

President Closser called the regular meeting of the London City Council to order. He led those present in the Pledge of Allegiance and observed a moment of silent reflection.

**MINUTES** of the previous meeting were approved as received. All were in favor by responding "aye".

**COMMUNICATIONS/ANNOUNCEMENTS:** President Closser read Councilman Rodney Lauer's resignation letter. Mr. Lauer has accepted employment out of state. President Closser thanked Mr. Lauer for his time on council and wished him good luck with his new job.

President Closser shared that the election committee is in the process of replacing Mr. Lauer's position.

**PUBLIC HEARINGS:** None

**AUDIENCE CONCERNS:** Mike Hensel, London Public Library Director, presented the city with the 1979 flag designed and made by Eleanor Phillips. The flag commemorates the founding of the country in 1776 and the city of London in 1811. The flag will be displayed in city council chambers. The flag had been on display at the library, but they have run out of wall space.

Chris Cox, 403 Muirwood, read a prepared statement to council. He asked why a police officer has been present at the last two meetings. He said that his license plates were stolen during the last meeting. He didn't feel that an officer's time should be spent babysitting meetings when he could be out patrolling.

President Closser replied that Chief Wiseman was asked by his superior to have an officer present.

Mayor Eades reminded that when Pete Tobin was the police chief, he attended every meeting he could and sat up front. Mayor Eades asked why Mr. Cox felt an officer shouldn't be present.

Mr. Cox felt it was intimidating to have an officer present and that people couldn't speak their minds.

Mr. Cox was concerned that there is no accountability in the city.

Mr. Cox was concerned that council sometimes just suspends and passes legislation.

Mr. Cox said that audience members are thanked for coming in, but felt that concerns were just a "pass the buck" response.

He said he would like to see an open door policy with the Mayor and hoped for changes this year.

Councilman Minner said he felt the same way about the police officer being present and that it offended people who wanted to speak.

Mayor Eades said that everyone has an opportunity to speak and that he does have an open door policy. He sees nothing wrong with the officer's presence. It is important to have an orderly meeting. There have been some bad times all over the country. "You just can't let a meeting get out of hand and everybody start hollering back and forth at each other."

President Closser said audience members are sometimes very passionate about their concerns. He wants to give everyone an opportunity to speak, but at the last meeting almost had to hit the gavel a few times. The audience should not feel intimidated and no one is going to be arrested.

Councilman Scaggs shared that Safety Service Director Hume asked that an officer be here. He said it is intimidating and ridiculous that a police officer has been taken off the street.

Councilman Minner felt we did not need an officer here to intimidate. "I think it's a dumb thing to do, regardless of who did it."

Councilman Scaggs thanked the officer for coming in though. "It is not his fault that he is here."

Mayor Eades reminded that the officer is a citizen and he can attend meetings too!

Mr. Cox noted that at the last meeting, council members went into executive session to review contracts, came back out, suspended the three reading rule.

President Closser said that council should have had the contracts sooner, but had the three rule suspension not have happen, the city could have been in violation of labor laws. The legislation had to be passed.

Mr. Cox asked who is holding who accountable in the city. He wanted to know who was holding Mr. Hume accountable.

Councilman Scaggs said that if he was referring to Mr. Hume spending money on the credit card for city purchases, the paper work just wasn't filled out in a timely manner. The issue has been addressed in finance and they are anticipating that the proper paper work will be filled out next time.

Councilman Schwaderer commented that performance evaluations haven't been done on department heads.

Councilman Scaggs felt that the performance evaluations should reflect on their raises too.

Carmen Michaels, 230 East High Street, addressed council. One December 24, 2014, 8:30 a.m. a delivery truck hit and knocked down the sign out in front of the Yauger Monument, 126 South Main Street, where she is employed. A police report was written and video was obtained. A sign company was called to replace the sign.

Mr. Oswalt, part-time building and zoning officer, informed them that they would not be able to replace the sign as it is in the historical district.

Mrs. Michaels shared that the business has been in London for 100 years and she has been employed there for 20. The sign had been there since 1965. As they haven't been able to replace the sign, people are having a hard time finding their location. Lack of business will hurt revenue. It's not the business's fault that the sign was knocked down.

President Closser agreed that the sign should be allowed to be replaced!

Mayor Eades recommended that she attend the London Planning Commission meeting next Thursday, January 15, at 7:30, as they address sign regulations.

He also suggested that she attend the Board of Zoning Appeals the first Tuesday of the month at 7:30 p.m.

Councilman Hatt wanted to know if something can be done if the BZA says no.

Councilmen Castle and Schwaderer said that the historical district board could override the decision. Mr. Schwaderer noted that there is something as "grandfathered" in.

Councilman Minner felt it should be as the business has been around for a very long time in the historical district! "It's just a sign ordinance!"

President Closser told Mr. Minner if he wants to look over all the sign ordinances, maybe they can be rewritten.

Councilman Schwaderer should be able to get a variance instead of having to wait a month.

Mayor Eades told her to contact Gary Peter, chair of the London Planning Commission.

Gary Laszewski, 130 Washington Avenue, addressed council. He thanked them for making Lotspeich a one-way street.

He wondered if the old K-Mart building could be used to house all of city businesses. It would be much easier on citizens to be able to go to just one building.

He shared that he recycles. He asked why the city makes no money off the recycling. He said it's not much incentive as a citizen to recycle. He did say, "Hats off to the sanitation department!" He felt they are doing a great job.

Mr. Laszewski also stated that having a police officer here is not intimidating.

#### **COMMITTEE REPORTS:**

Councilman Hatt attended the finance and public service committee meetings.

Councilman Castle attended the Board of Public Utilities meeting on December 22. He shared that only two residents showed up at the meeting that had attended the last city council meeting with water rate increase concerns. They were told the BPU meeting is where their concerns need to be addressed and to get more information. But when they were invited to come, they did not attend.

Councilman Castle also attended the finance committee meeting.

Councilman Minner had nothing to report.

Councilman Scaggs informed that the next public safety meeting is January 12, 6:30 p.m. in council chambers. After that meeting, the SRTS (safe routes to school) meeting will be held at 7:00 p.m.

Councilman Morris attended the BPU meeting and four council members were present. They are working with apartment complexes to see if they can get more business for the city by taking over dumpster trash from their private contractors.

Councilman Schwaderer attended the BPU and finance committee meetings.

President Closser announced upcoming meeting dates:

Monday, January 12 – public safety, 6:30 and SRTS, 7:00, council chambers  
Thursday, January 15 – public service, 5:30 p.m., council chambers  
Thursday, January 29 – community center meeting, 6:00 p.m.  
Monday, February 16 – finance committee meeting, 5:30 p.m.

President Closser asked Councilman Schwaderer to replace Mr. Lauer on the finance committee and to remain on the public safety, service committee until a new council member is on board.

Councilman Schwaderer agreed.

President Closser shared that they hope to have the new council member appointed by the January 22 meeting.

#### **CITY OFFICIAL REPORTS:**

Mayor Dave Eades shared that there will be a presentation on how to get downtown grants in the Madison County Commissioners' office on Friday, January 16, at 1:30 p.m. Mary Oakley and Joyce Bennett will be giving presentation.

Mayor Eades explained that he had a two copied for council members. Original ones have gotten misplace through the years. The books are findings of surveys done in 2010 for an evaluation report for a water tower. Estimates for a new tower in 2010 were around \$7 million. Other studies conducted are in another book, for a cost, or it can be viewed in the BPU office.

Mayor Eades presented his last State of the City address to council (attached)

Recreation Director Tony Brake reported that basketball games were backed up one week due to cold weather.

Auditor Hensel reminded everyone of the next finance committee meeting. She also wanted to clarify that even though the mayor has mentioned there is a ½ million dollar increase in the general fund, that is not the case. She didn't want misinformation out there.

**OLD BUSINESS:**

**RESOLUTION 198-14 A RESOLUTION ACCEPTING A GIFT OF LAND LOCATED IN THE OAK RUN FLOOD PLAIN**

Sponsored by: Roger Morris Motion by Schwaderer to place on second reading, second by Castle. Clerk read. Councilman Morris shared that Roger Thompson is donating land to the city. The land is in a flood plain and will be kept as one. Mr. Thompson used to be the Madison County Engineer years ago.

President Closser noted that a section is still missing regarding not having to pay taxes on public parks. It needs to be left on second reading until this information is received.

**LEFT ON 2<sup>ND</sup> READING.**

**RESOLUTION 200-14 A RESOLUTION AUTHORIZING THE BOARD OF PUBLIC UTILITIES ENTER INTO A CONTRACT**

Sponsored by: Rodney Lauer Motion by Scaggs to place on second reading. Clerk read.

President Closser asked there is need to change sponsors.

Mayor Eades replied, "No."

Stan Kavy introduced Gary Long of CHI2MHill, engineer of this job.

Mr. Long shared that three bids were received on December 17 for the project. CB&I was the lowest and it was recommended that the bid be awarded to them. It is 10% over the engineer's estimate. Ohio EPA has no problem with going forward with this if the city is okay.

An elevated tank needs to be installed and operating to supplement service prior to the new plant going on line.

He explained the over-estimate and said that they spoke with CB&I, to see if anything could be eliminated from the project. He went over the items on the handout.

The contract would be signed as bid, then immediately change order would be signed eliminating those items. The ODWA loan is whatever final project cost is, not bid.

Councilman Schwaderer clarified that some of the eliminated items will be added to the water treatment plant for a total of \$12 million.

Mr. Long said that is correct.

He explained that there were many criteria that had to be met to be eligible for the 2% principal and principal forgiveness. City council members had to take the training. The city also met the population requirement of fewer than 10,000. Even if the population increases, it is a done deal and will not change the loan.

President Closser asked that all council members complete the training portion. There are two members yet to take it. Councilman Lauer's training will still count towards the application process.

Mr. Kavy said that by council members completing this, the BPU will be able to take advantage of 10% and eligible for more grant monies.

Councilman Castle asked how confident Mr. Long is on the estimates for the plant, as the "missed" the tower.

Mr. Long explained prior to selecting the bid date, they decided on January award. They called major vendors, no problems. They provided them with estimates on their tankage. All items, except for elevated tank, were close in their bids. Mr. Long went over the bid tabs handout when council members.

The tank is like a piece of equipment to us. They are responsible for the tank and foundation. They usually estimate high.

We took the information and prepared our estimate. But then, they can in at a \$1 million more than they told us. There is not an easy answer, but we are dependent on other people's information, average out, and put it in our package.

He explained what they are dependent upon in preparing their bid packets. The one thing they have no control over when compiling and preparing the information is the "market place". He admitted that this does makes them look bad. But at the same time, these are three vendors who put in a lot of time. "If we rebid this, we will get better bids? Hard to say."

Councilman Castle said that we know what happened on the water tower and asked what can we expect on the plant?

Mr. Long said that they depend on others to give is figures for the products cost. This abnormality doesn't happen very often. We work with the vendors. Work with our estimating programs and we are usually kind of high on our estimates. Water estimate for the plant is better. He pointed out what they don't have in the water plant is one large component that is dependent on one vendor.

Councilman Schwaderer commented that missing an \$8 million by 10% is pretty big!

President Closser reminded when this first came to council it was not to exceed \$1 million. Now it's \$3.1 million, not to exceed \$4 million, which is not four times the initial amount.

Mr. Long explained that they prepared the water plant estimate, and then the elevated tank was added by the city. It was never in their "radar screen" to estimate. They got the contract signed. He contacted Ohio EPA explaining to them that they had a short window of opportunity to apply for the revolving loan fund. They took old historic pricing to get the elevated tank in on the application. "We did what we had to do to get it in. If did not get that in, we would not have been able to get the 2% interest rate and the principal forgiveness. We got the funding approved."

Mr. Kavy added that it's now roughly \$3.5 million minus the changes/eliminations.

Councilman Minner asked if it is it true that we can't keep the water tower we have now full.

Mr. Long responded, "It is what I've been told. It is during hot summers and high demands."

Councilman Minner asked, "How can you keep two full?"

Mr. Long said it is from different sources of water from the plant.

Council Minner just see how can afford residents can afford 15, 15, and 15 percent's. He was concerned about what residents will have to pay. He wanted to know how we are going to spread the costs. "There are other things coming up right in the rear that we are keeping our mouth shut about (the city that is) and they are going to get a real whammy! People need water to drink, but they have to be able to pay for it too."

Mr. Kavy said he will have water level figures available for council members. He stressed that if it is a hot, dry summer, we may very well run out of water. We are facing asking people to cut back, not take showers. "I don't know what you want us to do, except run out of water?"

Councilman Minner said that he expected the right figures, not bouncing around figures, charging 15% and then it gets to be more than 15%!

Mr. Kavy asked Mr. Minner if he prefer they over-estimate the figures. He stated that they have been trying to be very conservation and not over estimate. They are estimating at a 1-2% growth in the entire city. If it goes over, the cost will go down. "We are trying to give you what the maximum will be."

Councilman Minner said he would be all for it if we put more of our (the city's) money in and take the burden off the back of the consumers. He said he understood the need, but can the people afford it.

Council Scaggs pointed out that there was the 15% increase this year that didn't even go towards the water tower. "Another 15% this year could be whatever you want make it after that. It's entirely up to you. We don't have any control."

Mr. Kavy reminded that it's going to be whatever it will cost to pay for it. BPU does not turn a profit. Three years were projected at 15%.

Mr. Minner asked, "Three years at 15% and not the 4<sup>th</sup> year?"

Mr. Kavy said that he couldn't predict the city's growth for the next four years.

Mr. Minner asked if it will end at the end of three years or go on forever.

Mr. Kavy said that it is not forever. It will depend on the water department's income. "Once loan is paid for, that's it."

Mr. Scaggs said then that basically the first 15% went to make BPU whole.

Mr. Kavy explained that part of that paid the engineering bill and other related costs upfront. It is not entirely just to get us whole.

Auditor Hensel said in reality the first 15% increase in water rates will not make the fund whole. We borrowed money to pay for engineering and the repayment of that loan will start in 2015. In all, there are likely more than three years of annual 15% increases projected. I would advise BPU and Council that the best place to go is to look at the loan documentation submitted to the EPA and OWDA. They include the water rate increases projected for the entire project. It is better to look at what was submitted with the loan applications, then trying to remember and speculating on the increases assumed.

Mr. Kavy said it will get the figures right away.

Councilman Castle said the precise numbers submitted were 15% increase for 2014, 2015, 2016, and 2017 and a 3% increase for 2018 with an alternative one and two percent usage.

Mr. Kavy said that is correct.

Mr. Castle added that if usage increase, then we can scale back, making up the cost differences.

Mr. Minner asked, "If that's the case, why not go less and stretch it out over a longer length of time?"

Councilman Castle said he tried and tried to spread it out over a long period of time on a spread sheet, but it got into a deficient fund. "The larger amount in the beginning is needed to start building the fund to make the loan payments."

Mr. Castle added that if water reduction is practiced, it will also affect the revenue.

Councilman Schwaderer said that he had asked at the BPU meeting, and it is a hot topic for Mr. Scaggs, where is the end. He felt that should be determined based on revenue. "We should know what the loan amount is going to be for the tower and the plant. Can't we figure out based on revenue coming in, if we raise 15% increase in 2014 that has us now, say at zero, making the BPU at whole, then add 15% revenue. How many of those do we need in order to be able to even pay that loan? Do we need an increase in 2015, 2016, 2017 and 2018. Or does it need to go to 2019 or 2020 does it stop at 2016?"

Mr. Long explained that you take estimates of all the costs associated with the project and that goes into a number. "Take a look at all projected costs, exiting costs, and revenue for the water department. Look at the impact of cost of doing business for the water department and put it into the spread sheet. Now you have a new capital cost, involving associated costs such as electric, etc. Knowing interest rate and term there will be an annual payment or semi-annual in this case. Knowing when payments are due and the cash revenue of the water department, existing expenses, project annual operating, and inflationary cost indicates a short fall from the get go to pay the loan. So, how much is needed to raise rates year one, to make it whole? Project operational costs, may be minor, one or two percent, throughout the term. You have a projected rate of anticipated rate, given numbers put in spread sheet. This establishes a cash flow basis of how you are going to pay."

He also added "if" everyone continues the same amount of water.

Councilman Castle felt that they padded the operating costs really good for both plants.

Mr. Long said that raising water rates is a hot topic. You almost need an analysis at the end of every year. There are continuous changes, especially Ohio EPA. It's hard to project what they are going to require 10 years down the road.

Councilman Scaggs said that another thing bothering him is what Auditor Hensel brought up. "Now, we are talking four. Would we have talked about the four years had she not brought it up? I'm on a trust thing here."

Mr. Long said they did not prepare those spread sheets. They were submitted separately from the engineering documents. Auditor Hensel heard a miscommunication and she addressed it. He stated that he didn't study those sheets as they were not part of the engineering portion that he had to deal with. "Another entity took care of that."

Councilman Scaggs commented, "We have no control once it is entered into contract, we are out of it."

Audience member Doug Pyles asked if the project is now over \$12 million.

Mr. Kavy said, "Yes, that sounds about right. We are trying to be conservative."

Mr. Long addressed the audience with their concerns at this point. Many concerns that had already been discussed, but they couldn't hear.

Councilman Minner said that the city will be getting income tax money. "We get it, but it doesn't lower the bill and we'll probably give raises! I think it should be set aside to help pay expenses. I believe you Stan, I just think we need help paying."

Councilman Trint told Mr. Minner to put it in writing as he's mentioned this at numerous meetings!

Councilman Minner said he didn't before because we don't know the figures. "I'll be glad to do it!"

Mr. Kavy said he'll get the project figures to everyone and if they have any questions prior to the next meeting, call him.

Councilman Morris asked about projected new users.

Mr. Kavy said they projected a 1-2% increase to include households and businesses.

Councilman Schwaderer asked if there would be an increase in water pressure at the other end of town.

Mr. Long said that they had looked at their best option for distribution and decided on this particular location at the new water plant. They decided that this would give the best uniform pressure across the border.

Councilman Castle understood that water lines are not big enough to distribute water out there.

## **LEFT ON 2<sup>ND</sup> READING**

### **NEW BUSINESS:**

RESOLUTION 101-15 A RESOLUTION AUTHORIZING THE AUDITOR TO TRANSFER FUNDS DURING 2015

Sponsored by: Rex Castle Motion by Scaggs to place on first reading, second by Castle. Clerk read.

**LEFT ON 1ST READING.**

**ROUND TABLE**

Councilman Schwaderer thanked everyone for coming it. It was good conversation.

He wished Rodney Lauer the best with his new job.

Councilman Morris thanked all for coming out. There is more to learn.. whether we going to have water or not!

Councilman Scaggs said he can't say that he is happy to have an officer at every meeting. He felt it is a waste of time and money.

Councilman Minner asked, "Aren't we all one big family? Can't the BPU get some of the income?"

Councilman Castle thanked Rodney Lauer for his service. He did bring up good points.

He reminded everyone of the Monday, February 16 finance committee meeting.

Councilman Hatt thanked Rodney for his time on council.

He also told Officer Grimes that he appreciated him being here.

President Closser acknowledged that Officer Grimes is only doing what he was told to do. He will let Mr. Hume know that we do not need an officer at the meetings.

He thanked Rodney for his service on city council.

He also thanked everyone for coming in this evening.

He shared that Law Director Zahid and his family appreciated the outpouring of everyone's support with their thoughts and prayers. He is making a good recovery.

President Closser thanked the street department for all their hard work during the bad weather days. He also thanked the fire, police and Madison County squad employees for their hard work.

**ADJOURN** Motion by Councilman Scaggs to adjourn.

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Arlene Duffey, Clerk of Council

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Patrick Closser, President