



Norwood City Council Council Chambers July 13, 2010

A) CALL TO ORDER

The Council for the City of Norwood met in regular session on the above date with Ms. Grote as acting Mayor and Mr. Victor Schneider presiding as President Pro-Tem. The meeting opened with a prayer and the Pledge of Allegiance.

B) PRAYER

C) PLEDGE OF ALLEGIANCE

D) ROLL CALL

On roll call all members were present.

E) AMENDMENT OF AGENDA

Mr. Schneider suggested as amendments for the agenda that the 2011 Tax Budget Resolution be considered immediately after the Public Hearing, add 2 committee reports from the Community Development Committee and add Ordinance #3 regarding a Clean Ohio Grant for the Norco Property. On a motion by Mr. Mumper, seconded by Mrs. Laake, it was moved to amend the agenda as stated. All members present voted, "Yes."

F) MINUTES OF PREVIOUS MEETINGS

On a motion by Mrs. Laake, seconded by Mr. Thornbury, it was moved to approve the minutes of June 22, 2010 as if read. All members present voted, "Yes."

G) PUBLIC HEARING

PUBLIC HEARING ON THE 2011 TAX BUDGET PREPARED BY THE CITY OF NORWOOD OF HAMILTON COUNTY, OHIO, FOR THE NEXT SUCCEEDING FISCAL YEAR ENDING DECEMBER 31, 2011.

Mr. Schneider opened the public hearing. He said that people wishing to speak for or against the issue would need to step forward and each person will have 5 minutes in which to speak. Mr. Schneider asked those who wish to speak in favor of the 2011 Tax Budget to come forward. Margaret Wehmeyer of 4141 Allison Street came forward. Ms. Wehmeyer stated that she is neither for nor against the tax budget. She is neutral, but confused. She stated that she is confused about expenditures. She stated that she was given something additional this evening to review from Mr. Stith. She said that she will review that information later. She sees the problem with financing in Norwood as going back a long time. She recalled the 1st Finance Committee meeting with Mike Bain as chair. This occurred right after GM pulled out of Norwood. She looked at the 2008-2011 Tax Budgets and looked at income and expenditures. She saw that each year we have more expenditures. We had carried forward items to help, and we increased expenditures. Times change and we are stuck with bad times. She wondered why we went down in income in 2009 and 2010. We lost \$1.6 million in earnings tax and she was wondering what affected that. The real estate tax the citizens pay hasn't dropped but has gone up. Our properties have been re-evaluated so our property tax went up by \$350,000. It seems that what has saved us for 2010 has been bringing forward funds and also the same 2011. She feels we need, as a city, to spend less. She wants us to watch the budget so we do not slide back.

No one else came forward to speak for the budget.

Mr. Schneider called for anyone speaking against the budget to come forward. No one came forward.

The public hearing was closed.

INTRODUCTORY READING OF RESOLUTIONS

1. RESOLUTION ADOPTING 2011 TAX BUDGET

On a motion by Mr. Thornbury, seconded by Mrs. Laake, it was moved to suspend the rules and have all three reading of the 2011 Tax Budget Resolution. Mrs. Laake said that she had a few questions for Mr. Stith. First she asked if we are tied to these exact numbers and per the exact keys and the exact departments, or is this just an estimate. Next, she asked if our actual expenditures will be based on the appropriations we pass for 2011. Mr. Stith answered that she is correct in stating these are estimates. This is not a commitment to any department for revenue or expenditures. These numbers are estimates based on information we have now. The county is asking us to look forward to where our revenues are and how we may spend it. Mr. Stith reiterated that this is not a commitment in any way. The actual budget is made by appropriations ordinances passed by council. Mrs. Laake stated that it appeared that when you look at individual departments, personnel amounts are down by 10%. She asked Mr. Stith to clarify that this is not saying we will do that, but is just an estimate. Mr. Stith agreed that, yes, it is just an estimate. After speaking with several people in Norwood's government, there were several ways to balance the tax budget. Without knowing realistic revenues and what the administration wants to do in the long term with financial issues, that reduction in payroll was the best way to balance it. He reiterated that this is not a commitment. All payroll keys were decreased across the board. It stands out more obviously in some keys as they are separated out. Mr. Moore asked the Auditor if this must show that we balance for next year on paper from our best estimates. Mr. Stith stated that once you put in contractual obligations and fixed expenses, we are over budget based upon revenue projections halfway through this year. Therefore a 10% cut across the board was made for our forecast for 2011. Again, this is not a commitment, or a suggestion. It is just the way it balances on paper right now. Mr. Sanker stated that one option available to make ends meet is a reduction in payroll so this may be a true reality. Mr. Stith responded that Mr. Sanker's statement is true. 2011 is going to be a tough year unless the economy changes drastically and soon. This was the easiest way to do it. His office is not involved in those decisions that would be eliminating positions, but we had to balance. Mr. Mumper stated that it looks like a road map as to how we get through next year. He thinks we should start now. He thinks the Finance Committee should use this tax budget as a blueprint. Seeing it in print will help some people realize that we need adjustments. On the motion on the floor, all members present voted, "Yes." On a motion by Mrs. Laake, seconded by Mr. Thornbury, it was moved to pass the resolution. All members present voted, "Yes."

H) REQUEST TO ADDRESS COUNCIL ON AGENDA ITEMS

There were no requests.

I) REPORTS OF STANDING COMMITTEES OF COUNCIL

1. Community Development Committee RE: Hot Mama
Committee Chair Michael Gabbard read the report that the committee approved the signage and awning for Hot Mama. On a motion by Mr. Mumper, seconded by Mr. Sanker, it was moved to receive and file the report. Mr. Gabbard explained that Hot Mama is a high end maternity shop at Rookwood. It will be located between Banana Republic and Eddie Bauer. Hot Mama is a new shop and Eddie Bauer and Banana Republic will be scaling down in order to fit this store in. Mrs. Laake stated that she had seen a report on Channel 9 that Hot Mama and Charming Charlie were going to Deerfield Township and how that was on the leading edge of development. Norwood is doing well along with Deerfield Township. On the motion on the floor, all members voted, "Yes."

2. Community Development Committee RE: Charming Charlie
Committee Chair Michael Gabbard read the report that the committee approved signage for Charming Charlie. On a motion by Mr. Mumper, seconded by Mr. Moore, it was moved to receive and file the report. Mr. Gabbard said that we have another new store in Rookwood. They will be cutting out part of the Old Navy store with a new façade between Old Navy and Whole Foods. Charming Charlie is a ladies accessories store. He stated it is good to see spaces full and that they are cutting square footage from the other stores to add new stores. Mr. Thornbury stated that while they were at the Community Development meeting, they did a quick internet check on these stores and

they are hot new stores with a lot of national press attention. This speaks well to Rookwood and Norwood's standing in bad times. He mentioned that Charming Charlie was recognized as Entrepreneur of the Year for 2009. On the motion on the floor, all members present voted, "Yes."

J) SECOND READING OF ORDINANCES

1. ORDINANCE TO CHANGE APPROPRIATIONS FOR THE YEAR 2010, AND DECLARING AN EMERGENCY.

On a motion by Mr. Mumper, seconded by Mr. Thornbury, it was moved to have the second reading of the ordinance. Mrs. Laake stated that as she was coming in tonight, she asked Mr. Stith if we need to pass both or just one of the appropriation ordinances on the agenda. His suggestion to her was that we remove this ordinance from the agenda and place it into the Finance Committee. There are very important items on the other ordinance on the agenda. She then asked Mr. Stith to comment on that. Mr. Stith said that Mrs. Laake is correct. The bottom 3 lines of each category dealt with other subjects. The bulk of the ordinance we are considering now is dealing with health care and over-time and personnel key changes. Over-time numbers change with every payroll and the numbers will continue to change. Mr. Stith stated there has been some discussion as to whether this was the correct way to handle this. Mr. Stith stated that he wants the opportunity to discuss this ordinance in the Finance Committee. He, therefore, removed the bottom 3 lines of this ordinance and drew up a new ordinance that considered only these lines. He thought this was the best route. Mr. Moore asked Mr. Mumper if he would change the motion. Mr. Mumper agreed, so on a change of motion by Mr. Mumper, and a change of 2nd by Mr. Thornbury, it was moved to amend the motion to put this ordinance in the Finance Committee. All members present voted, "Yes."

K) INTRODUCTORY READING OF ORDINANCES

1. AN ORDINANCE AUTHORIZING THE SAFETY-SERVICE DIRECTOR TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT FOR THE PURCHASE OF 2,000 TONS, MORE OR LESS, OF SALT AT BULK RATE.

On a motion by Mrs. Laake, seconded by Mr. Moore, it was moved to suspend the rules and have all three readings of the ordinance. Mr. Mumper asked Mr. Stith if this was planned in the budget. Mr. Stith answered that money was already appropriated to the highway and street fund in the budget council passed to cover this. It is up to the head of the department as to how they want to use it, but there is money in that fund now. On the current motion all members present voted, "Yes." On a motion by Mr. Moore, seconded by Mr. Thornbury, it was moved to pass the ordinance. Mr. Schneider commended the Safety-Service Director for thinking ahead on this purchase. All members present voted, "Yes."

2. ORDINANCE TO CHANGE APPROPRIATIONS FOR THE YEAR 2010, AND DECLARING AN EMERGENCY.

Mr. Mumper began with a procedural question. He stated that on the last few ordinances on appropriations changes, we haven't had any completed form as to where the ordinance is originating from. Mr. Schneider said that we do have that information in the packet. He explained that this is the first reading and it typically comes on the first reading. Mr. Mumper asked why this didn't come through the Finance Committee. Mr. Schneider explained that council can send it to the Finance Committee, but the rules do not specify that everything has to come from the Finance Committee. Mr. Schneider requested a motion on the ordinance. On a motion by Mr. Mumper, seconded by Mr. Sanker, it was moved to put the ordinance in the Finance Committee. Mrs. Laake said that the cover sheet presented says that Mr. Stith is asking that council pass the ordinance since this is the only meeting in July. Mr. Thornbury asked Mr. Stith as to the status of the ordinance. Mr. Stith replied that most of the issues were discussed in the Finance Committee. Three of these categories were listed on the last appropriations ordinance and moved to this ordinance to clean things up. Cobra Health Care and the adjustment for City Council and Workers' Compensation are items the city is legally obligated to pay as we are getting bills from the state. Others are minor adjustments with exception of separation pay. We have an employee who retired and we owe him the stated amount in separation pay. The Auditor's office has checks that they are

holding for said person and they are not making payments to PERS and other authorities because there is not enough money in the transfer key. Mr. Stith stated that he has had individual discussions with the members of the Finance Committee and asked if they wanted to discuss these or if he could just put the ordinance together like this, and it was decided to put together the ordinance as discussed because it needed to be passed. He stated that if this is not done by the end of July, we can't meet our obligation to pay the retired employee. It is up to Council if we pay them or not. Mr. Stith stated the other item is for a reallocation for the Economic Development Department. We have a contractual employee in that department that needs to be paid. There is \$70,000 in the personnel key for a full time employee we used to have that needs to be moved to pay the contractual, so it is a zero sum move. In order to pay the person under contract, we need to move funds from personnel to contractual. Also, for the August 11th Mayor's event, the money to pay for that is supposed to come out of the Economic Development key. We cannot pay for this program out of that key unless we move money from our payroll to contractual. Again, a zero sum change. Mr. Stith stated the importance in passing this ordinance is to make sure our retirees get what they deserve. We need to continue to work with the Economic Development fund. We want to ensure that we meet our legal obligations with the state in paying Cobra and Workers' Compensation. Mr. Stith stated that this was put together for this meeting because it is the only meeting this month. If we put this off, we miss out on our obligations to pay people, plus some keys will go negative because we need to pay Cobra and Workers Comp. Mr. Sanker said that he knows some of this was discussed in the Finance Committee. He said the subsidy for separation pay did not come up. He was wondering why it's an issue now. Mrs. Laake said that when she retired, she went to PERS and was told of the early retirement incentive (ERI). She assumed the paperwork was completed by the city. A transition occurred in the Auditor's office with Deputy Auditor Kennedy just passing and paperwork was being done by others who were unaccustomed to the process. Consequently, again during the transition with Evelyn retiring, a clerk questioned why there was a payment to PERS and Mrs. Laake was called and asked if she received her ERI. Mrs. Laake then called PERS herself and inquired why Norwood had not been billed as they would not talk directly to Norwood about it. She was told the paperwork was not completed and they went ahead and sent the forms to Norwood as she was entitled to the ERI. As a result, it is going on the budget for this year. Mrs. Laake said that Mr. Stith sent a letter to the state stating that it was a clerical error and PERS sent the forms back. The city is legally obligated to pay it according to PERS. Mrs. Laake pointed out that there is no conspiracy and there is nothing to hide. She doesn't know anyone else who has had their personal business aired on council floor, but she has nothing to hide. Mr. Mumper said that he received the summary of separation pay from the Auditor, but he feels it is incomplete. If council wants to pass this ordinance, he suggests the removal of the subsidy pay and then he will be willing to pass it. Mr. Mumper would like some time to discuss it with Mr. Stith. He said that he has a lot of questions and did not have a chance to put them together because he didn't know it was coming up. Mr. Moore said that he understands the Cobra and the Health Care. His concern is if we increase one place, we have to decrease somewhere else. He then asked if we can take the amount out of the payroll key to cover Cobra costs. Mr. Stith answered that we should be able to. Cobra is being paid for someone in his office. Mr. Stith stated there was a few weeks gap, plus his new hire is making less so he can decrease the Auditor's payroll to cover that. Mr. Sanker stated that it was his experience that Cobra was paid by the employee. He asked if we pay for Cobra and why. Mr. Stith answered that Cobra was handled in the Treasurer's office. We may be getting revenue in for it, but we still need to increase appropriations to show payment out. Whatever the policy is in the Treasurer's office, we have to come up with total amounts. The Treasurer's office manages this. Mr. Schneider stated that due to the fact that we do not have another meeting in July, we are still considering this motion. Mr. Schneider mentioned that previous discussion indicated that if we took out the subsidy for separation pay council might consider the ordinance. He asked Mr. Stith if there was anything council can do right now. Mr. Stith said that there is a retiree with a check waiting that will not be paid if this does not pass, and that retiree is not a retiree in this room. Mr. Moore asked if we can cut a check without an approved purchase order. Mr. Stith said that if it is for payroll, no purchase order is needed. He stated that all the math was done but the check was not set in the system. Mr. Schneider clarified that Mr. Stith's answer is yes. Mr. Moore said that he disagrees on the motion because of the

bills we have. We have to do it to cover contractual expenses we have to pay. He suggested that we pass the ordinance tonight and that perhaps the Finance Committee can meet to discuss the details later. Mr. Schneider called for a vote on the motion to put the ordinance in the Finance Committee. On the motion, Mr. Mumper and Mr. Sanker voted, "Yes." Mr. Moore, Mr. Thornbury, Mrs. Laake Mr. Gabbard and Mr. Schneider voted, "No." The motion failed. Mr. Schneider called for a new motion. On a motion by Mr. Moore, seconded by Mr. Thornbury, it was moved to amend the exhibit to decrease the permanent appropriations key 01-0500-7100 (the Auditor's payroll) by \$5043. Mr. Mumper stated that he had a letter showing the early retirement incentive (ERI) was extended in 2006 and came to an end at the end of 2006. Mrs. Laake stated that she would like to know what Mr. Stith has to say. She was told by PERS in 2007 or 2008 that it was still in effect. Mr. Stith said that in the letter sent on June 1, 2006, the ERI plan was extended to September 30, 2006. It was the exact same plan except for termination date. The attached plan that went with the letter stated on Page 2, section 6 that the plan shall be in effect for a minimum of 3 years, and thereafter it was up to Norwood to do something. The three year extension when applied for in 2006, ended in 2009, but if we don't terminate it they keep using the same plan. Mr. Moore asked if a letter was sent to PERS saying that we are not extending ERI past 2009. Mr. Stith said that no letter was sent. In order for us to change to a new plan or eliminate this plan, we would have to write an ordinance. At the time that the city changes plans there must be 30 days written notice to employees that it has been changed and pass an ordinance to create a new plan that must be different. Mr. Stith stated if we want to extend, we just extend it. No one is set up now to retire that is eligible for this plan. Mrs. Laake stated that she knows that Union 3278 has this plan in their contract and asked if 914 has it too. Mr. Stith said that they have it in their contract that refers to this plan. Mrs. Laake said that she believes that they have in their contract that refers to ERI's. She asked if they were the only ones. Mr. Stith said he was not sure and would have to check. He believes that all unions do except for police and fire. Mr. Mumper referred back to the letter he mentioned. The letter says we wish to terminate the plan on September 30, 2006. He said he doesn't care about any attachments. The letter said to terminate on September 30, 2006 and anyone who was paid after that date was wrong. A vote was called on the motion to amend the exhibit. On the motion, Mr. Mumper voted no to amend, all other members voted yes. The motion to amend passed on a vote of 6-1. Mr. Schneider called for a motion on the amended ordinance. On a motion by Mr. Thornbury, seconded by Mrs. Laake, it was moved to suspend the rules and have all three readings of the ordinance as amended. On the motion, Mr. Mumper and Mr. Sanker voted, "No." Mr. Moore, Mr. Thornbury, Mrs. Laake Mr. Gabbard and Mr. Schneider voted, "Yes." The motion failed with 2 members voting, "No." The motion required 6 yes votes to pass. On a motion by Mr. Moore, seconded by Mr. Schneider, it was moved to have a first reading of the ordinance as amended. All members present voted, "Yes." A first reading of the ordinance was done.

3. ORDINANCE AUTHORIZING THE BUILDING COMMISSIONER TO ENTER INTO A CONTRACT WITH 4953 SECTION ROAD INVESTMENTS, LLC FOR THE FORMER NORCO PROPERTY REDEVELOPMENT PROJECT AND DECLARING AN EMERGENCY.

On a motion by Mr. Moore, seconded by Mr. Thornbury, it was moved to suspend the rules and have all 3 readings of the ordinance. Mr. Moore asked the Law Director, Mr. Kiser, if he has seen any problems with it. Mr. Kiser answered that he has reviewed this and has discussed it with the developer's attorney sufficiently. They took out an indemnity clause. It has gone through review many times and the developer has adopted the suggested changes. Mr. Moore said this was part of what we have done in the past. Part of the grant application done by us to clean up the Norco property says what we and the developers have to do. He hopes it will get done. On a vote on the motion to suspend the rules and have all 3 readings, all members present voted, "Yes." On a motion by Mr. Moore, seconded by Mr. Thornbury, it was moved to pass the ordinance. All members present voted, "Yes." Mr. Schneider commented that Norco made Sears Kit Homes.

L) ADMINISTRATION REPORTS

1. The Auditor

RE: Financial Issues

Mr. Stith announced that the Auditor's report for the month ending June 30, 2010 has been e-mailed out to all those who request it plus council. Printed copies are available in the Auditor and Clerks offices. He also noted that a lot of e-mails have been bounced back and suggested that many of the city's e-mail addresses are full and need to be cleaned out. The comprehensive annual report for 2008 is completed and the audit is done. Mr. Stith said that he is waiting for the last few meetings with the state auditor and administration to occur before he publishes the report. It should be out in the next month or so. Last year it took until November to get it done. This year it is done on time.

M) OTHER REQUESTS TO ADDRESS COUNCIL

There were no requests.

N) UNFINISHED BUSINESS

Mrs. Laake stated that she has received an e-mail regarding the Hilton-Davis issue. Norwood and Cincinnati passed resolutions about the clean up. There was a fire at the property yesterday. The e-mail says that there is a meeting with the Ohio EPA on July 22, 2010 in Columbus and they are asking citizens to contact their state representatives regarding that. On July 29, 2010 the Pleasant Ridge group will hold a meeting with a community organizer in Pleasant Ridge.

Mrs. Laake said that the Committee of the Whole looked at curbing overtime and hiring freezes in order to cut expenses. In speaking with the Law Department, those issues have a lot to do with contracts. In that committee meeting and as stated in the report, the Mayor was asked to go to the unions to discuss concessions and look at ways to curb expenses. On a motion by Donna Laake, seconded by Mr. Thornbury, it was moved to send a letter from Council to the Mayor for him to discuss overtime and hiring freezes with the department heads and the union heads as they directed in that report. Mr. Mumper stated that the Mayor said to him he wants more direction from council. Mr. Moore said that he feels weird about sending a letter. He stated that the Mayor is well aware that a big part of city expenses come out of payroll and that overtime is part of that. He stated that also regarding contract concessions, the Mayor is also aware of that. Mrs. Laake stated that there were 3 things mentioned at the Committee of the Whole meeting-overtime, hiring freezes and an EMS levy. She reiterated that Mr. Mumper had said that the Mayor mentioned to him that he wanted more specific directions. She thinks this letter is a way to give him those directions. All she wants is a follow up on the Committee of the Whole meeting. Mr. Mumper stated that in the past, with critical times, fire and police never announced a hiring freeze because it is against their contract. We have had times where positions were not filled. Some things can be identified or put into writing. We can go by what has been done in the past. Those situations have helped us. Mrs. Laake said she would withdraw her motion and will write the letter herself.

O) NEW BUSINESS

Mr. Laake stated that she received a postcard that Hamilton County is in coordination with the YMCA. Hamilton County has received a grant call We Thrive. It is a community wellness action. She attended the luncheon. Norwood might be able to get monies from the grant for programs in the school and the city. She has a packet and she will pass it to the clerk. Some policy changes are already done by Norwood.

Mr. Sanker suggested that we forward the Committee of the Whole minutes to the Mayor.

Mrs. Laake stated that she received an e-mail from Julie Ellison with Darkness to Light. There is a program called Stewards for Children to support those who have been sexually abused. They are asking for volunteers from the community. She will pass on the information to council members to come up with a date for the meeting.

Mr. Sanker stated that he received a postcard from Hamilton County for recycling to get those who do not have bins to call public works to get bins. Recycling decreases tonnage put into landfills that we pay for and affects our rates. He announced that to get bins, please call Public Works at 458-4615.

Mrs. Laake announced that Norwood Day at Old Coney will be on July 28th. The parade is on July 27th. The event is sponsored by the Norwood Business and

Professional Women's Club. She's hoping for no rain this year and stated that tickets can be bought through the Treasurer's office and that flyers are in circulation about times of events.

Mr. Schneider stated that there are a lot of events in July in Norwood from fireworks, to Norwood Day, the Parade and Holy Trinity's festival.

Mr. Schneider announced that the next council meeting is on August 10th.

Mr. Schneider announced that Boy Scout Troop 9 will be in the parade and that they are currently at summer camp. He mentioned many of the youth who were at Boy Scout Camp. Boy Scouts take young men from urban areas and gives them outdoor skills. Don Broughton is at camp with them. They will also have a new trailer in the parade, with many others.

P) COMMUNICATIONS

1. Letter from the Earnings Tax Department RE: June 2010 Earnings Tax Report
On a motion by Mrs. Laake, seconded by Mr. Moore, it was moved to receive and file the letter. All members present voted, "Yes."

2. Letter from the Mayor RE: Mayor's Court Fines for June 2010
On a motion by Mr. Moore, seconded by Mr. Thornbury, it was moved to receive and file the letter. Mr. Schneider stated that the total disbursements to the city are a large amount. He stated that there was talk of getting rid of Mayor's Courts and asked Mr. Kiser if there is anything going on with that. Mr. Kiser said that there are no new developments to get rid of Mayor's Courts. He believes that the biggest expense is from the collection service which gives every dollar to the city and then takes collections fees after that, so it is not a loss to the city. Mr. Schneider asked Mr. Kiser if the implementation of a juvenile court that he was working on with Mr. Gabbard was working. Mr. Kiser stated that it was working well. They handle 1-2 cases a week. They don't handle traffic or repeat offenders. The court only handles the best chance cases. The idea is to keep kids in Norwood to do community service and they sometimes do letters of apology. On the motion to receive and file the letter, all members voted, "Yes."

Q) EXCUSES ABSENT MEMBERS

No members were absent.

R) ADJOURNMENT

On a motion by Mr. Moore, seconded by Mr. Mumper, it was moved to adjourn. All members present voted, "Yes."

Cassandra Brown
Clerk of Council

Victor Schneider
President Pro-Tem of Council