MEETING MINUTES OF ST. MARYS CITY COUNCIL

PRESIDING OFFICER: James J. Harris
Council President

November 14, 2016
6:30 P.M.
Council Chambers

ROLL CALL: Bubp, Koverman, Christman, Willoughby, Fitzgerald, Uhlenhake, Fleagle

Moved by Mr. Uhlenhake, seconded by Mr. Fleagle to accept the Minutes of the October 24, 2016, meeting. Motion carried.

PETITIONS & COMMUNICATIONS:
Mr. Harris read a request from Daniel Heitkamp, Rolling Hills Builders, to rezone 7.571 acres of property in the City of St. Marys, Noble Township from C-2 General Commercial to R-3 Single Family Residential.

Moved by Ms. Willoughby, seconded by Mr. Christman to refer this request to the Planning Commission. Motion carried.

Police Chief Mark Ernst gave an update pertaining to the School Resource Officer. Mayor McGowan, Director Foxhoven, and Chief Ernst met with the school Superintendent, Mr. Overman to discuss. Mr. Overman indicated the school is open to the idea and requested Chief Ernst meet with the School Board. Before this meeting, Chief Ernst met with the School Resource Officer in Wapak and discussed his daily routine. Chief Ernst was able to see the interaction between the Resource Officer, faculty and staff, and the kids. Chief Ernst attended the School Board meeting and received good feedback. There were members of the public who also stated they thought it was a great idea. Mr. Overman emailed Chief Ernst stating the School Board was ready to move forward with this project. They just needed to come to an agreement on the cost split.

Mayor McGowan said the school initially asked for a 50/50 split. Mayor McGowan said that was not possible and they talked about a 60/40 split if Council approved. The school would pay 60%; the City would pay 40%. The payment details need to be worked out.

Chief Ernst said it would be approximately $86,593 to cover the cost of an officer. Our cost at 40% would be $34,637. A three-year study of 2014, 2015, and 2016 showed the cost to cover summer overtime hours for the three summer months each year was an average of 977 hours. The School Resource Officer would work at the Police Department in the summer to help alleviate some of those hours. 41% of overtime costs occur on second and third shifts working the road. The School Resource Officer would work some of these hours to help reduce that 41% overtime. The other 60% comes from day shift hours, case investigations, and special events.

Josh Boos is the recommended Officer for the position of the School Resource Officer. Josh was in attendance at the meeting. There were some questions from Council members concerning Officer Boos’ promotion standing in the Department and what the $86,593 covered. They were informed wages, benefits, pension, uniform, and physical are covered. It includes everything except the firearm.

Ms. Willoughby asked Chief Ernst if they would need to hire another Police Officer. Chief Ernst responded they would need to hire an officer in January before the test expiration.

Mr. Christman asked if there would be an annual agreement for the School Resource Officer. Chief Ernst responded there would be. Mr. Fleagle asked if for some reason in the future the School Resource Officer position was terminated, if he would have his position reinstated at the Police Department. Chief Ernst answered he would, and it would then need to be determined about the new hired Officer.

Mr. Uhlenhake asked if there would be any cost associated with equipping a vehicle for the School Resource Officer. Chief Ernst said a few hundred dollars would be needed for equipment.
Mr. Fitzgerald asked if the School Resource Officer would be able to take time off during the school year. The concern was taking time off in the summer; therefore, not covering the overtime hours of the department. Chief Ernst did foresee some time off in the summer, but there is a lot of time off during the school year to use time off as well. Chief Ernst stated Josh is very excited for the opportunity to be the School Resource Officer and will work with the Department to make it work.

Ms. Willoughby asked if the Holy Rosary and Grand Lake Christian Schools would be included in the Resource Officer’s visits. Chief Ernst stated those schools would be included or he would not accept an agreement.

Chief Ernst asked the Auditor his thoughts. Mr. Riesen responded we cannot go any more than a 60/40 split. It should be based on one year terms, and we should be reimbursed twice a year. We can always revisit the split in another year. In discussions among Council members they seemed supportive. Mr. Noble stated a Resolution would be brought before Council.

Chief Ernst thanked Council stating he truly believes this is the way to help protect our schools.

Mr. Harris noted Council members received letters from fourth grade students in Mrs. Guy’s class. A number of the letters were inquiries for a Splash Pad. A Parks Committee Meeting was requested to discuss the feasibility of a Splash Pad. The meeting will be held at 5:45 p.m. after the Finance Committee Meeting on November 21st.

REPORTS OF CITY OFFICIALS, COMMITTEES, ETC.:
The Mayor’s Report was presented.
The Tax Commissioner’s Report was presented.
The Director of Public Service and Safety’s Report was presented.

Mr. Harris commented the interface with the Japanese delegation went very well.

Mr. Christman inquired about the electrical upgrades. Mr. Foxhoven responded that the new transformer at the Lore Substation located at AAP will possibly be online next week. Some testing needs to be done yet. The progress at both substations is proceeding nicely.

COMMITTEE REPORTS
John Bubp presented the Electric/Communications Report. They discussed with some of the citizens of St. Marys the electric rate increase. Courtney and Associates was at the meeting to help explain the rates. One of the things that came out of the information is, not only did we have a rate increase for St. Marys, there was also an electric cost increase. That compounded the increase in everyone’s bill to some extent. There was a change in the customer service charge and the power cost adjustment. Quite a few things compounded.

Mr. Koverman noted one of the main things that was stressed at the meeting is that you cannot compare last year’s bill to this year’s bill based on the power cost. Mr. Bubp stated that consumers look at the bottom dollar; they look at last year’s bill and compare it to this year’s. Mr. Bubp also noted the citizens in the audience at the meeting suggested if we have to do this again, we take into consideration some of the other factors.

Mayor McGowan stated he was to get back with Mr. Bob Valentine to let him know if we would reconsider adjusting the lower rates. The matter was reviewed. It took Courtney and Associates two years to develop the rates. It is felt the rates are fair and equitable to all parties involved. He informed Mr. Valentine we would not be reopening the issue. Mr. Valentine also requested we provide information on the charges per kilowatt hours. A spreadsheet was provided to Mr. Valentine. It is believed he was satisfied with both of these things.

Mr. Noble stated the rates are generating exactly the amount that was anticipated from Courtney and Associates. Mr. Foxhoven commented that our rates are still very competitive with other municipalities and significantly lower than the private sector companies such as DP&L, AEP, and Midwest Electric.
Mr. Fleagle stated he was hearing from the general public that we shouldn't wait so long to review the rates so there isn't such an increase at one time. Mr. Fleagle suggested each fund should be reviewed every couple of years with Department Heads and the Auditor to forecast needed increases. Mayor McGowan agreed. Mr. Uhlenhake concurred that residents are amazed the rates didn't go up sooner.

Mr. Noble noted the water rates are scheduled to increase over the next several years. Mr. Foxhoven stated over the next six years the water rates will go up 14.9% to pay for the new water plant; then 3% each year after that if it is needed.

Mayor McGowan commented if the administration had looked at this in year's past, there could have been more phasing in.

**ORDINANCES & RESOLUTIONS:**

**FISCAL OFFICER'S CERTIFICATE**

Ordinance No. 2016-33 was presented to Council for a first reading.

**ORDINANCE NO. 2016-33** – Providing for the Issuance and Sale of Bonds in the Maximum Principal Amount of $27,500 for the Purpose of Paying the Property Owners' Portion, in Anticipation of the Collection of Special Assessments, of the Costs of Improving Vine Street, Hawthorne Street, Chestnut Street, South Street, Executive Drive, Williams Street, Perry Street and South Park Drive, Between Certain Termini, by Reconstructing and Resurfacing Streets and Constructing Curbs, Gutters, Sidewalks and Drive Approaches, Together With the Necessary Related Improvements and Appurtenances Thereto, and Declaring an Emergency

Moved by Mr. Christman, seconded by Mr. Bubp to read Ordinance No. 2016-33. Motion carried.

Mr. Foxhoven explained this is an annual ordinance which pertains to the 2015 street program. This is the last step in the process. We invoiced the property owners and we received payment of about 53 percent. We will have to pay the balance. This allows us to do an internal loan to pay the bank's one year note. We would like to move forward with this and request the ordinance be passed under suspension of rules.

Moved by Mr. Koverman, seconded by Mr. Fleagle to suspend the rules for Ordinance No. 2016-33. Motion carried.

Moved by Mr. Bubp, seconded by Mr. Uhlenhake to pass Ordinance No. 2016-33 as an emergency. Motion carried.

Ordinance No. 2016-34 was presented to Council for a first reading.

**ORDINANCE NO. 2016-34** – Ordinance Authorizing a Declaration of Official Intent Under U.S. Treasury Regulations With Respect to Reimbursements From Note and Bond Proceeds of Temporary Advances Made for Payments Prior to Issuance and Reimbursement for Expenses Relating to the Acquisition of Residential and Commercial Meters for the AMI Metering Project, Upgrades to the Spokeworks Substation Including the Acquisition and Installation of a Transformer and Site Work, the Acquisition, Construction, Improving, Equipping and Installation of Concrete and Metal Structures and Switchgear Buildings and Various Electrical Equipment, and Upgrades to the Lore Substation (AAP Substation) Including the Acquisition and Installation of a Transformer, and Declaring an Emergency

Moved by Ms. Willoughby, seconded by Mr. Uhlenhake to read Ordinance No. 2016-34. Motion carried.

Mr. Foxhoven explained this ordinance will allow us to get reimbursed. The plan is to borrow two million dollars. We had planned on borrowing $6 million dollars for the electric distribution upgrades. We weren't sure how fast the upgrades would happen so we initially borrowed $2.1 million dollars. We have been paying for some of these costs out of our operating costs. We talked with Courtney and Associates and our bond counsel and their recommendation is to do a Declaration of Intent to reimburse ourselves for some of the expenses we have already had. When we go out again to borrow the next $2 million, we can reimburse the 614 account we have been using and to help pay for some of the bigger items that are still out there. The failed transformer at AAP set us back about $1.3 million we hadn't planned on paying for.
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Mr. Noble noted this is primarily in talking to the bond counsel for income tax purposes. This ordinance itself does not create any debt. By passing this tonight, we can get reimbursed for any bills we have paid within the past 60 days and not violate any IRS regulations. The actual note ordinance will be coming to Council, hopefully at the next meeting so it can be passed and put into the budget for next year.

Moved by Mr. Koverman, seconded by Mr. Fitzgerald to suspend the rules for Ordinance No. 2016-34. Motion carried.

Moved by Mr. Fitzgerald, seconded by Mr. Christman to pass Ordinance No. 2016-34 as an emergency. Motion carried.

Resolution No. 2016-19 was presented to Council for a first reading.

RESOLUTION NO. 2016-19 – A Resolution Authorizing a Release of Easement

Moved by Ms. Willoughby, seconded by Mr. Uhlenhake to read Resolution No. 2016-19. Motion carried.

Mr. Foxhoven noted this resolution involves the Holy Rosary Church. They are going through an expansion and they own the entire block. We no longer have a need for the sewer line in the easement. It serves the church property only. If Council allows us to give up the easement, the church will take responsibility for care and maintenance of that sewer line. They want to build a structure over this is why they would like us to release the easement to them. They are moving quickly and we request this resolution be passed under suspension of rules.

Moved by Ms. Willoughby, seconded by Mr. Koverman to suspend the rules for Resolution No. 2016-19. Motion carried.

Moved by Mr. Uhlenhake, seconded by Mr. Christman to pass Resolution No. 2016-19 as an emergency. Motion carried.

Mr. Fleagle asked if there would be a written agreement with the church stating they will maintain. Mr. Foxhoven responded the resolution indicates this.

Resolution No. 2016-20 was presented to Council for a first reading.

RESOLUTION NO. 2016-20 – An Emergency Resolution Authorizing Employment of an Auditor for 2016 and Following Years

Moved by Mr. Christman, seconded by Ms. Willoughby to read Resolution No. 2016-20. Motion carried.

Mr. Foxhoven noted the State has conducted the City’s audit the past five years and no longer wishes to do so. A private firm did the audit for fourteen years prior to the State coming in. The State will now allow us to contract with a private firm to do the audit. Since the audit is for this year we would request this resolution be approved under suspension of rules. The cost is about the same. Mr. Riesen stated when the State took over our audit five years ago, they wanted the business to keep their employees busy. Since then with retirements, etc. they no longer need it. The State picked the firms for us to choose from. Mr. Noble reiterated this is the State’s decision, not ours. The firm of Julian and Grube have been very helpful in the past and are familiar with City operations.

Moved by Mr. Koverman, seconded by Mr. Christman to suspend the rules for Resolution No. 2016-20. Motion carried.

Moved by Mr. Koverman, seconded by Mr. Christman to pass Resolution No. 2016-20 as an emergency. Motion carried.
MISCELLANEOUS BUSINESS:
A Finance Committee Meeting was scheduled for November 21, 2016 at 5:15 p.m., and there will be a Parks and Playgrounds meeting following at 5:45 p.m.

Mayor McGowan commented he received correspondence from Reverend Tim Smith regarding a Global Leadership Summit next year August 10-11. The church is willing to pay for any Council member that would like to attend in Lima. Our Police and Fire Chief attended this and highly recommend it.

Moved by Mr. Bubp, seconded by Ms. Willoughby to go into Executive Session to discuss Personnel Employment and Collective Bargaining. Motion carried. Council entered Executive Session at 7:14 p.m.

Moved by Mr. Bubp, seconded by Mr. Christman to return to regular session. Council returned to Regular Session at 7:37 p.m.

Moved by Mr. Koverman, seconded by Ms. Willoughby to accept the terms of the contract agreement. Motion carried.

Moved by Mr. Bubp, seconded by Mr. Uhlenhake to adjourn the meeting. Motion carried. Council adjourned at 7:38 p.m.

Debra Kable, Clerk of Council

James J. Harris
President of Council