

## **Approved**

# **Bellbrook-Sugarcreek Merger Study Commission Meeting Minutes**

**August 5, 2009**

1. The meeting was called to order at 7:00 PM by Joan Gallagher. Co-Chairperson of the Merger Study Commission.
2. Mrs. Gallagher called the roll with Commission members Ron Folkerth, Howard Ackerman, Charlie Schwegman, Donna Hellmann, Linda Hummel, Tom Frantz, Bill Berry, Mike Shank, and Joan Gallagher present. Dr. Sam Staley was not present when roll was called, but arrived shortly after the meeting started.
3. Others present were Harold Rogers, Ben Rader, Mark Schlagheck, and Jeremy Kelley.
4. Mrs. Gallagher opened discussion about the July 8, 2009 meeting minutes. Mr. Shank stated that there was an error in the minutes in Section 9. The minutes stated that Mrs. Hellmann and Mr. Ackerman voted no and everyone else voted yes when it should have stated that Mrs. Hellmann and Mr. Ackerman voted yes and everyone else voted no. Mrs. Gallagher said that it was brought to her attention via e mail by Mr. Shank. She then listened to the recorder, and in fact it was an error.

Mr. Shank also questioned the public comment made by Jim Martin in Section 13 in reference to negotiating a government rate at Holiday Inn for when the consultants are in town. Mrs. Gallagher stated that she thought the comment should be included. Mr. Shank suggested amending the minutes to reflect the voting error that was made and adding that a government rate should be negotiated at Holiday Inn Express to house consultants when they are in town. Mr. Shank

made a motion to approve the amended minutes, Mrs. Hellmann seconded the motion. Roll was called with all voting yes, except for Mr. Folkerth who abstained from voting since he was not at the last meeting. Motion passed unanimously.

5. Mrs. Gallagher opened discussion about the Mercer Group Consultants report. Mr. Ackerman questioned an area in the report where it stated that models are being prepared for the general fund. Mr. Schlagheck addressed the question and explained that City government finance is different. There are funds for gas tax, water system, etc. He suggested that what the report is saying is that the forecast model will include all of those things. The budget model will not have variables that will change. There will be some minor funds that don't need to be included. Dr. Staley stated that he was going to ask the same question because he was concerned about what funds were being excluded. He said that he doesn't recall that in the original contract there was any facilities assessment..

Dr. Staley questioned whether certain departments are undercapitalized like road maintenance and how that could be reconciled. He stated that any type of merger is going to have to address undercapitalization. Any deficit and new spending particularly in terms of capital cost will have to be considered. He suggested that the City and Township should be asked for an assessment where things are in terms of capital cost in terms of roads, water and sewer. He adds that that information would have a significant impact on a merged city moving forward. Mr. Ackerman stated that he thought it was in the contract that Mercer would look at roads which are now maintained by Greene County which would become part of the merged community. Dr. Staley added that is in the contract, however he is referring to the capital investment by the City and Township and whether they are fully funded. Mrs. Gallagher stated that while it's a good idea to get that information, it may be better to wait until September when Mercer has more information about the finances. Mr. Schwegman stated that he thinks it's fair to ask the City and Township now. Mr. Shank suggested to Dr. Staley that he could draft a letter to the City and Township asking for that information. Mr. Schlagheck stated that they do have that information. It may not be formalized, but he could generate a report with the information. Mr. Shank stated that it isn't needed immediately, but doesn't want to wait until the last minute to ask for it. Mrs. Hellmann mentioned the fact that in the actual proposal, it states that they are

interviewing the Director of Revenue Service's so they could be asking for that information, it just may not state it the same way. Dr. Staley answered that he will send a note to Jim Mercer. He wants to make sure that the question is something that is on the City and Township's radar screen as well as the Commission's.

Mrs. Gallagher questioned the Mercer report where it stated they there could be some complexity in merging the two budget models due to the different structures of funds and dedicated revenues between the City and Township. The report claimed that they understand the complexity but effort will be required in merging the two models. Mr. Schlagheck stated that the City will be easier because they have a Fire fund, and the Township has a Fire fund, so when they are put together there is a dedicated revenue source for Fire as well as with the Police. There are two funds which can be merged. He suggested that it may be more of a challenge where the Township has a Road and Bridge fund from a specific tax levy, but the City doesn't. In the City the money is generated from the General fund.

Mr. Ackerman then recommended that they number their pages. Mr. Schwegman asked if everyone thinks that they are on target after one month. Ms. Hummel asked who has been interviewed or what percentage is finished. Mrs. Gallagher stated that the only one she knew that had been interviewed was Cara Killkelley, from the Township Zoning dept. While Ms. Killkelley didn't elaborate, she was very impressed. Mr. Schlagheck stated that he has not spoken to anyone, but there have been questioners sent to the Police Chief, Fire Chief, Service director, Planning and Zoning. He said that eventually it will be face to face, but for now it has just been questions.. He has sent e mails with the charters, ordinances, and union contracts, so he knows the information is being gathered. Mr. Shank stated that while it says 50% of interviews were completed, he may have only worked with the Township while he was here and will work with the City next time. Mrs. Gallagher stated that she e mailed Mr. Mercer and asked what the plan was for the meeting. Mr. Mercer stated that while he could be there, it would be better if he came to the September meeting when he had more information. She also mentioned that since Mercer had only been working for three weeks, they didn't send an invoice. Mr. Staley stated that he got the impression from reading the report that they had made a lot of progress in a very short time. Mrs. Gallagher agreed.

Mr. Schwegman asked if the interim report would be ready by the September meeting. It was suggested that the Mercer Group should e mail the report to Mrs. Gallagher in time for distribution to the Commissioners before the meeting. Mr. Shank reminded the Commissioners to study the report but not discuss it till the open meeting.

6. Mrs. Gallagher moved to the Approval of Payment of Invoices. She had given everyone a copy of the Transcribers invoice. She suggested that because the invoice is such a small amount, it could be paid automatically at the discretion of Mr. Shank or herself, the City Manager and Township Administrator. Mr. Shank stated that his concern is that the voter's money is being spent and should be acknowledged in an open meeting so people are aware of the finances. Ms. Hummel suggested including it in the minutes so there is a record. Mr. Shank agreed. Mrs. Gallagher offered to mention it at the meetings so it appears in the minutes. Mrs. Gallagher also stated that the Transcriber invoices are the only invoices submitted to date. Dr. Staley suggested that the Transcriber's invoice include a date.

Mrs. Gallagher mentioned that she has an ongoing Xerox account with the Township, which is being monitored with an Excel spread sheet. Dr. Staley moved as a Commission to approve payment for transcription of minutes and that said approval will be referenced in the minutes. Ms. Hummel seconded the motion. After a vote, the motion passes unanimously.

7. Meeting reminder- The next meetings are scheduled for September 2, October 7, November 4, and December 2. More meetings will be added if needed.
8. Web page reminder- Ms. Hummel hasn't received any questions yet. Mrs. Gallagher stated that there is a new form on the website created by Denny Bennett. If someone is interested in getting unapproved minutes, they complete the form and it will be e mailed to her. She will then send the unapproved minutes to them.

9. Mrs. Gallagher asked if there are any additions to the agenda. Mrs. Hellmann wondered when Mr. Tiffany will be presenting the Vulnerability of the Twp for Further Annexation data. Mr. Shank stated that it will be at the September meeting.

Mrs. Gallagher asked to add an addition to the agenda. She attended a regular Work Session for the Township on July 29, 2009 where there was discussion of a possibility that the Township is looking into a Home Rule form of government. She stated that she was asked at the meeting how the Merger Study Commission would feel about that. She answered that the Merger Study Commission will be “keeping all options open”. If the Township Trustees decide to go forward with Home Rule, the Merger Study Commission will address it when necessary. Ms. Hummel asked how this would affect the Commission. Dr. Staley stated that the only task of the Commission is to decide whether to merge or not. The Commission’s directive as a body is not to make recommendations about which way the Township or City should operate. Options could be presented if it were decided not to merge. However he said that it could potentially affect the end of the process. Mr. Ackerman added that the Merger Study commission is to define the conditions for a merger.

Mrs. Gallagher noted that the reason she is mentioning it is so that no one is surprised if they see it in the paper. Mr. Ackerman expressed concern that this could be detrimental to the Merger Study Commission’s work. Mrs. Hummel stated that she shares Mr. Ackerman’s concern, but that the Merger Study time frame was extended another year, by both the Township and the City, so that is a good sign. Mr. Schwegman states that he is not concerned at all. Mr. Ackerman stated that he Googled Home Rule in Ohio and there is a lot of information. He said it goes back to the issue of annexation and there are certain things it does/does not allow. Mrs. Hellmann adds that the Trustees are probably exercising Due Diligence and considering how they can make the Township stronger. Ms. Hummel asked is there a way to get the summary of Home Rule that Mr. Tiffany presented at the work session. Mr. Shank says he will ask Mr. Tiffany for a copy and e mail it to everyone.

10. Public Comment- Ben Rader stated that he hasn't been to many meetings, but he can see that progress is being made.

11. Ms. Hummel made a motion to end the meeting. All are in favor. Meeting is adjourned at 8:46 PM.