

City of Springdale Council

July 18

2012

President of Council Marjorie Harlow called Council to order on July 18, 2012, at 7:00 p.m.

The governmental body and those in attendance recited the pledge of allegiance. Mrs. McNear gave the invocation.

Mrs. McNear took roll call. Present were Council members Diehl, Emerson, Hawkins, Knox, Squires, Vanover and Harlow.

Mr. Squires pointed out a typo on page 9184 where it says Squired instead of Squires.

The minutes of June 20, 2012 were approved with seven affirmative votes.

COMMITTEE AND OFFICIAL REPORTS

- Civil Service Commission - no report
- Rules and Laws - no report
- Finance Committee - no report
- Planning Commission - no report

Board of Zoning Appeals – Mr. Hawkins stated the owner of 12100 Brookston Drive was granted a variance to keep a utility shed 2 feet from the property line.

Mrs. Harlow asked why was that approved at 2 feet?

Mr. Hawkins replied when you go by the property line there is a steep incline as it goes toward the resident that faces Kenn Road. The property owner also has a fence on the property line so there is enough room for them to maintain the fence and mow the yard. They were replacing another shed that was right up against the fence so this is a better situation.

Mrs. Harlow stated I wanted our TV audience to hear that because every now and then that becomes an issue.

- Board of Health - no report
- Public Utilities - no report
- Public Relations - no report
- Capital Improvements - no report
- Public Welfare, Safety & Education - no report
- Housing Board - no report
- Public Works - no report

O-K-I – Mr. Knox said the most immediate project that is supposed to happen is the City of Forest Park is going to construct a streetscape from Waycross to SR 4 that will include landscaping, signage, etc. The cost will be \$750,000 paid through OKI and \$187,500 from Forest Park. It is supposed to start in the third quarter 2015. Recent reports in the newspaper indicate that projects of that sort may be dropped out of the transportation bill. Project #336 is to build a mini transit hub including pedestrian connections to adjacent areas in the Springdale Tri-County area. The timing is between 2013 and 2019 and the estimated cost is \$1,500,000. This is the first I had heard of this and I called SWORTA and they don't know much more than what I read.

- Mayor's Report - no report

Clerk of Council/Finance Director – Mrs. McNear said I have a quarterly report. Year to date our earnings from all sources is \$9.0 million, fifty-seven percent of the anticipated earnings expected on the budget of \$15.7 million. Our top sources of income are earnings tax at \$6.9 million, real estate tax at \$648,000, local government funds at \$219,000, estate tax at \$350,000 and paramedic services at \$268,000. Our general fund balance was \$5,402,000. For expenditures our budget is \$17.3 million. Year to date we have expended \$7.6 million which is forty-seven percent of our anticipated expenditures.

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Administrator's Report – Mr. Parham said a number of items are on tonight's agenda, in particular, the Merchant Street rehabilitation project as well as the master service agreement for our gas aggregation so I'll hold comments until the legislation comes before us.

Law Director's Report - no report

Engineer's Report – Mr. Shvegza said the SR 747/I-275 ramp modification project is anticipated to start late this month with duration of two weeks. A number of trees have been planted for the Beaver Run Creek Riparian Restoration project. With the drought and high heat a number of trees are in bad shape. Those will be reviewed and the contractor will replace them this fall. There will be a Beaver Run creek walk and clean up on Saturday, July 28. We've had significant contribution to the project by John Morrell and Rumpke Waste. The north half of Century Circle N is completed up to the asphalt base. They are working on the south portion now. The curb and gutter is in place and they are removing the old concrete pavement at this time. The final surface paving is scheduled for August 6. The legislation to award the contract for Merchant Street is before Council tonight. For the 2012 street program we are looking for the Oxford Hills work to be done between August 6<sup>th</sup> and 31<sup>st</sup>. The SR 4 sidewalk work is to be done between September 3<sup>rd</sup> and 11<sup>th</sup> as well as the citywide repairs.

Mrs. McNear said I have a question about the dress code for the creek walk. We did this in February several years ago and the group provided waterproof boots. Can anybody participating just come in gym shoes because there is plenty of work to do on the banks or will they need to bring their own boots to get into the creek?

Mr. Shvegza replied the clean up will take place in the creek area and along the banks so I believe there would be enough opportunity to not have to wear hip waders to participate.

Mr. Parham said the flier for the creek walk does suggest that you wear old shoes and boots. We also just want to make a special request for additional volunteers. We will start at 9:30 a.m. You will be fed. You will have refreshments. John Morrell is donating the hot dogs and buns as well as pop. We will also have chips for you. If you are planning to join us, please contact the Public Works Department at 346-5521 so they can get an adequate headcount for refreshments.

Mr. Vanover said with it being as warm as it is you could safely wet wade but I would suggest long pants and something that dries quickly.

#### COMMUNICATIONS

Mrs. McNear said I have a letter from the Ohio Public Works Commission dated July 1<sup>st</sup> notifying us that they have awarded us \$195,000 for the Merchant Street repair and resurfacing.

COMMUNICATIONS FROM THE AUDIENCE - none

#### INTRODUCTION OF NEW EMPLOYEES

Brandon Osborne, Police Department and Craig Kuhlman, Fire Department

Mr. Parham said we want to make sure that you have the opportunity to meet the new employees that we bring into the organization as well as giving them the opportunity to meet the elected officials. It also gives them this moment to share with their families and friends. We will start off with the Fire Department. This is to fill the second of the two vacant positions we have in the Fire Department.

Chief Shroyer said our newest firefighter is not new to us or the Fire Department. Craig Kuhlman grew up here in Springdale. In a temporary lapse of judgment a year ago he bought a home outside the City but has since inherited the home he grew up in and is

in the process of moving back to the City. He has been employed by us on a part-time basis for a year and a half as a firefighter/paramedic. He is familiar with our organization and the City and we have had the opportunity to get familiar with him. He put himself through fire school and paramedic school. He has been full-time for three or four weeks. We try to work them through the three units and give them a chance to know all the units and for everyone to get to know them. It gives me a personal amount of satisfaction to bring Craig onboard in that he is where I was thirty-five years ago. He grew up in the City, chose a career path, put forth the effort to try to make his way into that career path and then found an opportunity to do that in the community he grew up in. I hope he has the opportunity to have the career with the City that I had and I think he will.

Police Chief Mike Mathis introduced Brandon Osborne, the newest officer in the Police Department. He currently lives in Fairfield. He went to Edgewood High School and some college. He has worked for Lithgo Industries for a number of years and actually put in the bridge in front of the Police Department. He worked as a special deputy sheriff for the Butler County Sheriff's Department.

Mayor Webster swore in Officer Osborne.

Mrs. Harlow said it's always nice to welcome new employees and we hope you will call Springdale home for a long time.

Mr. Vanover said Mr. Kuhlman is a young man who grew up and played soccer with my son. It's always good to see our own come home and do well. Our new police officer's father-in-law is a former Fairfield City Council member.

Mr. Diehl said welcome to our city. You are part of a great team and I wish you the best of luck.

#### Ordinances and Resolutions

##### ORDINANCE 22-2012

DIRECTING THE HAMILTON COUNTY BOARD OF ELECTIONS TO SUBMIT TO THE ELECTORS OF THE CITY OF SPRINGDALE, OHIO, AT THE NOVEMBER 6, 2012, GENERAL ELECTION, A REVISION TO ARTICLE VI, SECTION A, PARAGRAPH 1, AND SECTION B, PARAGRAPH 1, OF THE CHARTER OF THE CITY OF SPRINGDALE

Mrs. Harlow said in previous discussions on this subject it seems we had a super majority which is what is needed to pass this, five people who favored the two-year terms for BZA and Planning. The major discussion was whether to put the issue on the ballot for 2012 or 2013. When our original Charter was adopted Springdale was a choice business location in the tri-state area. It remained a prime location until all the parcels of land were developed. Our Planning Commission was very busy and meetings lasted well into the night with projects running on for months and months. Since those early days of Springdale we have had different factors that influence how long a project is in house with Planning Commission. These factors are the addition of a building department with a qualified department head, support of a City Engineer who attends all Planning meetings and acts as an advisor for the Building Department and Planning Commission, PUDs, the Route 4 Corridor and overlays that help to define the parameters for redevelopment, development of the computer and advanced software technology allowing for faster turn around on plan changes and also allows for faster and more efficient delivery of communication among all parties. Granted we are no longer the developing community that we were but we are a community in redevelopment now. Our Planning Commission occasionally will have long meetings but those are not the norm anymore. Therefore, the projects that are in the Planning Commission pipeline do not go on for months and months and months. They are typically resolved within a few months. The other reason I think we should look at passing this and giving it to the voters to decide, it's more experience for our Council people because the more commissions and more boards that you have an opportunity to sit on, the more you will be able to grow as

a Council member. Mr. Hawkins spoke about BZA and said they had discussed it at their meeting and I also spoke with a Planning Commission member. Neither of those boards had a problem with moving it to the two-year term. However, they did request that the resident appointments remain at the four-year term. For clarification because I know there were other conversations at previous Council meetings, back in July 2000 we had Ordinance 62-2000 and that was for a Planning Commission issue to be placed on the ballot to change the Council representation on Planning. It was decided that an at-large Council member and a district Council member were needed on Planning, the same as we had on BZA. The term length was not in question and not part of the issue at that time. I wanted to make that very clear for our minutes for future meetings should that happen. So is it going to be this year or next year? Are we going to vote it down or approve it? I provided you data a couple of months ago that indicates that the Springdale voters will vote during presidential elections, that we have almost twice as many people coming to the polls. I have that exact data if anyone is interested in that. A goal for any ballot issue should be to have as many voters as possible weigh in and provide their input. I understand that some Council members have concern on the cost. In talking with the Board of Education, they could not give us an exact cost for placing this on the ballot. They said there are many factors that come into play such as the number of ballots that are processed, the number of poll workers it takes to process and advertising. I also understand that if the Princeton School Board has an issue on the ballot, then we can put an issue on the ballot as well and it is not quite as costly as if we do the issue by ourselves. I guess you all remember that a couple of years ago in 2009, we had seven issues on the ballot. In my number of years sitting on Council I have never heard the cost of putting an issue on the ballot be a reason for holding that back. So our goal as a Council is not to determine if we want the two or four year terms but to determine if we want our voters to make that decision. I think it's pretty simple. I think our residents should be heard and they should be able to vote on this election year. Best business practices does not support making a decision and acting on that decision fifteen months in the future. The Charter Revision Committee will have a seat up for renewal or selection of a new member in December 2012. It is a possibility that the make-up of the Charter Revision Committee would be different in 2013 and the people sitting on Council could also be different. I believe if we fail to put the issue on the ballot this November, it should definitely be sent back to the 2013 Charter Revision Committee and allow them to determine if they want to recommend it at that time. It is not appropriate to carry forth business decision from one committee to a new committee. If this issue is delayed until 2013 I strongly believe it should be addressed with the 2013 Charter Revision Committee. Also, the district Council members are up for election in 2013. By postponing this ballot issue until 2013 means the current seated district Council members are making a decision for the future today, but perhaps they won't be on Council when it becomes part of the Charter. I find this terribly wrong. We need to be accountable for our decisions. If you are not on Council for whatever reason: you are not re-elected, you resigned, you moved, maybe health reasons, then you would not be living as a Council member for the choices that you helped make. If you choose to delay putting this on the ballot, I would request that you allow the next, newly seated Council to address the issue. I believe this Council has had their chance.

Mr. Knox said I have done quite a bit of research on what it will cost us to do this this year versus next year. First of all, Princeton will not have anything on the ballot this year. They will have something on the ballot next year. When that happens we share costs with them. So this year we would be out there by ourselves. Secondly, according to the minutes of the Charter Revision Committee, it was a unanimous vote saying we should go forward with this but not stating when it was supposed to happen. The one person whose position will be up is Julie Matheny. Hopefully she will ask for that position again and I would vote for her because I work with her on that committee and she does a good job. Talking with the people at the Board of Elections the best estimate I got for the cost is just under \$3,000 to put that on this year's ballot. If we do it next year it will be a marginal cost of \$350. If the voters are really that interested they will come out and

vote on this. I don't think holding it this year versus next year will change that many minds so I strongly suggest we change the ordinance for November 5, 2013.

Mrs. McNear said sad as it is more people come out to vote in a presidential election year than any other time. This gives more people the opportunity to come out and vote. Is it their right as a US citizen to vote every time there is an election? Absolutely. Will they do it? No. But if we put this on the ballot during an election year we have a lot more opportunity for more people to be heard. Frankly, the cost of \$2,000 or \$2,500, it is not that we frivolously spend but frankly this is the cost of doing business and we are in this business. It doesn't make sense to wait until next year to save that amount of money. I can recall years ago there was an issue put on the ballot and I don't want to point fingers at things I thought were inappropriate but something was put in during an August election when a lot of people were on vacation and people took offense to it because it was approved and they thought it was slid in. I don't want a couple thousand dollars to give fewer people the opportunity to vote for this. If we are going to do this and give the people the opportunity, let's do it this year and spend the \$2,000. I think it's our responsibility to do that and it is the cost of doing business for the City.

Mrs. Harlow said Mr. Knox, I spoke to Mr. Jerry Collier and he did not give me a \$350 figure. He gave me a \$1500 figure if we were doing it alone.

Mayor Webster said in 2009 we had seven issues on there. Mr. Knox, you know this as well as I do because you were in the Finance office. We would pay for that. It comes out of our property tax settlement. For a November election we have already received our property tax settlement for that calendar year so it comes out the first check of next year. The year we had those seven ballot issues we ended up incurring a cost in excess of \$17,000. That comes out to about \$2500 per issue. It's going to cost us \$2500 whether we do it this year or next year. If it's going to be \$300 more to do it this year, then it will be \$2800. In all the years I've been sitting here associated with the City, I've never known the squabble about how much it will cost to put a ballot issue on. We are talking about having one in the middle of August where it's not a general election. It's a special election. Those things are very, very, very expensive. This is a general election so we are talking about \$2500. We are looking at a \$20 million budget so here's to justify our actions to spend \$2500 or maybe \$2800 this year and only spend \$2500 next year. This really isn't worth our time. I don't have a dog in this fight so I really don't care. This doesn't affect the mayoral appointments or terms of those people. I'm personally in favor of the ordinance and I'd like to see it pass. I'd like to see it on the ballot because I really think the two-year terms will work much better for the elected officials but other than that, do what you want to do but don't try to justify that you are saving the City money because you are not saving the City money.

Mr. Knox said first of all, the only thing we would have to pay for next year over what we normally would pay would be the advertising cost and that is not \$2500. It's more like \$350. So say the people at the Board of Elections. Secondly, if that is such a small amount of money why don't we fund the Springdale Sailfish for which both of my grandsons swim because that is about what they were getting every year.

Mayor Webster responded how do you explain the \$17,000 if it's going to cost \$350 for the advertising and your contention is if we wait until the next year, \$350. In 2009 there was a Board of Education election and we tagged along with that. We had seven ballot issues and we still ran up a tab of \$17,000. If you're right about your \$350, then why wasn't it just \$350 times seven. Which is \$2,000 to \$3,000. That is totally bogus, Mr. Knox. I don't think in all that time you sat in that office over there you never saw an election charge come through as low as \$350. Yes you did. You saw some zero when there was nothing on the ballot but if there was a charge, there was never anything as low as \$350.

Mrs. McNear said I have eighteen years worth of charges for the Board of Elections. There were five years where there were zero charges. The \$17,000 from 2009 which we paid for in 2010, that's an anomaly. That's the largest we ever had. The next closest was \$10,000 and beyond that, it was about \$8,000. If you average out over eighteen years counting the five years that were zero, that's about \$4500 a year. If you just base it on the election years it's \$6245. I don't know where the \$350 was. The lowest we had rather than zero was in 2007. It was \$960. I don't want to think we want to spend \$2500 frivolously but I'm all for making sure that more people are going to vote for this in this election than next year. I don't get to vote on this. I'm just giving you my personal opinion when it comes to giving more people the opportunity to speak their mind on it.

Mr. Knox responded the \$350 I mentioned is for the advertising cost. The other costs are the ballots themselves which we will have the same amount of ballots no matter what. Actually, we'll have less ballots next year because they will expect less people to show up for the election because of an historical trend, and there will be less people working at the polls. That's the major costs.

Mrs. Harlow said the off side of that is to get more people out to vote. I would rather pay a few more dollars and have more input from our residents. They are ultimately making a decision as to whether we go to two-year terms or stay at four-year terms. All we're doing is making a decision to allow them to make that call.

Mr. Knox asked when will be the first possible date of a change if this passes either this year or next year?

Mrs. Harlow replied December 2013.

Mr. Knox asked are any positions changing early next year?

Mrs. Harlow replied I don't think so.

Mr. Knox said I checked. They're not, so the only time anything could take place would be after the first of December next year. I still maintain after talking to several people that it's going to cost us quite a bit more this year than it will next year. That's the way I feel about it.

Mrs. Harlow stated I feel very strongly about not allowing business that is being conducted now to go out fifteen months. That's not good business practices.

Mr. Vanover said I feel that same way. There's no guarantee from what I've heard from the School Board that they're going to have an issue on the ballot in 2013. They won't make that decision until some time next year. We're making a solid decision on potentially flawed theories. I quite vehemently take offense to the comment about suspending support of the Sailfish. My kids swam there. I was involved in it but the reality was that had to be done. We had to do them all, the Sailfish, soccer tournaments, softball tournaments, senior citizens, all of that. I'm a firm believer if we do for one, we have to do for the other. The famous word of "precedent" take effect. To compare that, I really take offense.

Mr. Knox said my supposed misinformation that you are talking about came from Dr. Pack. He said there will be nothing on the ballot this year. He said next year there would be so if you know better than he does, please inform the rest of us.

Mr. Vanover said my question then is, does Mr. Pack make the decision? The last time I checked issues put on the ballot were made by the Board of Education. Maybe he's talking about his wishes and thoughts but the Board of Education, much like us, will decide what goes on the ballot. It won't be the superintendent.

Mayor Webster stated in November 2013 when you are proposing to put this off until, there will be an issue with the Board of Education. There will be some members running for re-election so there definitely will be. School bond issues and operating issues have nothing to do with it. There will be a Board of Education election. I too, Mr. Knox, take exception to your comment. If you want to make an amendment to alter the budget to benefit your grandchild, go ahead and make it but don't sit there and pick out one budget item and say we could fund this. There are a lot of things we could fund for \$2500 if you want to look at it like that. So, then, are we going to challenge every penny that is spent up here and compare it to whether we are going to support Mr. Knox's grandchildren or not. I think that's pretty petty.

Mr. Squires said I don't want to be penny-wise and pound foolish here but we are talking about an infinitesimal amount compared to a \$20 million budget. We're less than 1/10,000 that amount. The Mayor said it, I just hate to see this go by the wayside for that amount of money. It just isn't that much.

Mr. Hawkins said I just want to note, we've had this discussion numerous times and everyone has given their input. I am just saying again for the sake of the minutes and the records as these things may be looked at down the road, as we have done ourselves. My primary concern is more the content of what we are discussing than any kind of financial concern. Again, I'm just saying it for the record, not to go through another debate on it. My concern is maintaining the four-year terms to maintain the continuity and increase likelihood of the City's vision being carried out over any extended period of time.

Mr. Knox said, Mr. Mayor, you can say all the demeaning things you want about my comments. It isn't for my grandsons. When I mentioned the Sailfish, it's for forty-nine members of the Sailfish but they're just the representation of other things. If we are going to save money in this City, let's save money but if we are going to pick and choose, we can vote on it.

Mrs. Emerson stated, again for the record as Mr. Hawkins said, I don't agree with this either. My main concern and main reason isn't for my education and experience on the board. It's to do what's best for this City. With that said, we have to look at those things. If we look historically at how we've changed those boards, we have had the same person running on that board for twelve years. We've had that opportunity to change and let other people get experience on those boards but we didn't do it. To say that's the reason we are doing it or for the convenience of the president, I don't agree with. I'm more concerned about the City and its well-being.

Mrs. Harlow said we have two members of Charter Review if they would like to make any comments. They are welcome to come to the podium.

Daniel J. Mastrullo said I am on the Charter Revision Committee. I have a couple of points I'd like to bring up to Council. One of them is that you appointed five people to the Revision Committee to look over any Charter item that you would like to have changed or looked at. When we look at something, all five have to agree on it. Why make it a revision committee if you're not going to back them up on what their findings are, just like if we didn't back you up as being a Council person or if you're on a committee and somebody doesn't back you up. It all falls into place. If you're not going to be part of the link and everybody work together, then you might as well do away with the revision thing. Put that on the ballot. Then for people to say "what I think". It's not what you think, Mr. Knox or anybody else on Council. It's not what you think, it's what the people who live in this City of Springdale think. Remember that. You're not God Almighty. You are just asked to represent the people. You are to look at what the Revision Committee agreed on and back them up. You should put it on the ballot to back them up and it should be put on this ballot in November, the presidential ballot. That's when all the people come out to vote. Let them speak. If they don't want it, that's fine and dandy. What if the people want it? How wrong you might have been. You have to go

along with the program. You can't just be an individual. Then we have people talking about continuity. You got continuity in these committees, not so much because of Council, but because people appointed over the years by Mayors, not just this Mayor, any Mayor, people who take pride in this community. They know as much about those committees as all the Council people do. You could take every Council person off every committee and you know what, this City would run just as fine if they weren't on the committee so people to sit up there on Council and think you are so high and mighty, you are not and you'd better get it right because you may not be back on Council. And this Revision Committee thing, why not back them up. If all five members thought this was warranted to be put on the ballot, who are you to say it's not. Now I had a lot of other notes but a lot of my thunder has been stole because other people have brought up the same points. Anytime you've got something you feel strong about, whether it's for or against, you always want it on a presidential election because you are going to get the turnout. It doesn't make any difference to me. I'm not on the committee but I felt it warranted. That's all I got to say. Most everything I had on here has already been spoken but youse people can't sit up there and not back people on these other committees. They're just as important as you are or we might as well not have them. I've lived in this City long enough to know that if you work hand in hand, you get things done. If you don't, you don't get things done and it starts breaking apart. Youse all think about that before you take your vote. Thank you.

Mr. Knox said Mr. Mastrullo, you seem to misunderstand my position.

Mr. Mastrullo replied you believe that the dollar and cents is more important than backing up five people on the Revision Committee.

Mr. Knox stated I am in favor of what the committee did. I will vote for it if the election is held next year.

Mr. Mastrullo replied, no, you want the election this year because you get a bigger turnout. What are you afraid of?

Mr. Knox responded I'm not afraid of anything. I'm afraid the voters won't know what we are talking about but after tonight they may find out.

Mr. Mastrullo said I hope they do. That's why I'm down here. I hope they all watch TV. We need more people to come down here when it's not right.

Mr. Knox said here, here. How many people are in the audience tonight? That's what I'm afraid of. People will come out and have no idea what the issue is. They may vote against it because a lot of people vote against things they don't understand.

Mr. Mastrullo said you're against it.

Mr. Knox stated I am not against it. I am in favor of the decision of the committee and I'm in favor of this ordinance. I'm just not ...

Mr. Mastrullo said then keep it on the ballot in November. Back up the people on the committee that proposed it.

Mr. Knox replied I'm going to back up the people on the committee but I don't want it to happen this year.

Mr. Mastrullo said you . . .

Mrs. Harlow said Mr. Mastrullo, will your direct your comments to me please, so I can take your comments.

Mr. Mastrullo said it shouldn't be any individual's idea. The Council should back up the committees. Are these five people on this Revision Committee wrong,

that their findings were wrong. We put them on that committee but any time they find something we don't agree with, we won't go with it. You know what, you won't get many people want to be on a committee. You might as well do away with it. Then people say a lot of people don't want to get into City government. You wouldn't want to get into City government if you don't get any backing.

Mrs. Harlow said I know the committee worked very hard on that and I appreciate your work. I know you guys spent quite a few evenings going over it.

Mr. Mastrullo said we had to do the pros and the cons but the pros outweighed the cons.

Mrs. Harlow said that's what we have to take into consideration and that's what we have to vote on.

Mr. Mastrullo said that's what you have to vote on but one thing you have to consider is the committee that proposed it. Nobody ever mentioned them. It's never been mentioned one time. We talk about continuity. Continuity is great but you would have continuity even if you didn't have a Council person on any of the committees.

Mrs. Harlow said I agree with your point on that because we have some really good residents that have served on many different committees.

Mr. Mastrullo said and they take pride in it cause they live in this community. Some of them have been here longer than some people on Council.

Mrs. Harlow said I agree. So if you will sum it up for us if you have anything else you want to say, then we have a couple more lights and we'll address those.

Mr. Mastrullo said I just think you have to give the people of Springdale a fair shake and when one group of people recommends something that you appoint them to do a job, then you should follow it through and let the people take it to ballot and decide one way or the other.

Mr. Diehl said I want to apologize to Administration and to Council people for the following remarks that I'm going to make. I personally find the whole thing a bunch of minutia. I'd like to get this over with and get to a vote as soon as possible.

Mr. Vanover said Mr. Mastrullo's comments about Charter Revision. I sit there and we're asking people to serve on that committee. Unless it has changed recently that is non-compensated committee so they are true volunteers because they are volunteering their time to do this. If we feel strong enough to take this to the voting populace, is it a better deal for ten percent off or full price. I'm not much of a coupon cutter. If it is that important and you feel it's worth their effort and our time, then barring exorbitant factors, then what are we waiting for. This is a chance. It's a sad statement that in off presidential elections the numbers go down. There's not much I can do about that but if we are going to give the biggest group of people their strongest voice, now is the time to do it.

Julie Matheny, Chairperson of Charter Revision, said I wasn't going to speak at all because I thought Danny could handle it on his own, not that he didn't. I just wanted to address one item. Mr. Knox referenced the Charter minutes, that there was nothing put in the Charter minutes as to what date we wanted this in. To be honest with you we never really addressed that because it was under our impression, I guess foolishly, that if we made a recommendation it would be presented to Council this year, would be put on the ballot this year, not next year when there's not many people voting by Mr. Knox's own comments. There will be less ballots to count next year. I think I can quite honestly speak on behalf, very fairly, of the Charter Revision Committee that it was our intention to have this on

this year. Quite honestly, if I am fortunate enough to be reappointed I thank Mr. Knox for his nice comments by the way. I personally don't want to spend any more evenings up here addressing this issue. This is it. We pounded it til we can. I'm with Mr. Diehl on this. Let's get on with it. Let's vote on it. I don't have a dog in this fight either.

Mr. Knox said no matter when it goes on the ballot I advise the people in the City to vote in favor of it. It's a good idea and needs to go forward. I'm just saying it doesn't need to go forward right now.

Ordinance 22-2012 failed with a 4-3 vote (super majority needed). Mrs. Emerson, Mr. Hawkins and Mr. Knox voted no.

ORDINANCE 23-2012

AUTHORIZING THE MAYOR AND CLERK OF COUNCIL/FINANCE DIRECTOR TO ENTER INTO A CONTRACT WITH INTERSTATE GAS SUPPLY, INC. (IGS) TO PROVIDE NATURAL GAS TO THE CITY AND ITS RESIDENTS UNDER THE ENERGY AGGREGATION PROGRAM AND DECLARING AN EMERGENCY

Mr. Vanover made a motion to adopt and Mr. Knox seconded.

Mr. Parham said I've passed out to you a two-page document. The first document is trying to identify for you the differences and similarities between the Natural Gas Aggregation and Electric Aggregation we put into place earlier this year. Also for any assistance we may need, Mr. Don Marshall with Eagle Energy is here this evening and will be able to answer any questions. The second page simply shows you a history of the natural gas rates for the City of Springdale and essentially for Duke Energy since September 2009 until June 2012. The two programs are very similar in that once a rate has been identified, whether it's for the electric or natural gas, then we will put together the program for the residents where the alternative supplier will request the customer list from Duke Energy. Duke Energy provides that list and then Interstate Gas Supply will send a notice to the residents giving them the ability to opt out of this program. They have twenty-one days to opt out of the program. If after those twenty-one days they have not taken any action, the next step is that Duke Energy will send a second notice giving you a second opportunity to opt out of the program. You have seven days to do so. If you choose not to opt out of the program at that point in time, your name and address will move forward to be included in the program. Again, if you are currently a user of Duke Energy natural gas you will automatically be included in this process. One of the differences between the natural gas and electric is the legislation that we have here this evening. If you recall, with the electric aggregation program, when we asked Council to adopt that master service agreement (MSA) the rate was already identified and we knew we were dealing with DP&L. We knew the rate for the residents would be 4.555 cents per kw hour. In this case we are asking Council to appoint IGS as the preferred supplier. IGS in conjunction with our consultant, Eagle Energy, will then take a look at the market and identify an attractive rate for us. Once they identify an attractive rate, the second part of the ordinance speaks to allowing the City Administrator to take a quick but wise action in order to engage the price and lock it in so we would not have to wait until the next City Council meeting to gain approval. This is very similar, if you recall, to what we did when we first got into this business. At that time, we joined with Good Energy, and Direct Energy was the alternative supplier for the City. Council passed legislation authorizing the City Administrator to act quickly to engage and we received very good electric rates. That was just for our municipal facilities. We will not experience the same savings we did for our facilities but I think we should do pretty well. I have hit on most of the things that are similar. If I go down to Item H, it's one of the things we heard before when we had the public hearing and residents have asked the question, if we pick IGS and IGS for whatever reason does not uphold their part of the bargain, what happens to us? Do we lose our natural gas? The answer to that is no. Duke Energy will always be the home base. They will always be the supplier. If you would image

that Duke Energy is the parents' home, in this case IGS is one of the children and IGS is moving out of the home. For whatever reasons things don't go well for that child when they left the home and they may have to return back home to the parents' home. The residents will always have a natural gas service provider. The other point is item 1. I strongly encourage those residents who have taken steps and are not a part of Duke Energy at this time, before you leave that supplier, be sure you read your documentation to be sure whether there is a cancellation fee. I think the cancellation fee in the electric program was in the range of \$25. My understanding is that the fees on the natural gas are much more expensive, a couple hundred dollars. Be sure you read your documentation if you are with another supplier to see what that cancellation fee would be. If we look at Item #2, the second point on the differences between the two programs. I already talked about the rates are determined prior to the adoption of the master service agreement. With the electric we were able to lock in for a two-year period. Those rates were all based upon Duke Energy rates. Duke Energy rates expired December 31, 2011. Everyone was waiting until Duke Energy received approval from PUCO and then established their new rates. That's when the other suppliers began to lock in new rates. In the case of natural gas, it's market driven. The rates fluctuate. You receive a different rate each month. Just as you see on page 2 with the rates and differentials, you can see in January 2010 we were as high as \$7.35. In April 2012 we're as low as \$3.60. When we were looking at the electric program, there were three steps: generation, transmission and distribution. Generation is where we can experience the savings. That's where the alternative supplier came in. The transmission and distribution were Duke Energy. You will always pay those fees to Duke Energy. This is different. With the natural gas the distribution is still Duke Energy. However, the transmission and generation is IGS. We are going to rely on IGS to go to the market to identify a supplier that will give us an attractive rate. That supplier will then have the vessels to transport that commodity from their location, through their pipelines to Duke and then into our homes. The other thing I think is important is that under both programs there is the Ohio excise tax. When you go to the market and begin to purchase the natural gas, the excise tax is then replaced by the County sales tax. Right now the excise tax is 4.89 percent. We pay the County sales tax of 6.5 percent. That is another feature that is not a part of the electrical process. With this particular program, PUCO requires that you issue an opt out notice every two years. Part of the discussion and the decision we have to make here is whether or not we think it would be more attractive for us to look at a variable rate or fixed rate. The variable rate goes hand in hand with the monthly market driven rates. However, if we lock in a fixed rate we are looking at two separate options. One is a twelve-month period, the other is a twenty-four month period. There are advantages to both. We then know what that rate is. If you look at our years 2009 through 2012 experience on the second document, you see during the winter months is when we're the highest because that is when you use natural gas. During the summer, the rates are going to be lower, so some months you are locked in at a higher rate, some months at a lower rate. Hopefully, the majority will be at a lower rate. We have put forth an article in the upcoming newsletter for the residents to try to provide this information. If they have questions for us, we are always here to address them.

Mayor Webster asked Don Marshall, how are you going to mesh it together if one city wants variable rates, one wants one-year fixed rate and another wants a two-year fixed rate?

Don Marshall stated one thing Mr. Parham didn't mention that is somewhat relevant here is that Amberley Village and you both passed an ordinance last November. We delayed the gas program because quite honestly, the winter season was over by the time we got all the paperwork finished. There is also a potential that Glendale may join you. As an individual community you have all the flexibility you want to pick fixed or variable. If you want to partner with Amberley and/or Glendale, you are looking at a fixed rate. You cannot do a variable rate as a partner. It doesn't benefit anybody if you go there. You are basically buying it at the market price.

Mayor Webster said my recommendation would be that we go with a variable and wait until later to lock this rate in because there are a lot of things going on in the natural gas arena right now. There is an overabundance of supply presently and I think there will be more and more of that going forward. I would hate to see us lock in at a price today when I think it will be lower. I understand we can go lower today and then lock it in down the road.

Mr. Marshall said that is correct. The goal is to have something up and running for a gas aggregation for your residents certainly by the winter heating season which officially starts December 1<sup>st</sup>. There is about a sixty-day window of paperwork so if you do something tonight you are looking at October before natural gas will be flowing to the residents. Now is not the time to set a fixed rate, primarily because of the weather we have experienced over the last couple of weeks. A lot of companies are using natural gas to generate electricity. That has caused an upper pressure on price. To assure yourselves that you get a program up and running, the Mayor is entirely right. You may want to go forward with a variable rate and in the future you could go with a fixed rate. Right now the variable rate will generate the greatest savings. The variable rate changes month to month so the residents may prefer a fixed rate.

Mrs. Emerson asked if we were going to go with a fixed rate, would not the twelve-month rate be the way to go because there is 10 percent savings versus the 3.4 percent for twenty-four months.

Mr. Parham said Mr. Marshall doesn't have a copy of my report to you. The question is when we compare some of IGS rates to the Duke Energy rate will we experience a savings in the neighborhood of about 4 percent with the variable and 10 percent with the fixed? Because of the refunds and rebates Duke is currently engaged in it should provide us with even greater savings.

Mrs. Emerson said say that again.

Mr. Parham said IGS has looked at some pricing and when they compare the rates to Duke, when you look at a fixed rate, the savings for a twelve-month period it shows 10 percent savings and at twenty-four months a 4 percent savings. The rebates that Duke is in the process of refunding, when you eliminate them your savings are far greater. That is based on the fixed rates at twelve-months versus twenty-four months. The discussion we were just having is that you would probably get a better rate currently if you choose the variable as opposed to locking in at the twelve or twenty-four month period. One of the disadvantages of locking in at a twenty-four month period is that once you are locked in you are there. If the rates drop significantly, you do not get a chance to enjoy them for a longer period of time. Some experts believe the numbers are going to continue to go down. If you lock in for a twelve-month fixed period, you can get out of that quicker and have a chance to enjoy the lower rate earlier.

Mrs. Emerson said my question is if at some time down the road we choose to go with a fixed rate why would we choose twenty-four months when the savings at the twelve-month is 10 percent? We wouldn't want to go to a twenty-four, correct?

Mr. Parham said I may have mixed those around. It seems the savings for twelve months would be lower than twenty-four months.

Mr. Marshall said now is not the time to enter into a fixed year rate. We have asked IGS to keep us informed on a weekly basis on what is happening with the gas market. At that point the decision needs to be revisited as to whether a twelve or twenty-four month option is best. As you go out in time, the twenty-four month option may look better. I would seriously suggest you think about a variable rate and make sure the program is up and running for this winter and revisit the pricing at some point and then decide which option is best.

Mrs. Emerson asked are these figures correct or not?

Mr. Parham responded these are not going to be the final numbers. These were based on a request for estimates at that time.

Mayor Webster said Don made the comment that residents are going to see a different rate every month. I think they are accustomed to that now especially if they are with Duke. They now have a variable rate. Mrs. Emerson, the numbers Derrick gave you may have shown the twenty-four months as the best deal but that doesn't necessarily means that's going to be the case going forward. It's almost like buying stock. If you think it's going to go down you want to stay variable so you can take advantage of it. If you think it's going to go up you want to lock it in. If we start out with a variable and six months into it the prices are rock bottom, at that point we have a decision to make, do we want to lock it in or wait and go lower.

My question was I didn't understand why the short term was a bigger savings than the long term. Why would we even think about a long term if we could save 10 percent at twelve versus 3.9 at twenty-four? That was my question. Are those percentages correct or are they supposed to be reversed?

Mr. Parham replied I believe they should be reversed.

Mr. Vanover said I'm sure what happens in November will have a huge effect on the market. One of the side benefits of fracking is that we are picking up more natural gas. Is that correct?

Mr. Marshall replied that is correct. The environmentalists haven't spoken yet but that is the potential. They are speaking very highly of the fracking, particularly here in the eastern part of Ohio through West Virginia.

Mr. Vanover said one of the side benefits of that is not only petroleum but they are also recovering more natural gas. Quite honestly, if we can do it closer to home that would help bolster the savings because there would be less transmission costs.

Mr. Marshall stated that is one of the reasons why some of the experts are saving the long term price may come down. The other side is the environmentalists have not had their say in court yet.

Mr. Diehl said I also agree with the Mayor about the supply and demand. Do you also agree with that statement?

Mr. Marshall said today I do. A few weeks ago fixed gas rates were very, very attractive. Because of the hot weather, electric companies are now generating natural gas instead of coal. A few weeks ago there was no storage available and some producers had shut down wells. They want the gas to come out of storage and will drive up their profits. Today I'm a variable rate person. A month ago I would have been a fixed rate. You don't want to be in the gas market after November 1<sup>st</sup> when the official winter heating season begins. As of November 1<sup>st</sup> you will see upward pressure on price so the variable rate option may be good for the next twelve months.

Mrs. Harlow said in your document you say Duke's gas costs are artificially lower due to the fact that they are refunding prior over-collections. Do we have a time frame that they will be refunding these prior over-collections? If we go into an agreement and start this in October or November, will our residents see that refund prior to then in their bills or will they lose out on this refund?

Mr. Marshall said the refund amount that will end in the next quarter is 37 cents so Duke's price right now is artificially lower by 37 cents. That will end the beginning of the fourth quarter.

Mrs. Harlow said so it's not very much.

Mr. Marshall replied no, but it's considerable going into heating season but it will be gone by then.

Mr. Knox asked in what month will the residents of Springdale first see a change in their bills?

Mr. Marshall replied it's all a matter of timing. There is a two month window of administrative work. Let's assume you give Mr. Parham the authority to go ahead with the MSA. IGS will then start seriously looking at pricing. Let's say next week pricing is acceptable. The October meter reading would be when customers would be enrolled and their bills in November would reflect the new costs.

Ordinance 24-2012 passed with seven affirmative votes.

ORDINANCE 24-2012

ACCEPTING A BID AND AUTHORIZING THE MAYOR AND CLERK OF COUNCIL/FINANCE DIRECTOR TO ENTER INTO A CONTRACT WITH ADLETA, INC. FOR THE MERCHANT STREET REHABILITATION PROJECT AND DECLARING AN EMERGENCY

Mr. Vanover made a motion to adopt and Mr. Squires seconded.

Mr. Parham said bids were opened for this project on June 26. We received seven bids. Adleta seems to be the City's preferred contractor right now. They are currently the contractor on the Century Circle project. They are the contractor for this project and they are the low bidder for the street program. They will probably move this crew from the Century Circle project to the street program then to this project. The Engineer's final estimate for this project was \$420,579 but if you recall, for a brief period of time the Engineer's estimate was \$390,000. We applied for OPWC funding with a 30 percent matching funds application in 2008. We were not successful. However, we had the engineering work completed and also decided to increase our share to 50 percent. We were then successful in obtaining the funding. We have been approved for up to \$195,000 which is 50 percent of the original estimate. However, because the bids came in at \$321,328, our cost is 50 percent of that number and if there are additional change orders we know we have a cushion of roughly \$50,000. If Council approves legislation, construction is scheduled to begin late August and hopefully will be complete by late November.

Ordinance 24, 2012 passed with seven affirmative votes.

ORDINANCE 25-2012

AUTHORIZING CONTRIBUTIONS TO CERTAIN HEALTH ACCOUNTS OF FULL-TIME EMPLOYEES OF THE CITY OF SPRINGDALE RELATED TO THE CITY'S HEALTH INSURANCE PLAN AND DECLARING AN EMERGENCY

Mr. Vanover made a motion to adopt and Mr. Squires seconded.

Mr. Thamann said Exhibit A shows that the amount of our contribution for employees with single coverage is \$1,000. The employee/spouse or employee/child or family coverage is \$2,000. That is the contribution amount the City will make to the employees HSA or HRA account. We would like to start prorating the contributions beginning August 1, 2012 for all new hires. If they were hired in July they would only get 1/12 of the contribution amount. If they were hired in August they would get 100 percent of the contribution.

Ordinance 25-2012 passed with seven affirmative votes.

City of Springdale Council

July 18

2012

OLD BUSINESS - none

NEW BUSINESS

Mr. Thamann stated the City of Springdale has participated in the Ohio Municipal League's Worker's Comp Group Rating Program in 2012. We again have the opportunity offered to us to participate in the 2013 OML program. By joining the OML program for 2013, it's projected we would save over \$15,500 in our Worker's Comp payments. The deadline to enroll in the 2013 group rating program is August 31, 2012. Therefore, I'm requesting that an ordinance with an emergency clause be added to the agenda for the August 15 meeting.

Mrs. Emerson made a motion that Council go into executive session as a committee of the whole to discuss litigation and economic development. Mr. Vanover seconded. The motion passed with seven affirmative votes.

Council went into executive session at 8:43 p.m. and reconvened at 9:33 p.m.

MEETINGS AND ANNOUNCEMENTS

- Planning Commission - Aug 14
- Board of Zoning Appeals - Aug 21
- Cop on Top - Aug 3-4
- Family Fun Day at the pool - Jul 22
- Safety Day - Aug 4
- Family Movie Night - Aug 4
- Goldfish swim - Aug 11
- Pool Closes - Aug 12
- Yard sale - Aug 18
- Document shredding - Aug 18
- Farmers Market - Thursday thru Oct

COMMUNICATIONS FROM THE AUDIENCE - none

UPDATE ON LEGISLATION STILL IN DEVELOPMENT - none

RECAP OF LEGISLATIVE ITEMS REQUESTED

- Workers Comp - Aug 15
- Agreement with NextStep - Aug 15

Council adjourned at 9:40 p.m.

Respectfully submitted,

Kathy McNear  
Clerk of Council/Finance Director

Minutes Approved:  
Marjorie Harlow, President of Council

\_\_\_\_\_, 2012