total Expenditures	11,379,173	12,023,281	↑5.6%

Financial Plan (Projected Expenditures)	\$12,050,824
Total Expenditures 2011 Budget Request	\$12,023,281
Under Financial Plan (Savings)	\$27,543

Mr. Picard asked why the Professional Liability Insurance almost doubled.

Mr. Carolus explained recent lawsuits resulted in that increase.

Mr. Picard also asked why Other Professional Services the \$44,000 amount this year drops back to \$5,000 next year.

Major Hoffman said that funding for 2011 is \$5,000 down from \$44,000. That fund covers crime lab expenses that cover DNA testing and other professional services.

Mr. Picard asked about the Garage Charges.

Mr. Carolus explained there are two components to the Garage Charges. One component takes care of gas, insurance, oil, maintenance, breaks, etc. The other component is depreciation charge that accrues for the purchase of new vehicles.

Mr. Picard said those charges are about \$25,000 per month.

Mr. Becker advised it's like the police department is leasing the vehicles from the Municipal Garage and that is how the Garage gets its budget.

Discussion ensued regarding the number of marked cars, paddy wagon, school resource cars, etc. Also, radio depreciation was discussed.

Mr. Laubach asked for an explanation of Other Professional Services.

Mr. Hoffman explained that Other Professional Services in different budgets pay for different things. The Other Professional Services for Criminal Investigation covers DNA testing. In Uniform Patrol it pays for Excel to do drug testing, exams, etc. For the Jail it pays for the doctor.

Discussion ensued regarding the Other Professional Services line item throughout the entire budget. It was explained that these are usually specialized services and there is a breakdown for each division. There is a document that defines each expenditure that comes from that line item.

Mr. Mulligan asked if there had been any discussions with the unions about cutting expenses on salary increases as it pertains to the contracts we have with the unions.

Major Hoffman answered there are three contracts coming up for negotiations. He believed the City Manager had some discussions with the FOP last year.

Ms. Gilleland explained those discussions did not go very well.

Major Hoffman explained they had 93 officers and now have 80. 88% of Police's budget is personnel. When you look to cut the budget, personnel is the last thing you want to cut because they provide a service. You cut commodities and other things first. That's why personnel is 88% of the budget, everything else has been cut. The question is what level of service you want to provide.

Mr. Laubach asked if Mr. Carolus had any projection in the next two or three years. If 88% is personnel in police now, what will that be in two or three years?

Mr. Carolus explained it does not go up that quickly. About 1/2 % per year, but it does go up incrementally.

Mr. Smith asked in Butler County, how many political subdivisions have a jail.

Mr. Hoffman answered that we are probably the only one. It is a study he has done a couple of times in his career. If you don't have a jail, you have to pay to house your prisoners in another jurisdiction. There are expenses to transport the prisoner to the County and that takes an officer off the street for hours. It would cost the City more if we didn't have our own jail.

Discussion ensued regarding the benefits of having our own jail. Also discussed was regional dispatch. It was stated that we are to the point where everything we do is impacting our residents.

FIRE Chief Botts and Deputy Chief Brett Dominy were present to present the Fire Division's Budget.

Chief Botts explained the 2011 Fire goals. They included:

- Calibrate and manage allocated resources with citizen's expectations while being true to organizational vision, mission and values.
- Provide Fire/Rescue response
- Provide Fire/EMS Training
- Provide Fire Prevention/Education/Cause Determination

2011 Budget Proposal

	<u>2010</u>	<u>2011</u>	
Administration	\$234,405	\$230,725	
Operations	\$8,569,450	\$9,207,342	
Prevention & Training	\$391,929	\$268,617	
Total Budget	\$9,195,784	\$9,706,684	+5.5%

Emergency Medical Service Fund

2011 Total Expenditures (Grant Projects)	\$170,900
Expected balance at year end	\$0
Fund formerly used for capital expenses (fire stations and medical supplies)	

Mr. Becker asked about the big increase in overtime expenses.

Chief Botts explained that historical data shows what is actually being spent on overtime and the amount in the budget more clearly reflects the actual overtime amount needed.

Mr. Smith said a prior council froze three positions in the Division of Fire's budget. Those positions are being cut from the 2011 budget. Is that a permanent policy decision or will those positions be added back?

Ms. Gilleland said the recommendation is for a permanent cut.

Mr. Smith asked if there was a plan to refill these positions once the funds become available.

Mr. Mulligan said that would be a policy decision of Council.

Mr. Becker said hopefully we will get to the position where we can have those arguments. When and if we have those discussions, we would like to put more policemen and firemen back on the street.

There was much discussion regarding the frozen positions. Also discussed was a grant application for the purchase of fire apparatus.

Mr. Picard also asked for clarification on overtime expenses. Is it incurred when you have an incident and a firefighter has to stay over?

Mr. Botts explained overtime could be due to injury, sickness, and contractual obligations.

Mr. Picard asked if someone is off this week and they were supposed to work two shifts, if we had more firefighters, we'd be paying less overtime.

Chief Botts said they did have 26 firefighters and are now at a minimal staffing level of 19.

Ms. Scott Jones asked what the overtime budget was. The answer was \$215,000. She strongly suggested funding one of those three positions. She said \$129,000 for one position, would cut down on overtime.

Ms. Gilleland said the over time budget has been fairly consistent since 2000, adding the position will make very little difference.

Mr. Smith first stated to the Chief that they are doing a fantastic job. He said he sees a need for the staff and considering we could potentially hear back as early as March of 2011 on the grant application for the aerial unit. What if we freeze \$122,000 for an administrative Dep. Chief and wait upon receiving that grant before cutting the position permanently.

Ms. Gilleland explained the money is not budgeted until 2012 for an aerial truck.

Deputy Chief Dominy explained that once the grant is received they have one year to spend the money. Within that one year, they have to come up with a matching amount of \$150,000.

Discussion ensued.

Mr. Laubach asked Chief Botts what was his desire.

Chief Botts answered this budget he has worked on with City staff and the City Manager and it's a budget he would feel fortunate to have.

Ms. Gilleland said in an effort to keep the budget discussions moving along, what if they keep one of the positions in the authorized strength and move on, we can take a look at it again next year.

Mr. Laubach said if we set that money aside, we are going to have another plan next year and the year after. He agrees we need more guys, but looking into the future did we solve anything.

Mr. Mulligan said we will get notice when we receive the grant, and Council can address the position at that time.

Mr. Smith said he'd like to move along with Ms. Gilleland's proposal to keep that one position in the fire department and look at this again in March.

Mr. Mulligan asked council members what they wanted to do.

It appeared the majority preferred to move forward and look at the budget again in March.

Mr. Botts thanked his department, city council, the manager, and said it would be impossible to do public safety without this team.

ECONOMIC DEVELOPMENT

Mike Robinette explained the core goals that Economic Development focuses on:

- Retain, develop, and recruit a high skilled workforce
- Support the sustainability and expansion of existing businesses
- Ensure the development and implementation of public infrastructure needed to support growth of targeted industries and areas
- Recruit new businesses from targeted industries
- Continue to update the Middletown Master Plan
- Continue to implement the Downtown Urban Plan and Renaissance District Plan
- Encourage quality development along the I-75 corridor

	<u>2010</u>	<u>2011</u>	
Total Budget	\$3,736,634	\$3,930,701	+ 5.2%

The budget request is up 5.2% - 2010 - \$3.736 Mil to \$3.930 Mil in 2011

	2010	2011	
Economic Development	262,866	267,539	1.8%
Planning	405,128	407,066	0.5%
UDAG	250,000	50,000	-80.0%
Civic Development	203,640	265,096	30.2%
Downtown Improvements	2,360,000	2,441,000	3.4%
Property Development	255,000	500,000	96.1%
Total Expenditures	\$3,736,634	\$3,930,701	5.2%

Ms. Gilleland stated staff can try to consolidate the Housing meeting at the next meeting. The budget discussions will continue in two weeks.

ADJOURNMENT

At 10:10 p.m. the Mayor declared the meeting adjourned.

Lawrence P. Mulligan, Jr., Mayor

Attest: _____
Clerk of Council