

Approved
Bellbrook-Sugarcreek Merger Study Commission Meeting
Minutes
February 3, 2010

1. The meeting was called to order at 7:03 PM by Joan Gallagher, Co-Chairperson of the Merger Study Commission.
2. Mrs. Gallagher called the roll with Commission members Tom Frantz, Bill Berry, Donna Hellmann, Charlie Schwegman and Mike Shank present. Linda Hummel, Howard Ackerman, and Ron Folkerth were not present. Dr. Sam Staley arrived shortly after roll call.
3. Others present were, Denny Bennett, Bill Schieman, Jim Martin, Scott Bryant, Cindy Porter, Harold Rodgers, Jim Tharpe, Barbara Burson, Barry Tiffany and Mark Schlagheck.
4. The minutes from the January 6, 2010 meeting could not be approved because there wasn't a quorum from the Sugarcreek side who could vote on the minutes. They will be presented for a vote at the next MSC meeting on March 3, 2010.
5. One of the driving forces of mergers in Ohio is annexation of township property resulting in a loss of a substantial residential and commercial tax base. At the last meeting Mr Tiffany, the Township Administrator, was tasked to review the tax values of potential "At Risk" properties for annexation which he identified in a presentation to the Commission at the April 1, 2009 meeting. Mr. Tiffany distributed a hand-out summarizing tax data from 2 representative properties. The hand-out listed zoning density, median value/unit total appraised and assessed value, as well as the mills of Township tax and the net tax revenue. The rationale for this effort is to determine the cost of further annexation of Township property. Mr. Tiffany asked if this was the format that the Merger Study Commission wanted. The Commissioners approved the format but the numbers were challenged by Mr. Schieman. Later in Public Comment Mr. Schieman indicated that Mr. Tiffany's numbers were indeed correct!
6. Mrs. Hellmann stated that the Life Style Impact Study led by Jane Dockery of the Wright State Center for Urban and Public Affairs was in progress. Four Focus Groups, two for the City and two for the Township were to be conducted. The first Focus Group was held this week and three more were to be held. There were only 5 participants of 14 confirmed affirmatives for

the first session. Attention would be given to rectify this with future Focus Groups. Wright State had sent a Work Agreement for the Co-chairs of the Merger Study Commission to sign for the cost of the \$2,760.00.

7. At the last MSC meeting on January 6, 2010 the Mercer Group's report was well received by the Commission. However, the report did not contain the "Stand Alone", Cost of Merger. Generally speaking the Commissioners wanted to know the Cost of Merger. The model that Mercer presented was based on a single model that included pre-merger costs that contributed to declining balances or deficits inherent because of Ohio laws governing finances. Mr. Frantz also stated that he as a City resident, would like to know what the increased cost of doing business in the City would be if a merger didn't take place. Mr. Shank was tasked to contact Mr. Mercer to ask for these numbers. Tom Dority of the Mercer Group responded but the model still contained these inherent deficits.

There was much discussion regarding this. Mrs. Gallagher while interacting with Mr. Dority preparing for the meeting was not successful in getting a "Stand Alone" Cost Analysis. The Township Administrator and City Manager had the same difficulty. Dr. Staley commented that the data did give good information, but his hopes at the meeting last month that the Cost of Merger could be teased from the data had not been realized. Also last month Mr. Ackerman questioned why a Staffing Report of a Merged Government projected increased costs and not decreasing costs?

8. The Commission reviewed the January 25, 2010 invoice from the Mercer Group. This invoice replaced the December 30, 2009 invoice which was incorrect. It was decided to ask Mercer for the Final Report and pay the January invoice. A retainage fee of \$ 4,725.00 would not be paid till a Final Report was received. A motion was made by Dr. Staley "To pay the \$12,417.19 Mercer Group, December 30, 2009 invoice." Mr. Schwegman seconded the motion. Mrs. Gallagher called the roll. The motion passed, unanimously.
9. Future Merger Study Commission meetings were scheduled. They are April 7, May 5, June 2, July 7, and Aug 4.
10. In the Web Page reminder Mr. Schieman stated that there continued to be use of the Web Page for Merger Study information. The total number of hits is around 1,890.
11. In Additions to the Agenda Mrs. Gallagher asked for an update on the latest Court decision relative to the Dille property annexation. The crucial question being Sugarcreek's claim to the property tax on the Dille property,

which Centerville annexed. Mr. Tiffany stated that things are looking good. There are some filing dates in March and more than likely the Magistrate will make a decision by late April or early May. He adds that the Judge will probably make a decision shortly after that. He indicated that it will probably go to the Ohio Supreme Court. This Court doesn't have to take the case. They usually only take four percent of the referred cases. However, since it is a "Landmark Case" and there's so much at stake for the state of Ohio, he thinks they would hear it.

12. Public Comment:

Mr. Martin commented that he went to the Greene County Auditor's office and found out that no one had contacted the Auditor about taxes. He stated that Mercer used a different percentage when doing their calculations which will make a big difference in the outcome. He added that he thought Mr. Schlagheck and Mr. Tiffany could have done the Financial Analysis. He said that he has confidence in the integrity of both of them. He also contacted the Department of Natural Resources and was told that only two cities in the state have allowed hunting..

Mr. Schieman, in response to Ms. Hummel's question on his presentation at the January 6, 2010 meeting reviewing Conditions of Merger from other municipalities in Ohio, distributed a hand-out. The information reviewed Butler Township's annexations after a failed Merger with the city of Vandalia. Prior to the establishment of the Merger Study Commission there were four annexations by the City of Union for a total of 823.9 acres. After the Merger failed Vandalia annexed 322.2 in two separate annexations. Union annexed 225.8 acres in three separate annexations. This substantiates that annexation is the driving force of Merger Studies in Ohio.

Mrs. Burson stated that she also talked to the county Auditor and that no one had contacted them. Someone at the Auditor's office said they would not agree with the figures in the Mercer report. She stated that she feels the Commission didn't get what they paid-for because Mercer didn't go to local people at the Auditor and County Engineer's office who do taxes and roads to get the straight facts

13. Mrs. Gallagher asked for a motion to adjourn. All in favor said Aye. The meeting was adjourned at 8:50 PM.