

RECORD OF PROCEEDINGS

Minutes of

Meeting

DAYTON LEGAL BLANK, P.O. FORM #10, 10148

Held

Thursday, February 2, 2012

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**ITEM 1: CALL TO ORDER:** Mayor Flaute called the Riverside, Ohio City Council Meeting to order at 6:00 p.m. at the Riverside Municipal Center located at 1791 Harshman Road, Riverside, Ohio.

Councilman Smith administered the Oath of Office to Mr. Edward W. Schock. Mayor Flaute presented Mr. Schock with a framed, certified copy of Resolution No. 12-R-1625 which appointed him to the vacant council seat.

Mr. Schock said four years ago the citizens put him in a council seat and he was very proud of that; top vote getter of everyone who ran. He said now he has come before council, asked to be appointed to a vacant seat, and to him he was even prouder in accepting that. He said these are the people he has worked with for four years and they had faith in me that I work as a team member to accomplish our goal to make this a safe and prosperous city in the hard economic times we have. He thanked the council members for giving him the opportunity to serve for the next two years and said he appreciated it very much. He also thanked his wife, Donna.

Mayor Flaute said we are glad to have you back.

**ITEM 2: ROLL CALL:** Council attendance was as follows: Ms. Campbell, present; Mr. Curp, present; Deputy Mayor Denning, present; Mr. Fullenkamp, present; Mr. Schock, present; Mr. Smith, present; and Mayor Flaute, present.

Staff present was as follows: Bryan Chodkowski, City Manager; Bob Murray, Planning and Economic Development; Mitch Miller, Service Department; Mark Reiss, Police Department; Bob Turner, Fire Department; and Bob Gillian, Finance Department.

**ITEM 3: EXCUSE ABSENT MEMBERS:** There were no absent members.

**ITEM 4: ADDITIONS OR CORRECTIONS TO AGENDA:** The agenda was revised prior to the meeting to remove a work session item, discussion with the State Representatives, and replace it with a discussion regarding the Fair Park Bridge. Mr. Chodkowski asked that items 15 (I) a, Resolution No. 12-R-1626 and 15 (I) b, Resolution No. 12-R-1627 be removed from the agenda. He said similar legislation would be brought forward at a future date.

**ITEM 5: APPROVAL OF AGENDA:** A motion was made by Deputy Mayor Denning to approve the agenda as revised. Mr. Schock seconded the motion. All were in favor; none were opposed. Motion passed.

**ITEM 6: WORK SESSION ITEMS:**

a. Utility Aggregation: Energy Alliances & Integrys

Mayor Flaute said when he went to Columbus for a Mayors and Managers meeting, one of the things they talked about was utility aggregation. He said we got a nice course on that and it was something he thought our city needed to be considering. He turned the floor over to Mr. Mark Bishop from Energy Alliances.

Mr. Bishop introduced his colleagues, Mr. Bill Grafe, who he has worked with for almost 30 years in the energy field, and Ms. Brenda Coffey, from Integrys Energy Services.

Ms. Coffey gave a Power Point presentation. She said Integrys is the natural gas supplier to quite a few community aggregation programs both on the Duke System and

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Columbia of Ohio. She said we are looking at getting some more aggregation communities on the Vectren System which you are a member of. She said government aggregation is when communities combine their citizens to form a buying group. She said the purpose is to provide potential savings, to bring price stability, and price protection which is something you currently do not have on the Vectren System. She said Vectren pricing is on a month to month basis and it is dependant upon the market – if the market is low, you have low rates but if the market goes up, you have really high rates. She said we want to assist the residents and small businesses in evaluating different offerings. She said this will allow you to provide your community with a competitive energy buying strategy rather than just be reactive to what the market is doing.

Ms. Coffey said House Bill 9 created the opportunity for municipalities to aggregate their natural gas consumption and then Senate Bill 3 allowed the same thing for your electric consumption. She said cities, counties, townships, and villages can aggregate and right now in the State of Ohio, there are over 270 municipalities aggregating natural gas or they are in the certification process and over 348 communities are in either aggregating or are in the certification process for electric. She said the impact on your community is that it provides you a choice for your energy supply and it provides a customized strategy that is specific to your community. She said it also brings you the ability to offer risk management which can bring stability and price protection. She said with pooled purchasing power you have access to a trading desk that can lead you to multiple pricing strategies resulting in lower costs, stabilized rates, and the ability to buy sustainability or green energy.

Ms. Coffey said Integrys Energy is a non-regulated arm of a Fortune 500 company, Integrys Energy Group, which is based in Chicago and we've been in the energy market for over 150 years through Wisconsin Public Service – that was our mother company. She said we have been in Ohio since deregulation occurred in the mid 1980s so we are very familiar with the energy market. She said Energy Alliances was founded in 1986 and they were instrumental in shaping the transport program on the Duke System which used to be CG&E. She said they have been a leader in gas supply in southern Ohio. She said Spence Faxon, President of Energy Alliances, was appointed to the City of Cincinnati's Mayor's Task Force and they have provided thousands of energy audits and utility rate structuring evaluations that's been able to save their clients millions of dollars over the course of the years.

Ms. Coffey said we actually met with the PUCO and helped them draft the rules for government aggregation and we have a tremendous record with the PUCO. She said we have never had a complaint taken before the PUCO beyond the initial inquiry phase. She said any complaints we've had have pretty much been billing complaints which is actually handled by the utility. She said she thinks that speaks well to their record and its something that as you consider an energy supplier, you want to look into the complaints with the PUCO. She said we have been recognized by Fortune 500 magazine as one of the top five most admired energy companies in the world in 2010, 2009, 2007, and 2006. She said we conducted the first aggregation program for electric in the State of Ohio and the first gas aggregation program in the City of Cleveland Heights in the State of Ohio. She displayed a list of cities they represent in southern Ohio and said Energy Alliances currently serves a majority of the apartment communities in Cincinnati. Mr. Bishop said they have about 65,000 customers in Cincinnati.

Ms. Coffey said another reason you might want to consider us is the financial stability we bring to the market; we have the financial strength to back the programs and the commitments we enter into which is something you should consider because you want your program to be ongoing. She said we do have a local presence, Energy Alliances is in the Cincinnati area and Integrys Energy in Ohio is based out of Columbus.

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Ms. Coffey said we can offer pricing strategies and our most popular offering is called the Flex-Down Rate. She said we try to design the programs to each community because every community has their own specific needs and wants; one size doesn't always fit all. She said while it's very easy for the utility such as Vectren to buy on a month to month basis, it doesn't really answer the needs of a lot of people who are concerned about protecting their prices and saving in their rates. She said the only cost to the community would be putting the initiative on the ballot.

Ms. Coffey said utility prices fluctuate monthly and are based on the NYMEX, New York Mercantile Exchange, and what they call an adder which is really just what it costs to transfer the gas from the well to Vectren. She said prices are sensitive to many different events – weather, politics, supply and demand issues, and there is no stability. She said there is no cap on how high the pricing can go and you, as a consumer, will bear all the market risks. She displayed a graph showing the fluctuation of the market over the past 10 years and said prices were as high as they have ever been in the summer of 2009 and most recently, pricing has been as low as it's ever been. She said that's another reason why this is a perfect time for you all to consider this so you can take advantage of the low prices. She said things aren't going to stay low forever.

Mr. Grafe said the procedures and the steps to start an electric program are pretty much identical to those for the gas programs. He said on the electric side, our partner is Duke Energy Retail which is the non-regulated entity from Duke. He said they have been the ones supplying all the communities who are doing our electric in the Cincinnati area. He said it is very competitive and they just recently won a bid for Colerain Township and Green Township in the last week. He said they offer very good prices and it's a good program. He said we don't have a representative from them today but we can have someone here at another meeting if you would like.

Mr. Grafe said the trend is to go to a market auction; Duke just did that and DP&L is supposed to follow at the end of this year. Mayor Flaute asked what that meant. Mr. Grafe said instead of like DP&L's rates are right now which are based on operating costs plus a profit, they would actually auction off its territory. He said there is an auction and the price for the utility cost is based on what everybody bids; a weighted average of what everyone's bids come in at.

Mr. Bishop said they take the electric program for the next five years and they break it up into little increments and people bid on the pieces. He said then they put it all together to arrive at a price. He said it does leave open some quarterly variable prices as well. Mr. Chodkowski said so basically, instead of manufacturing their own electricity, they are going to allow someone else to manufacture it and whoever can manufacture it the cheapest and distribute it through their capital infrastructure network will be the one that provides. Mr. Bishop said they will transfer a lot of their production over to the non-regulated side and sell it to the regulated side. Mr. Grafe said they can also bid on their own territory.

Mr. Fullenkamp said don't we already have the option to go out and find the lowest bidder such as First Energy. Mr. Grafe said for individual homes and businesses, yes; but we can do better if we do it as a city. He said the residents especially can do better by a program; the pricing is usually better – not always but generally a better deal than an individual can go and get on their own. He said that's not the only benefit but that is one. Mayor Flaute said we've all been getting these things in the mail. Mr. Grafe said you are deluged with stuff and one of the advantages of the program is it kind of protects against the devious things you get in the mail or the phone calls where you really just don't know who the company is or where they are calling from. He said those offers could be promising savings when they are actually higher than the utility. He said it really helps for the people to have someone to call to ask some questions

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and the people are obviously still free to choose their own provider. Mr. Fullenkamp said aggregation is an opt-in program. Mr. Grafe said it's totally optional.

Mr. Smith asked how the billing is handled. Mr. Grafe said it would be through DP&L. Mr. Smith said if we go with your company to provide the electricity and DP&L is providing the infrastructure; are we going to be charged additional fees from DP&L for using their equipment to have the electricity come to our houses. Mr. Grafe said no; in either case whether it be gas or electric, you are going to have a delivery charge from the utility. He said it would be the same whether you are a general customer or a person that has switched. Mr. Smith said that's reflected in the kilowatt per hour isn't it? Mr. Grafe said that's the generation section which is what you would choose to buy somewhere else. He said delivery is still DP&L; they do the billing and they are still responsible to fix whatever goes wrong in the system. Mr. Smith said so he could expect no additional charges from DP&L. Mr. Grafe said no, that's independent and they would have to apply with PUCO for changes in their delivery rates. Mr. Smith said if there was a storm and a tree branch takes out the wires, DP&L would still come out and service that. Mr. Grafe said hopefully they would.

Mr. Curp said currently we pay an excise tax at the state level for gas. Mr. Grafe said there are no taxes on the electric; the excise tax goes away when you purchase gas from a supplier. Mr. Curp said then you pay sales tax. Mr. Grafe said yes; it becomes a product so basically you have to consider the difference. Mr. Curp said we don't have that with electricity. Mr. Grafe said no. Deputy Mayor Denning said currently. Mr. Grafe said yes but they could add one some day. Mr. Curp asked if there was an administrative billing fee for DP&L to handle the billing. Mr. Grafe said no extra fees on our end or from the utility. Mr. Curp said on residential property owners who are on level or budget billing, would that go away and they would pay the actual amount. Ms. Coffey said she wasn't sure about electric but for gas, any program you have with the utility can be transferred. Mr. Grafe said he thought the electric would work the same way.

Mr. Smith said what about when you apply for new service; do you have to pay additional fees to be connected. Mr. Grafe said no.

Mayor Flaute asked if you would still call DP&L. Mr. Grafe said right. Mayor Flaute said so if a new person moves in and we aggregated with you as our supplier, would you contact them or would the utility tell them. Mr. Grafe said if you are a new person coming in, you would have to call in to enroll in the program. Mayor Flaute said so if you don't call, the utility will put you into whichever program. Mr. Grafe said they would have to request to be put in a program. Mayor Flaute said he is assuming they would want to call Energy Alliances because you aggregated and are cheaper than whoever else is providing. Mr. Grafe said depending on the market and the timing, most people would have the ability to enter.

Ms. Coffey said normally what we've done for people moving into the program, it's usually written into your plan of operation that they can be added to the program at that particular time. Mayor Flaute said without calling in. Ms. Coffey said no; they would still have to call in but they can be added to the program. She said also depending on how it's structured, we can do what's called refreshes periodically which would take into account new customers within the city.

Mayor Flaute said it was stated that DP&L would be doing the auction thing later this year. Mr. Grafe said that will be for next year. Mayor Flaute asked if that would delay us. He added we can't go to the ballot until November. Mr. Grafe said there are a couple options but that wouldn't really affect you.

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Mr. Grafe displayed a chart showing rates and said it shows you how low the market is. He said it fluctuates but has stayed down so either way, on the electric or gas, it's really a good time to do something - a chance to lock in and keep the cost down for an extended period of time.

Mr. Curp said if the electorate approved aggregation, would this be open-ended or is there a term. Mr. Grafe said it is typically a two year agreement but a yearly price and people have a chance each time there is a change to opt in or opt out. He displayed some PUCO data showing a high percentage of people who have switched to a supplier. He said some of the things to consider on electric aggregation would be to evaluate pricing vs. the auction, knowledge of different rate structures and tariffs, and extended periods of fixed pricing are more common on the electric side than on the gas.

Ms. Coffey displayed items they thought Riverside would want to consider as they think about a program for gas aggregation. She said customized pricing strategy - why does it work - because it reduces the emotional decisions. She said you had alluded to constantly getting things in the mail wanting you to switch and sometimes they make it seem like if you don't you are going to be in trouble. She said sometimes people pick up the phone without really realizing what they are getting themselves into. She said so as a community, to offer a service where you have looked at where the market is, you've talked to a supplier, and you understand what it is that's being sold to you, you can provide that type of assurance to your community without every individual customer having to go out and do it themselves. Mr. Chodkowski said participating in your program doesn't preclude our residents from receiving those same flyers and still having the ability to opt out to another program. Ms. Coffey said sure; they can always do that. She said it reduces the market timing; the flyers you get are usually for a limited time to get that rate because certain amounts of gas are bought by the suppliers at a particular price and that is the price they will offer. She said when enough people subscribe to that rate, the offer is over; the supplier has to go out and buy more gas to make another offer. She said it could be lower if the market is down and sometimes it will be higher. She said with the community program we will look at the market and time the buy to be as advantageous to your community as possible. She said that allows you to be proactive instead of reactive and we will pick a strategy that meets your needs.

Ms. Coffey said you also want to be sure you pick the right partner and there are a lot of consultants out there who will advise you what to do. She said often what happens with a consultant is basically they do the same thing that those other choice offerings are and the purchase might not be timed as strategically because they don't really care. She said as a supplier we do care and we want to time the purchase to get a strategic price for your community. Mr. Fullenkamp asked if they were a supplier or an aggregator. Ms. Coffey said we are both; she's talking for Integrys Energy for the gas only. She said you want to make sure who is responsible for the purchasing decisions and from our experience in working with consultants in the past; we have made the corporate decision not to go through a consultant but to approach a community directly. She said the consultant is always protected - when the price is very good, the consultant did a great job; and when the price is very bad, it wasn't the consultant - it was the supplier. She said consultants always add a fee to the cost of the gas. She said also when they were working with consultants, we were still providing the services we provide now to the community and the consultant was sitting back and collecting his fee.

Ms. Coffey said another thing you want to look at is an inexperienced supplier because that could cause you problems, not only dissatisfaction with the program for your residents but it could also cause some regulatory problems. She said you want to make sure you pick a supplier that has that experience in a regulatory arena, has a skilled

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trading desk, and has been implementing programs so they are aware of the pitfalls to look out for to make sure your program runs smoothly.

Mr. Smith asked if we sign up with you are we entering into a contract. Ms. Coffey asked if he was talking individually or as a community. Mr. Smith said individually at this point. Ms. Coffey said individually there would be a contract. Mr. Smith asked how long. Ms. Coffey said it would depend on the pricing structure; there are certain PUCO rules – if it's a monthly, variable rate you could get out of the agreement at any time without a fee. She said if it's a fixed rate, you could get out of the agreement but there might be a termination fee. Mr. Smith asked what the length of the contract would be – 1 year, 2 years, 6 months, etc. Mr. Grafe said you could have any of those choices. Ms. Coffey said there is a PUCO website called apples to apples and you can see on there all kinds of terms available.

Mr. Fullenkamp said but the city does not specify the terms for a resident. Ms. Coffey said if you are talking about a city then what we normally do, although it is still up to the city, is we have a 2 year term. She said we pick 2 years because the PUCO rules state that you have to allow your citizens to opt out of the program at least every 2 years. She said we pick a 2 year term with the city but the pricing is established 1 year at a time and actually allows the residents to opt out at least once per year.

Mr. Curp said if the residents approve aggregation, will this be offered to the businesses as well. Ms. Coffey said it is offered to small businesses. Mr. Bishop said we do have programs offering discounted rates for larger businesses. He said the apples to apples is just a public offering we have to make so if someone says they are the cheapest based on the apples to apples, it really doesn't mean a whole lot. Ms. Coffey said the community programs are not posted on the apples to apples chart. Mr. Bishop said you also have to be careful with the terminology; the residents will get a lot of flyers and we've had instances where we had a very good price on our resident program but it was considered a flex-down program, not a fixed program. He said another flyer came out stating no lower fixed program in Duke Territory and people thought it was lower than what we were offering because they didn't read the numbers and that was wrong. Mr. Fullenkamp said there isn't an opportunity to go on the apples to apples chart. Ms. Coffey said it doesn't post aggregation program rates.

Ms. Coffey said for community leaders, your first question is if you are going to allow a resident to decide if they want the program and that means you place the issue on the ballot. She said if it is approved then you will want to partner with a qualified supplier. She said for the consumer role, all the residents would qualify and for a business to qualify, they would have to use less than 500 mcf per year for gas and less than 700,000 kilowatts per year for electric.

Mr. Chodkowski said assuming that council were to choose to put this item on the ballot, is the price for the utility being aggregated not known at the time the issue goes on the ballot. Ms. Coffey said that's correct. Mr. Fullenkamp asked if it had to go on the ballot. Ms. Coffey said yes; opt out programs have to go on the ballot. Mr. Bishop added that it gives you the ability to look into a program. Ms. Coffey said it gives you the right but not the obligation so from our perspective, why wouldn't you want to put it on the ballot. She said if pricing isn't good at the time of the ballot and you want to wait, then when pricing does roll around and is attractive again, you will be ready to go. She said if you don't put it on the ballot and you wait around for pricing to be attractive, by the time you put it on the ballot and go through the procedures, pricing might be high again. Mr. Fullenkamp said but what you are suggesting is that your prices might be lower even at the higher levels. Ms. Coffey said historically it has been.

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Deputy Mayor Denning said so what we would be asking the voters to do is give us permission to check your company or another company for an aggregate cost and enter into a contract with whoever will give the residents the best price possible at that time and gives them the opportunity to opt out if they choose not to. He said if we look at the prices and you are higher than what we are currently being billed for, we can choose not to do it at that time; but if a year later you are lower then we can opt in. Ms. Coffey said then you can start the program.

Ms. Coffey said for the energy supplier's role, Integrys breaks that up into 5 different steps: we provide pre-referendum services, post-referendum services, supply strategies, implementing the program, and ongoing responsibilities. Mr. Bishop said on the pre-referendum services, we try to educate the public before the election. He said we try to let the people know this is not going to raise their taxes and they can freely opt out. Mr. Fullenkamp asked how they would go about educating the public. Ms. Coffey said in general we have done public forums sponsored by the city, mailers, and postcards, whatever the city wants. Mr. Bishop said you may have a newsletter or a website where we can also put information.

Mayor Flaute said you do all that, then what if we don't choose you. Ms. Coffey said that's the risk we take. Mr. Curp said you absorb the expense for the campaign as opposed to the city paying for those things. Ms. Coffey said yes and our thought on that is we want the residents to understand what the program is before they vote on it because we don't want unhappy people in a program.

Mr. Smith asked if the program would generate revenue for the city. Ms. Coffey said that really depends on the city and most cities we've worked with have elected not to participate in any type of a sponsorship where we will contribute to a designated fund such as a parks fund or a green energy program fund or whatever based on the number of enrollments. She said we would be happy to do that but that would be up to the city. Mr. Bishop said one of the things to consider that is indirect, but a large group of people saving money should help the economy within the city. He said it's a little more money for each person to spend in the area which they live. Mr. Smith said the reason he asked is because the city does have revenue from franchise fees as well as hotel/motel tax, and so forth. Mr. Bishop said the hotel/motel is actually a little bit different than a utility and a lot of communities kind of look at it as an extra tax if you tack something on to everyone's utility bill; it has to be paid for somewhere and it's going to come out of the cost to the residents. Deputy Mayor Denning said so the answer is instead of being 79 cents per cubic foot it will be 82 cents per cubic foot and the residents would be paying indirectly for it. Ms. Coffey said we have heard that's what most other suppliers do that we have gotten information about but the programs we have, offer that too and they have taken advantage of that; they've been set up at the exact same rate as the other programs in their area are so what we offer does not really add anything to the cost of the gas itself and we would anticipate continuing doing that.

Ms. Coffey said we also have a toll free number with our call center that we would urge people to call if they have questions and we have page on our website that shows some of the rules as well as frequently asked questions if the residents had questions prior to the referendum. Mayor Flaute said so if they called here, we would give them that number. Ms. Coffey said that would be fine.

Ms. Coffey said for the post-referendum services, we create and pay for the ads. She said part of the process you have to go through before you can be certified is you have to hold two advertised public meetings to draft a plan of operation and governance. She said we pay for the ads and we lead the public hearings to draft the plan. She said the plan is adjusted according to the feedback we get from your residents and from you to comply with whatever you all want your plan to look like. She said we submit

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that along with all required information to the PUCO for certification. She said we guide you through that whole certification process.

Ms. Coffey said on the supply strategies, we engage you in what you feel your community residents are looking for. She said we monitor the markets and keep you updated on that. She said then we make the energy purchase and you may or may not be interested in green energy but if you are, then we certainly would want to make sure we make that a part of the program. She displayed a chart showing pricing options they offer and the advantages/disadvantages of each option. She said we've found that communities like the locked in price with the flex-down because it provides a price cap protection but if the market goes down, we flex down the rate. She said we feel it is the best of both worlds. She said some communities felt they didn't want to pick a price so we've offered two options; one is picked as a default and the secondary pricing option has usually been a variable rate. She said this sort of takes the responsibility of picking a price for all your residents out of your hands and allows them to have the final say as to the pricing structure they are interested in.

Ms. Coffey said just to give you an idea of the importance of the gas itself vs. the adder or the cost to transport it to Vectren; the cost of the gas typically comprises 70% to 80%. She said if someone comes and says they have a great adder, that's all good and well, but what happens when they go to actually buy the gas. She said if the cost of the gas is higher than anyone else on the market a low adder isn't really going to be the best choice for your residents. She said you also want to make sure they have operational abilities to deliver the gas on the system and get it to the point where Vectren takes over.

Ms. Coffey said for the implementation steps after you've been certified as an aggregator, we will conduct the opt out process which means we will print the materials to explain the programs terms and conditions, update the call center and the website pages, and we enroll participants with the utility. She said there will be a certain number of participants that will be rejected by the utility for whatever reason and we will have a letter of explanation to them within three days of why they were rejected and we refer them to the utility. She said those that are approved by the utility receive a welcome letter which actually gives them another chance to opt out if they think they received the letter in error. She said it's little bit above and beyond what PUCO requires just to make sure everyone is aware of what they got themselves into.

Ms. Coffey said as a governmental aggregator, you have annual reporting requirements and we do that for you, all you need to do is sign the document and we send it in for you. She said every two years you have to be recertified and we do that for you too.

Ms. Coffey said our call center is open 24 hours per day, 7 days per week, 365 days per year, and we have a minimum of 80 available lines coming in. She said during the fall when many of our programs come up for renewal that increases dramatically. Deputy Mayor Denning asked if the call center was in the United States. Ms. Coffey said yes; in Michigan and we do have a dedicated number for each community so when a person calls in it will say City of Riverside aggregation program. She said we also have online chatting service and multilingual capability up to 50 languages. She said our marketing team customizes the landing page with a lot of frequently asked questions, notices, and program rules and our in house print shop does all the informational letters, opt out notices, reject letters, and etc.

Ms. Coffey displayed all the steps with who was responsible for each and said you can see we are responsible for most. She said we cannot pass a resolution for you to adopt a plan of operation so the city would be required to do that and the city would have to sign the various documents for certification but there are no consultant fees. She said

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as stated before, the city doesn't pay for anything other than the initial referendum. She reviewed what to look for in a supplier: financial strength, geographic proximity, certification by PUCO, operational experience, certification experience, ability to provide green energy if that's what you are interested in, history of complaints with PUCO, and obtain some testimonials. She said lessons we've learned is we want to make sure everyone has realistic expectations; we can't guarantee you are going to save money every single month simply because the gas market moves every month. She said regardless of how much care we take and how many notices we send out to your residents, there are going to be some people that are dissatisfied with the program. She said we've always allowed a resident to exit the program and we've never charged a termination fee. She said the time frame between when the community passes a referendum and when the gas actually flows is usually longer than you expect. She said PUCO has certain rules: for the certification, they have 30 days to approve or disapprove it; the residents have 10 days to review opt out notices; so a lot of it is due to PUCO rules and some of it is due to your own rules because you do have to develop a plan and you have to enter into a contract which could take longer than you anticipate. She said a lot of it is up to you as a community leader and we just want to emphasize that we want to maintain the communication with you as leaders and with your consumers in the education and communication they receive from us to make certain everyone has realistic expectations.

Ms. Coffey said important days to remember are May 9<sup>th</sup> which is when you must submit your ballot issue to the county board for the August 7<sup>th</sup> election or August 8<sup>th</sup> is when it must be submitted for the November 6<sup>th</sup> election. She displayed a slide showing an idea of what the ballot language needed to be and said the information is in the packets they are handing out. She said also included is a sheet showing what our performance has been vs. a consortium buying group in northern Ohio and some information from different people on how we handled their programs.

Deputy Mayor Denning said so the whole purpose of aggregate buying is bulk is less expensive in general; is that the idea behind it. Ms. Coffey said that's the idea. Deputy Mayor Denning said you guys know you'll be able to get a better deal because you know you have 10,000 customers in one spot. Ms. Coffey said right. Deputy Mayor Denning said so the concept is bulk is better and the idea for us is for us to be able to get our residents a better price than what they can get individually. Ms. Coffey said not necessarily a better price, we have heard from communities especially from communities that have older residents and they like the capped price, they like knowing their rates are never going to go higher than that. She said a lot of businesses like that too. She said a lot of people are not comfortable being at the mercy of the market and they like the pricing structure which the utility doesn't offer. Mr. Bishop said especially with Vectren because as low as it is now, they ride the market but it is going to go up sooner or later. He said it may stay low for a while but when it starts to go up the cap is nice, especially in the winter. He said we don't always have that cap through the whole year it might go to a variable during the summer when there is low usage but that's up to the city to decide. He said somebody asked about the risk of doing these and getting to a point where the city might go with someone else; we've never had that.

Mr. Chodkowski said so there is no risk and no downside. Mr. Bishop said no one has gone through all this with us then chose someone else. Mr. Chodkowski said his question would be, understanding everything you've stated through the course of your presentation, this is the greatest thing since sliced bread and Vectren Energy Delivery or DP&L Energy Delivery should just be in the capital business and just let product be purchased by you. Mr. Grafe said it is really trending that way; there is a high percentage of people who have switched and aggregation is becoming a common thing. Mr. Chodkowski said there is always a risk, be it large or be it small; what is the risk to move from traditional delivery to an aggregation delivery. Mr. Bishop said the

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only risk would be when we set the cap price if the market should fall. He said with the flex-down option the rate could drop with it but not one to one because we are paying for options to drop it but it'll drop about 40 cents to a dollar. He said they stay in a ball park for the residents so they are not hurt by the market drop. Mr. Chodkowski said based on what he's heard tonight, would it be a fair assumption to say that while purchasing gas or electricity through aggregation there is a higher probability that your rate will remain lower through the term of your contract, however, you may stand to see a greater increase in rates when you change the term of your contract. Mr. Bishop said that would be fair. Mr. Chodkowski said so where my rate might gradually increase over three years through Vectren; through aggregation my rate will stay low for 24 months and then it may increase 21% because that is the low point in the market. Mr. Bishop said correct. Mr. Chodkowski said so then the risk is that you will have greater percentages in your increases but those increases will happen less frequently. Mr. Bishop said that could happen.

Ms. Coffey said if you look at where the market is today, what is the probability that it is going to go down much further; it's very small. She said it can't go down much further because eventually it will reach a point where people will stop producing and just leave it in the ground until the market goes back up. She said on the possibility of it going much higher, there is a tremendous risk. She said it is a perfect time right now because of where the market is to enter into an agreement. Mr. Chodkowski said so the simple explanation is that you delay the inevitable. Ms. Coffey said she didn't know if she would say it that way but the market is going to go up and we've always been able to provide a much better savings. Mr. Chodkowski said so in theory you will always be able to provide a rate that's cheaper. Mr. Grafe said even our variable rate has always stayed below the utility but it doesn't provide protection as the other program does. He said there is a little bit of a trade off there.

Mr. Grafe said another thing that points to how well we've done is the slide that shows all the communities we've worked with. He said they all renewed their contracts with us last fall which really showed us how happy they were with the program in general. Ms. Coffey said many were on their second renewal so they've been in the program for 5 or 6 years. Mr. Bishop added that in addition to the 800 number for your community, you will also have access to us all the time and when you call our office, we have a human answering all the time. He said if a resident doesn't get satisfaction on the 800 number you can always have them call us.

Mayor Flaute asked who their competition is; is it all the guys that are sending us mail. Ms. Coffey said yes but not all of them do aggregation. Ms. Campbell said she went with someone else for a couple years but as far as she knew, it never had to go on the ballot. Ms. Coffey said that's on an individual basis, not aggregation. Mayor Flaute said he is mostly worried about DP&L and Vectren. Ms. Coffey said Vectren Source is a marketing arm of Vectren but they don't aggregate and they just sold that to Direct Energy so they aren't even doing it themselves anymore.

Mr. Schock said you were talking about how you study the market so carefully and that is such a hard job to do; you have to stay up 24 hours a day, 7 days a week, because if you go to bed at night, somebody can park a battleship over in the Mediterranean and all of a sudden, gas goes up. He said you wake up the next day and find out your natural gas is twice as much. Ms. Coffey said our trading desk is aware of those types of possibilities and they have triggers where they say to the market if it gets to a certain point, go ahead and buy right now. She said they don't necessarily have to be physically there. She said you want a supplier that has that capability; you don't want some guy operating out of his house saying they'll see if they can't find someone to sell them the gas at a certain point. Mr. Bishop said we have direct communication with the trading desk so we can make those buys quickly if we see the market moving. Mr. Grafe said some of those companies with the offers will buy gas

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then send out a bunch of stuff to sell it so the price isn't always good. He said they will buy one day, sell it, then buy some more. Mr. Schock said so you have traders on the floor. Mr. Bishop said yes. Mr. Schock said you're not going through anyone else; you have your own. Ms. Coffey said yes; in this area we have one guy and then we have several traders in our Chicago and Wisconsin offices.

Mr. Smith said in one of the early slides you showed \$9.8 Million in assets and \$7.0 Billion in revenue; is that for one year. Ms. Coffey said that was for 2010; our 2011 is not out yet but it should be soon. Mr. Smith said so that is yearly revenue. Ms Coffey said yes.

Mayor Flaute said if we put this on the ballot in November, how much would it cost the city. Mr. Chodkowski said we would have to call the county but basically their printing costs depend on what they are already putting on the ballot. Mayor Flaute said just a ball park. Mr. Chodkowski said if you put something on in the off cycle it's about \$1,000 to \$1,200 per prescient and in a traditional cycle it could be \$200 to \$300 per prescient. Mayor Flaute said under \$500 probably. Mr. Chodkowski said that's a fair guess.

Mr. Curp said in looking at the top three options; in rank order which would have the highest unit cost, then next highest, and then third. Ms. Coffey said probably the highest unit cost is going to be the flex-down rate because you do have to provide buying options in order to be able to flex that down. She said but what we've found that even though it initially looks higher, being able to flex that down has provided a much lower cost. She said right now our flex down rate is well below any fixed rate we've had. Mr. Curp said you have a locked in price with that. Ms. Coffey said yes; part of it is locked and part of it is options. Mr. Curp asked how that would compare with the top two as far as unit cost. Ms. Coffey said she doesn't know exactly right now; some time ago she asked that question and it was about 20 to 30 cents to provide the flex down but she doesn't think it's that high. She said there is a community up north that has a flex down rate and a fixed rate and the difference was only 10 cents in the cost.

Mayor Flaute asked if there were any further questions; being none, he thanked them for coming in. He asked council if they wanted to have this as a discussion item again or if they wanted to have a resolution brought forward. Deputy Mayor Denning said he would like to do some homework and other council members agreed. Mr. Schock asked it be added to a future work session. Mayor Flaute asked for the clerk to get it on the calendar and said council would have to make a decision before the first meeting in August to get it on the November ballot.

b. Discussion: Fair Park Bridge

Mr. Chodkowski said you all received his memo in the packet and the Ohio Department of Transportation has extended applications for the Municipal Bridge Fund until March 1<sup>st</sup>. He said council gave the directive on December 15<sup>th</sup> that when that window presented itself we were to make an application. He said at this time the information he needs from council is exactly what structural solution they would like us to apply for regarding the Fair Park Bridge. He reviewed the options which all require a 20% local match: option 1 - the rehabilitation of the failed components at an estimated price of \$200,000 which would replace the two outer beams on both sides of the bridge and a new plate on the bridge deck; option 2 - a complete rehabilitation of the span which would replace all of the I-beams and the deck top at an estimated cost of \$350,000; and option 3 - is a complete structural rebuild at an estimated cost of \$500,000. He said the cost to the city for option 1 would be \$40,000, option 2 would be \$70,000, and option 3 would be \$100,000. Deputy Mayor Denning said that's if we get the grant. Mr. Chodkowski said correct.

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Mr. Schock said if we did the \$200,000 option, how long would that repair last – 15 years. Mr. Chodkowski said it would probably be closer to 25 to 30 years; the existing structure that is there is approximately 50 years and other than an occasional scraping and painting, we haven't performed any significant maintenance on that bridge in its lifetime. Mr. Schock said because of the amount of traffic it receives; it doesn't deteriorate fast. Deputy Mayor Denning said the bridge gets a lot more traffic than we thought it did. Mr. Schock asked what the traffic count was. Mr. Chodkowski said about 900 car trips per day.

Mr. Fullenkamp asked if any of the options would solve any other problems such as water flow. Mr. Chodkowski said he didn't recall what the storm water rating is for that bridge but it is one of the larger on that span of creek line and it is not rated to the preferred 100 year storm event. He said only option 3 would resolve that issue. He said the middle option, provided there are no deficiencies with the abutment structures which the engineer did not believe there were any significant issues, you would be looking at another 40 to 50 year life of the bridge. Mr. Fullenkamp said so options 2 and 3 are equivalent on life span. Mr. Chodkowski said that's correct.

Mr. Schock said if we did none of the above, it would last another 100 years as a pedestrian bridge. Mr. Chodkowski said he didn't know if it would last that long but we could make more permanent modifications to how we have the bridge deck closed to make it a more usable pedestrian bridge. Mr. Schock said we never really thought of that option either. Mayor Flaute said it's still going to deteriorate just not as fast.

Mr. Curp asked what the load variables were based on the repairs. Mr. Chodkowski said if we followed the engineer's reengineering of the span, you would see an increase in the load handling capabilities of that bridge which prior to its closure was rated at 6 tons. He said for the fact that it services a largely residential neighborhood, to replace the existing span and hold the abutments would still be able to allow a 6 ton carrying capacity which would meet the needs. He said if we ever thought industrial uses might occur in that neighborhood then we would want to make the upgrade to a complete rehabilitation of the entire structure.

Mr. Fullenkamp asked if all three options were at the 6 ton level. Mr. Chodkowski said options 1 and 2 are at the 6 ton limit and he doesn't know what the load rating would be on option 3 but it would be at least 6 tons and he assumed it would be greater. Deputy Mayor Denning said we would also assume option 3 would carry more water if necessary – closer to the 100 year storm. Mr. Chodkowski said correct but he didn't think council should be too concerned with the storm water rating because there are restricted inlets at Smithville and at the railroad tracks that are not to the 100 year storm. He said you would still have a damming affect in that area and you would see fewer instances where the water would clear the bridge surface but that does not preclude that from happening on a complete rehabilitation.

Mayor Flaute asked when we would know if we got the grant. Mr. Chodkowski said awards are made in July and they cover a four year period. He said ODOT looks at the total dollars requested and they sequentially line those up to find as many applications as possible. He said when you are approved; it is approved for funding within a four year window. Mayor Flaute asked if our chances would be better if we went with the \$200,000 repair. Mr. Chodkowski said based on his conversation earlier today with the engineer, he recommended the middle option which is the complete rehabilitation of the span and he indicated that most applications awarded in the last cycle were right around the 1/2 million dollar mark. He said it was the engineer's opinion that based on our total project scope of \$350,000, we would stand a better chance overall of receiving funds for option 1 or 2 but when you look at the difference in cost between 1 and 2, it is relatively negligible.

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Mr. Smith asked what the life of the bridge would be for option 2. Mr. Chodkowski said approximately 50 years provided regular, heavy maintenance is performed.

Mr. Schock said he thought we should drop right in the middle. Mayor Flaute said he was thinking the first option. Mr. Schock said it would have a better chance of flying. Mr. Chodkowski said to keep in mind this isn't about the money; there is a combination of factors, finance is one of them but we receive no greater points if we agree to contribute a larger percent. He said what they are going to look at in the prioritization is how many properties are affected, alternate options, impacts in delivery of emergency services, and etc. He said some of those we will score better on than others but we want to meet the minimum scoring to be accepted for funding. He said what we're hoping is if we ask for a smaller amount, we may have a lower score but because we are requesting a smaller amount in dollars, we can still make the cut.

Mr. Smith said the \$200,000 may look like a Band-Aid approach where the middle of the road at a \$350,000 expense, the county won't have to come back and address this for another 50 years. Mayor Flaute said if we do the \$200,000 along with heavy maintenance, we could get 30 or 35 years out of it. He said if we have to do heavy maintenance anyway why not go with the less expensive repair. Mr. Chodkowski said the issue is if you only replace the beams at the outer span you still have the old beams in the middle so you would have to do the maintenance more often. He said if you replace the entire span, maintenance would be required less often.

Mr. Fullenkamp said so what you are suggesting is the maintenance costs would be less with the middle option. Mr. Chodkowski said correct. Mr. Fullenkamp asked if we had any idea what the difference would be. Mr. Chodkowski said to blast and recoat that bridge would probably run \$35,000 to \$50,000. Mr. Fullenkamp asked how often. Mr. Chodkowski said about every 7 to 10 years depending on the condition which depends on how many storms and how much debris. Mr. Fullenkamp asked if all options would require that type maintenance. Mr. Chodkowski said option 3 would not because we would move away from the steel beam construction and go to elongated concrete culverts. Mr. Fullenkamp said so in the long term, option 3 is probably the cheapest. Mr. Chodkowski said for ongoing maintenance, that is correct, but there is the initial cost.

A motion was made by Deputy Mayor Denning to bring forward legislation to apply for Option 2 as discussed for the \$350,000 rehabilitation of the Fair Park Bridge. Mr. Schock seconded the motion. All were in favor; none were opposed. **Motion passed.**

**ITEM 7: RECESS:** The Council took a recess at 7:38 p.m.

**ITEM 8: RECONVENE:** The meeting was reconvened at 7:54 p.m.

**ITEM 9: PLEDGE OF ALLEGIANCE:** Council Member Ken Curp led all those in attendance in the pledge of allegiance.

**ITEM 10: MINUTES:** Consider approval of the minutes of the January 19, 2012 Council meeting. A motion was made by Deputy Mayor Denning to approve the minutes as written. Mr. Smith seconded the motion. Mr. Schock said he would be abstaining since he was not yet serving as a council member on January 19<sup>th</sup>. With no further discussion, six were in favor; one abstention – Mr. Schock. **Motion passed.**

**ITEM 11: ACCEPTANCE OF WRITTEN CITIZENS PETITIONS:** Mayor Flaute advised citizens to fill out a form if they wished to speak about agenda or non-agenda items.

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## ITEM 12: CITY MANAGER'S REPORT:

### (1) FYI Items

- a. Council Request Sheets.
- b. Code Rewrite Request Sheet.
- c. Council Agenda Calendar.
- d. Weekly City Manager's Report.
- e. Minutes of the December 19, 2011 Planning Commission Meeting.
- f. Minutes of the December 27, 2011 Board of Zoning Appeals meeting.
- g. Minutes of the January 26, 2012 Health and Safety Commission meeting.

Mr. Chodkowski said you have my report and he would be happy to answer any questions. He said as an additional side note, late last week we received a letter from the Ohio Public Works Commission that our request for funding has been approved and we are anticipating the actual availability of those funds around June 1<sup>st</sup>. He said there were be additional information in his manager's report tomorrow. Mayor Flaute said for everyone's benefit that will be for the repair of Harshman Road from here to the city limits by the old Meijer store. He said we are glad the state is helping us out and he asked how much we will receive. Mr. Chodkowski said the application was for the rehabilitation of the Harshman/Valley intersection but the total scope of the Issue II project was from Transportation Drive to just south of the Valley intersection and about 100 yards in each direction on Valley. He said the city will be funding the mill and fill resurfacing of Harshman from Transportation Drive north to Meijer and south of McDonalds to Rt. 4. He said the total cost of the project is roughly \$3.5 Million; OPWC is providing just over \$750,000 in a grant and another \$200,000 is a loan.

Mr. Smith asked when that will start. Mr. Chodkowski said we are hoping to have it under construction late summer or early fall this year.

Ms. Campbell said she thought that was being done with a grant. Mr. Chodkowski said only \$780,000 will be a grant; the rest will be paid by the city.

Mr. Schock said on the City Council Agenda Calendar he noticed that the Red Flex cameras were not on the agenda at all. Mr. Chodkowski said because we do not have definitive time frames back from Red Flex on when their preliminary study of intersections will be complete. He said until we have that information, we don't know where to place it on the calendar. He said Chief Reiss has spoken with Red Flex and they are working to get some of their counting devices here in the city.

Mr. Smith said going back to the Harshman Road repair, what kind of time frame are we looking at to have that completed. Mr. Chodkowski said it would be completed prior to the closing of the asphalt plants in November. He said until the engineering is detailed, he is unable to tell how long the project will take but our intent is to have it all done by the time construction season is over. Mr. Smith asked if the intersection would be basically torn out. Mr. Chodkowski said we will go all the way down to the base concrete and conditional improvements will be made to the concrete to give a greater bonding ability to the asphalt, then the asphalt will be applied with gilsonite

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which is a hardening component to prevent the pushing effect. He said everything beyond the scope of that project will be a mill and fill with a gilsonite application. He said the intersection will be a 20 year life and the mill and fill will be roughly 10 to 13 years.

Mr. Schock asked why it was taking so long to start this year. Mr. Chodkowski said OPWC regulations specifically state we cannot begin construction until after the funds are officially available which does not occur until June 1<sup>st</sup>. He said you will see the engineering paid for in advance and when we get to the middle of May we will advertise for bids to come in just after the first of June. He said we will make an evaluation and bring forth legislation end of June or beginning of July then there will be 30 to 45 days for scheduling so it will be right around the middle of August before we can actually start doing any of the work. He said if we bid the project any earlier and there is a delay in the money, contractors only have to guarantee their prices for 30 days.

Mr. Smith asked how many police cruisers were being purchased. Mr. Chodkowski said there are four which council authorized at the last meeting.

Mayor Flaute asked when the next newsletter will be going out. Mr. Chodkowski said council will receive the proof at the next meeting and it should be mailed middle of March. Mayor Flaute said we need to put the bike rodeos in this newsletter. Mr. Chodkowski said those are in the newsletter as well as the OPWC information, vacancy information on boards and commissions, storm water information, and other information provided by Mr. Gillian and Chief Turner. Mayor Flaute said we just need to make sure everything gets in the letter that needs to be in it; June 9<sup>th</sup> is St. Helen's Festival. He thanked the Health & Safety Commission for working so hard on the rodeos and setting the dates and said it's a good learning experience for the kids.

Mayor Flaute said he received the application for the ED/GE Grant and asked if we had something in mind for that. Mr. Chodkowski said yes. Mayor Flaute said if council has any ideas for the ED/GE money; please give those ideas to the City Manager so he can get those in this application. He asked what project they had in mind. Mr. Chodkowski said our primary application will be on behalf of Mullins Rubber on Valley; based on the products they manufacture, they draw off water directly from the lower aquifer, use it to cool their machinery, and then discharge the water into the upper aquifer. He said the Ohio EPA has taken exception to this practice which they have been doing since the late 1930s so it is our intent to make an application to assist them in modifying their process to become compliant with the OEPA so they can remain in business and competitive in the marketplace. He said they currently employ approximately 45 individuals and have employed as high as 70 people.

**ITEM 13: PUBLIC COMMENT ON AGENDA ITEMS:** There were no public comments on agenda items.

**ITEM 14: UNFINISHED BUSINESS:**

- a. Ordinance No. 12-O-486 amending the Personnel Policies Manual of the City of Riverside, Ohio. (SECOND READING AND CONSIDERATION OF ADOPTION)

Mr. Chodkowski said this ordinance is brought forth to make amendments and additions to the city's Personnel Policies Manual at the request of the Bureau of Workers Compensation.

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A motion was made by Deputy Mayor Denning to read Ordinance No. 12-O-486 for the second time by title only and to approve its final adoption. Mr. Schock seconded the motion.

The clerk read Ordinance No. 12-O-486 for the second time by title only and Mayor Flaute asked if there were any questions or comments.

Being none, all were in favor; none were opposed. Motion passed.

ITEM 15: NEW BUSINESS

I. RESOLUTIONS

- a. Resolution No. 12-R-1626 declaring a 2002 Case 580SM Backhoe Loader used by the Service Department to be surplus and no longer needed for city purposes and authorizing its trade in.

This item was removed from the agenda.

- b. Resolution No. 12-R-1627 authorizing the City Manager to enter into a contract with Ohio Cat of Troy, Ohio for the purchase of a new Caterpillar 416E loader/backhoe with accessories for a total price not to exceed \$74,359.00, less trade in value of a 2002 Case 580SM loader/backhoe.

This item was removed from the agenda.

- c. Resolution No. 12-R-1628 by the Council of the City of Riverside, Montgomery County, Ohio approving the City Manager's appointment of two members to the Tax Incentive Review Council (TIRC).
- d. Resolution No. 12-R-1629 setting forth appointment of Donna Clendening to the Multimodal Transportation Commission for a three year term beginning February 19, 2012 through February 18, 2015.
- e. Resolution No. 12-R-1630 setting forth appointment of Lori Luckner to the Multimodal Transportation Commission for a three year term beginning February 19, 2012 through February 18, 2015.
- f. Resolution No. 12-R-1631 setting forth appointment of Yolanda Truckenbrodt to the Multimodal Transportation Commission for a three year term beginning February 19, 2012 through February 18, 2015.
- g. Resolution No. 12-R-1632 setting forth appointment of James Yount to the Multimodal Transportation Commission for a three year term beginning February 19, 2012 through February 18, 2015.

A motion was made by Deputy Mayor Denning to approve Resolution Nos. 12-R-1628, 12-R-1629, 12-R-1630, 12-R-1631, and 12-R-1632. Mr. Schock seconded the motion. All were in favor; none were opposed. Motion passed.

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- h. Resolution No. 12-R-1633 recognizing Fisher/Nightingale Houses, Inc. "An All-American Evening" as a function that promotes the public health, general welfare, and contentment of the citizens of the City of Riverside.

Mr. Chodkowski said this resolution is brought forth to recognize the Fisher/Nightingale House as a function that promotes the public health, safety, and general welfare of the citizens of Riverside.

A motion was made by Mr. Schock to approve Resolution No. 12-R-1633. Deputy Mayor Denning seconded the motion.

The clerk said the resolution requires council to insert an amount to be donated. Deputy Mayor Denning said last year we said we would limit everybody to \$250, so he thinks we should start doing that and go from there. Ms. Campbell asked who we have donated to this year. Deputy Mayor Denning said this will be the first one.

With no further discussion, a vote to approve Resolution 12-R-1633 inserting a donation amount of \$250 was as follows: All were in favor; none were opposed. **Motion passed.**

- i. Resolution No. 12-R-1634 authorizing the City Manager to enter into a collective bargaining agreement between the City of Riverside and the Fraternal Order of Police, Ohio Labor Council, Inc., Police Sergeants, Local #161 for the period January 1, 2012 through December 31, 2014.

Mr. Chodkowski said this resolution is brought forth to authorize the city manager to enter into a collective bargaining agreement with the Fraternal Order of Police Local #161 representing the Sergeants.

A motion was made by Deputy Mayor Denning to approve Resolution No. 12-R-1634. Mr. Smith seconded the motion. All were in favor; none were opposed. **Motion passed.**

- j. Resolution No. 12-R-1635 authorizing the City Manager to enter into a contract for the purchase of two Chevrolet Malibu Sedans for use by the Division of Police.

Mr. Chodkowski said this resolution is brought forth to authorize the purchase of two Chevy Malibu sedans specifically listed within the resolution for use by the Detectives of the Division of Police.

A motion was made by Deputy Mayor Denning to approve Resolution No. 12-R-1635. Mr. Schock seconded the motion.

Mr. Fullenkamp asked what kind of mileage was on the current vehicles. Chief Reiss said they were at 120,000 miles.

Mayor Flaute asked if we were purchasing these to replace vehicles. Mr. Chodkowski said we are cycling through; the current detective vehicles are in better condition than the existing Planning and Zoning vehicles so we are releasing the Planning and Zoning vehicles and the current detective vehicles will be used for Planning and Zoning. He

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said the vehicles being purchased will be used by the detectives. He said some of the vehicles that were declared surplus will be traded in on this purchase.

With no further discussion, all were in favor; none were opposed. **Motion passed.**

**ITEM 16: PUBLIC COMMENT ON NON-AGENDA ITEMS:** Ms. Sherry McConnell of Spaulding Road said many of us in that area of Spaulding are wondering why it is necessary to construct a turning lane for the Eastmont School buses and who is paying for it. She said we are not getting any information; she is not one of the residents whose property is being bought but it does impact her as far as her mailbox and just the local area.

Mr. Chodkowski said that project is being paid for entirely by Dayton Public Schools from their construction budget so there is no city dollars being expended for any of the capital items. He said we did incur certain costs some of which are being reimbursed by the school to evaluate and review their plan; we did act as a broker for them acquiring the easement right of way that they needed to acquire for the turn lane. He said the turn lane is being inserted based upon a traffic study that was conducted at our request to provide the safety of left hand turns into that driveway.

Ms. McConnell said the turning lane she is talking about is being constructed from Linden Avenue from the north turning right onto the access road. She said they are building something on the left but they are taking property on the west side of Spaulding. Mr. Miller said there are three properties which have a beveled entryway allowing full use of the traffic lanes. He said it is being widened so the turn radius is correct for large vehicles including buses and delivery vehicles. He said as the city manager stated, originally they weren't planning on doing anything and we required them to do a traffic safety study. He said that study determined that what they originally presented was inadequate for large vehicles which would be swinging into oncoming traffic to make the turn. He said it is going to be wider on three properties where the access point is.

Ms. McConnell said there is a problem with the right hand turn; we just don't understand why it is necessary to take property from the residents when the access road needs to be widened. She said she can see where they would have to swing out but normally they can because there is not any traffic coming out of either school. Mr. Miller said where the school property is, it will also impact that; it will all be widened. He said most of the buses will be coming from the other direction. Ms. McConnell said we have buses coming from Linden Avenue. Mr. Miller said most the bus traffic will be coming from the Dayton area. Ms. McConnell asked if it made sense to make a whole turning lane for three properties. Mr. Miller said the reason the land was taken was so you could turn adequately without going into oncoming traffic. Ms. McConnell asked if widening the access road would alleviate that problem. Mr. Miller said he believed that would be part of it but the principal thing is being able to safely get people off the heavily traveled road onto a minor tributary road. Ms. McConnell said there is no back up of traffic, that's not the issue. Mr. Miller said it has to do with safety and based on what they originally presented to us, the turn radius was so narrow the buses would be turning into oncoming traffic going both directions.

Ms. McConnell asked if we knew why the Eastmont buses were now coming in this way; they weren't before the school was built. Mayor Flaute said we talked about that at length, they were coming off the other street and the City of Dayton Schools didn't want them coming in that entrance. Mr. Chodkowski said there were a lot of on-site issues prior to the construction of the new school that Eastmont had identified as wanting to have corrected. He said they had issues with student busing comingling with student pick up comingling with teachers coming and going from the property, so they worked with Carroll High School to be able to have ingress and egress easement

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along that back driveway and part of their agreement with Carroll High School was that they needed to acquire for certain upgrades along that drive which is part of what they are doing out on Spaulding Road. He said those were internal issues that were addressed as part of the site evaluation by Dayton Public Schools and their construction team that were confirmed by our engineer and our review of the site plan. He said that's what led to those changes. Mayor Flaute said we would have preferred they had continued to come off the street like they had for the last 50 years.

Mr. Miller said part of the issue is that they are getting funding from the State and the State has very well defined requirements for separation of pedestrian traffic from vehicle traffic and from bus traffic. He said a lot is tied to the funding source which Dayton heavily relies on to build new schools. Ms. McConnell said she can certainly understand you want your buses to make a safe turn but she can see this five days a week and if it was just paved - we had the same issue at Linden and Spinning by Grease Monkey; people weren't making the radius and people were running over the ground creating a ditch. She said she assumed Riverside just okayed that to be paved which makes it a very smooth right hand turn but a turning lane wasn't built.

Mr. Chodkowski said those were conditions that existed prior that we as a community have not yet had an opportunity to address. He said there are several issues where roads were built and right of way was provided 50 years ago that back then was adequate but today based on growth and development and traffic counts is inadequate. He said we do our best to address those in consideration of several factors; in the case of Eastmont School and their upgrade, this was an issue for us to have that addressed and the issue was largely created by their need which is why they are being required to pay for that. Ms. McConnell asked if they would maintain that as well. Mr. Chodkowski said once they are done with the construction, it will be inspected by the city and its engineers, and once it meets all the design and construction criteria, that portion of the road will be turned over to us.

Ms. McConnell said our only other issue is that for many of us on the east side of Spaulding, our mailboxes are across the road and it's dangerous. She said Spaulding is very busy right now because of Research Park; we have many semi trucks that travel down this road and she doesn't know if they are allowed to. She said on some city streets, trucks aren't allowed. She said we had a resident that was hit by a car back in the summer while he was getting his mail. She said now she will have to cross three lanes of traffic to get her mail; she's addressed this to the post office but it is a safety issue for us as well.

Mr. Miller said Ms. McConnell did bring this up a couple council sessions ago and he has tried to research what needs to be done to submit an application for change. He said he is still working on that and it is a little more involved than he thought it would be. Ms. McConnell said she has talked with them as well.

Ms. Thelma Howell of Harlou asked if the residents will be able to vote on the Red Flex. Mayor Flaute said it was his understanding that's a council issue; you will have to tell your Mayor and Council how you feel about that when we have that discussion. Mr. Schock added that they all had council's email addresses.

**ITEM 17: COUNCILMEMBER COMMENTS:** Mr. Smith said when he was in Arizona at the National League of Cities Convention, he interviewed for a position on the National First Tiers Steering Committee and he was appointed. He said it is a committee of 12. Mr. Schock said it is a committee of 28 now and Ohio has 8 representatives. Mayor Flaute said congratulations. Mr. Smith said the committee is a think tank that looks at common problems that cities all across America are having and then you brainstorm solutions to make things a little better. He said our conversation in March will be about foreclosures; what to do about the houses that are

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sitting vacant and how we can get those back into the market place and occupied with residents. He said there is some work ahead of us and he has been appointed for one year, so we will see how it goes. Mayor Flaute thanked him for his service.

Deputy Mayor Denning said he wanted to thank Mr. Smith, Mayor Flaute, and Mr. Fullenkamp for helping with the Relay for Life Fundraiser at Salsa's; he also thanked the City Manager and Mr. Schock for showing up and letting us give them some food. He said in the four hours we did that night we were able to raise \$707 for Relay for Life. He said it was a very positive thing for this community and he thought it brought the whole community together. He said it helped us and he thought we helped Salsa's which is a business in Riverside. He said it was a win-win for everybody and he wanted to thank everyone for participating in that. Mayor Flaute said it was a very enjoyable evening and we do appreciate Salsa's as well as Deputy Mayor Denning and Julie Denning for all the work they do for Relay for Life. Deputy Mayor Denning said he wanted to encourage everyone to put teams together for Relay for Life. He said it will be on June 2<sup>nd</sup> and 3<sup>rd</sup>.

Mr. Smith said he never worked in the food industry at all and he has a greater respect now for servers – that wore him out and he was only there for four hours.

Mr. Schock said this was brought up a while back and he wants to reintroduce it again. He said for the vacant seat he filled, we only had 13 applicants and he's thinking – that's all? He said he thought it could be more and asked why we didn't have health insurance made available to us. He said we make sure all our employees have health insurance, but we don't. He said he thought the council members should be able to choose if they want to take it; we have a new insurance program coming on and he didn't know if it would make a difference if council members are included if they so desired. He said we can make adjustments accordingly with the current budget and he would like to see a study to see if it's feasible money wise and what it would cost. He said he personally didn't need it but for the ones who need it and want it, he thinks it should be an option for them just like it is in the real world. Mr. Smith said it must be something about that seat because he said the same thing a few years back.

Mayor Flaute said there are lots of pros and cons on that and he's heard out in the community that everyone that sits on council are not business folks; we are people who have a job and maybe we aren't as understanding of what our businesses go through as far as signs and those kinds of things. He said if we were to offer health insurance there's a possibility that maybe we would get some small business folks who would be willing to sit up here a little easier. He said it wouldn't be bad to have a few more of our business folks running for office and maybe they would if they were able to get insurance. He said there would be a cost but even now we aren't able to pay the full cost; he wanted to pay the entire cost for insurance through the city and he wasn't allowed to do that. He said he thought that was pretty restrictive; if it's not going to cost the city anything at all for us to have insurance then that's wrong.

Mr. Schock said that's why he thinks we should have our Law Director study it and have our City Manager and Finance Director crunch the numbers to see if it's all feasible. Mr. Chodkowski said I can tell you that right now; council would have to pass a resolution to authorize council members to be eligible for that benefit. He said however, it is a benefit, so you cannot receive that benefit during the term in which you voted for it. Mr. Schock said that's the gray area; the Charter talks about salary increases. Mr. Chodkowski said its compensation. Mr. Fullenkamp said but if we were to pay the total cost would we get around that situation. Mr. Schock said that's where we need the Law Director to review it.

Mr. Chodkowski said if you were going to pay the costs on your own then he would have to talk to the insurance broker about the terms and provisions of the insurance

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plan. He said if you are paying the cost directly out of your own pocket that is not an issue for you to act upon legislatively unless it is to amend the program to allow you to purchase it at 100% of the cost. He said he would have to talk to the broker on how to make that possible.

Mr. Chodkowski said you can vote to have the city provide it to you but you are voting to receive a benefit so you could not receive that benefit until such time as your current term expires and you entered into a new term. Mr. Schock said to him that's the gray area which he wants the Law Director to look at; the Charter says salary – not benefits or anything else. Deputy Mayor Denning said it says compensation. Mr. Schock said it does not say compensation. Mr. Chodkowski said while that may be the true and accurate provision of the Charter; he will tell you that legislatively the Ohio Supreme Court will not look at it the way you do. He said he believed they will look at it as you are voting yourself an increase in compensation but he will be happy to verify that with the Law Director. He said that was her opinion the last time that came up. Mr. Schock asked if there was a written opinion on this. Mr. Chodkowski said he didn't believe it was written; it was a conversation he and the Law Director had and that was the information she gave him as part of that discussion which he relayed to council.

Mr. Smith said that would be a non-taxable compensation.

Mr. Curp said the previous Law Director had that question come to him and his opinion to the council was the same as the city manager's and the council can't even legislatively do it; you have to have a Charter amendment approved by the voters. He said compensation to council is established in the Charter, so if you want to change it, it takes a Charter amendment. Mr. Schock said you are talking about compensation, not salary; the Charter dictates salary, but if the Supreme Court made a ruling then he would agree with Mr. Curp 100%. Mr. Curp said there was another council member who wanted to take the travel/training allowance and turn that into compensation and the Law Director told him the same – if you want to change your compensation, you have to put a Charter amendment on the ballot for the citizens to approve. Mr. Schock said that's a no-brainer; that's cash and that's taxable. Mr. Curp said everything is taxable; you have computed value of a benefit.

Mr. Fullenkamp said he would like the City Manager to take the approach of council is willing to pay the entire cost of the insurance premium and find out what the insurance broker says. Mr. Chodkowski said he would be happy to validate both issues with the Law Director and follow up on the other issue. He said as a point of reference, under the traditional package for health insurance, for all members of council assuming that every member takes the family plan it would be \$101,000 per year. He said under a potential change in the program moving to a high deductible or HSA the cost would be approximately \$87,000 annually. Mr. Fullenkamp asked if they went with the individual plan could we divide that number by three. Mr. Chodkowski said an individual plan is about \$380 per month.

Mayor Flaute said he had a couple things; one, he has been appointed to the Homeless Solution Board by the First Suburbs so he will be attending those meetings. He said we have a county board there that looks at issues on how to stop homelessness in our county. He said we've made some strides but we have a long way to go.

Mayor Flaute said he and Mr. Fullenkamp met with Mr. Foley, the folks from Greene County, and the folks from Montgomery County Soil & Water; we had a very productive meeting and at this point, we are encouraging our Federal Officials, our Federal Representatives and our Federal Senators to please intervene on our behalf for the EPA grant that we asked for. He said as soon as we find out if we got the grant or not, it will determine what direction we can go as a city.

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Mr. Fullenkamp said it was a very positive meeting and he was encouraged by the attitude he saw from the conservancy district, the county, and especially the Commissioner; he seemed dedicated to try to find a solution and to involve the community. He said that appeals to him, having the involvement; so he thinks it's a good deal and he looks forward to working with these folks as well as the community.

Mayor Flaute in the past two weeks he had five weddings and he has four tomorrow. He said the weddings are starting to increase and those are all held at the Wedding Connection. He said they are giving away a \$25,000 wedding on Saturday, so if you know anyone that is going to get married tell them to get down there and get their name in the hopper. He said it is at Linden and Woodman behind Bob Evans.

**ITEM 18: ADJOURNMENT:** A motion was made by Ms. Campbell to adjourn. Deputy Mayor Denning seconded the motion. All were in favor; none were opposed. The meeting was adjourned at 8:40 p.m.

  
William R. Flaute, Mayor

  
Clerk of Council