

FINDLAY CITY COUNCIL MINUTES

REGULAR SESSION

February 6, 2018

COUNCIL CHAMBERS

PRESENT: Frische, Harrington, Hellmann, Niemeyer, Ostrander, Russel, Shindledecker, Slough, Watson, Wobser

ABSENT: none

President Monday introduced two (2) Boy Scouts, Lance Mahler and Logan Mahler, in the audience who led tonight's Pledge of Allegiance. They are with Troop 318 and are sponsored by Arlington United Methodist Church. They are working on their communications merit badge.

President Monday requested a moment of silent prayer.

ACCEPTANCE/CHANGES TO PREVIOUS CITY COUNCIL MEETING MINUTES:

Councilman Harrington moved to accept the January 16, 2018 Regular Session City Council meeting minutes. Councilman Slough seconded the motion. All were in favor. Motion carried. Filed.

ADD-ON/REPLACEMENT/REMOVAL FROM THE AGENDA:

Councilman Russel moved to add-on the following to tonight's agenda. Councilman Harrington seconded the motion. All were in favor. Filed.

ADD-ONS:

- 2017 Findlay Shade Tree Commission Annual Report (**WRITTEN COMMUNICATIONS** section)
- N.E.A.T. Departmental Activity Report (**REPORTS OF MUNICIPAL OFFICERS AND MUNICIPAL DEPARTMENTS** section)

RECOGNITION/RETIREMENT RESOLUTIONS: - none.

PROCLAMATIONS: - none.

PETITIONS:

Alley vacation request – a portion of South Street

William Moser is requesting to vacate a portion of South Street, being the north-south alley lying between Lots 390 and 391 in the east Findlay Addition to the City of Findlay, Ohio and extending from South Street to the first east-west alley south of South Street. Referred to City Planning Commission and Planning & Zoning Committee. Filed.

WRITTEN COMMUNICATIONS:

David Kuenzli, Drake, Phillips, Kuenzli & Clark – 1205 E Sandusky St application to re-establish a non-conforming use

David Kuenzli represents Northwestern Masonry Properties, LLC, which company is negotiating to purchase the property located at 1205 East Sandusky Street in Findlay, Ohio. The property in question is a vacant commercial structure that for many years was used as a location for sales of heating/air conditioning/cooling equipment to contractors, which was a non-conforming use under the Findlay, Ohio Zoning Code. Several years ago, the then-owner ceased its business of wholesale sales of heating/air conditioning/cooling equipment, and its non-conforming use exception has expired. Mr. Kuenzli's client wishes to purchase the property and re-establish the non-conforming use of the property in question to facilitate a purchase of the property. Pursuant to Section 1162.09 of the Findlay Zoning Code, Mr. Kuenzli is asking to re-establish a non-conforming use at 1205 East Sandusky Street of the wholesale sales of heating/air conditioning/cooling equipment to contractors. Referred to City Planning Commission and Planning and Zoning Committee. Filed.

Shade Tree Commission 2017 annual report. Filed.

ORAL COMMUNICATIONS:

Findlay-Hancock County Community Foundation President Kathy Kreuchauff/United Way President John Urbanski – Community Conversations 2017

Ms. Kreuchauff and Mr. Urbanski are both before City Council tonight because of their joint effort on this project. They outlined the annual report that was included in tonight's Council packet. It outlines the process they went through and the work that was done in speaking with over one thousand (1,000) community members either through small groups, individual conversations, or via surveys that were distributed broadly throughout the community. As a result of that, the data was analyzed by University of Findlay students who identified five (5) broad themes that are listed in the report (i.e. affordability of housing, mental health substance abuse and use, transportation, workforce and financial stability, and safety). Specific comments were also included in the report. They were very mindful in making sure this represented the full spectrum of Hancock County citizens. Despite their best efforts, they were not able to reach as many unrepresented voices as they would have liked to. The groups they interviewed ranged from inmates within the Hancock County Jail, students from Jacobs Elementary School, participants in the programs offered by National Alliance on Mental Illness (NAMI) of Hancock County, and various service clubs (i.e. Kiwanis clubs, Rotary clubs, etc.). International students at the University of Findlay were also invited to participate. Throughout the summer months, they distributed surveys downtown and at the courtyard concerts. It was both interesting and heartening that there were no surprises on the issues that they were well aware of and continue to be very much on the forefront of our citizens' minds.

Her organization is going to make a very concentrated effort going forward to identify areas that they have not been providing support in and will also work diligently with the United Way to support the work coming out of the community collations that are currently being supported through the Center for Community Engagement at the University of Findlay.

Mr. Urbanski informed Council that back in October, they announced their first initiative funding with the intent of getting to the root causes of the issues within our community. In October, they announced their financial stability workforce development process that ranges from cradle to career. It provides scholarships for Pre-K education, the Leader in Me, and further down the line. He thanked Council for the resources they have provided, such as Raise The Bar (both the Foundation and the United Way are participants), as it is all part of the initiative. They pledged five million dollars (\$5,000,000) over five (5) years to address these needs ranging from youth to those who are underemployed. They try to make sure that they have the most direct impact in making needed changes by the great programs they are funding and that they are doing great things. Unfortunately, they are only able to do so much to help fund them and need to find ways to help them continue to help themselves be put in a position to be successful either financially, with mental health, with substance abuse, or whatever the case may be. This reinforces what they have been doing and is a reminder, that as a community, we have to work together collaboratively from the private, public, and non-public sectors.

In fall 2016, The Findlay-Hancock County Community Foundation (TCF) and United Way of Hancock County (UWHC) agreed to partner to ask those they serve (those who live, work, learn or play in Hancock County) about their hopes and aspirations for the community. Both organizations had previously conducted community outreach efforts, but the decision to bring resources together created a more efficient and effective process. They undertook this initiative with two (2) goals in mind:

1. to validate the current alignment of grant-making with the needs and priorities of community members
2. to identify gaps in response to the community's expressed needs

They owe a debt of gratitude to each person who took the time from work, school and other activities to be a part of this project. Without them, they would not have the valuable data or a plan of action to make change. Filed.

Discussion:

Councilman Russel asked what the demographic profile is of who was surveyed. Ms. Kreuchauf replied they sought out to broadly represent the demographic composition in Hancock County, but fell short in a couple of areas: children under the age of twelve (12) and also those who are on a very low income. It is not intended to be a statistically valid as it was not conducted in that manner. It was more of a qualitative survey and not a quantitative survey. It was done on what those surveyed were concerned about at that time in 2017.

Councilman Wobser asked if Ms. Kreuchauf and/or Mr. Urbanski are looking for Council to consider anything with this. Ms. Kreuchauf replied that it is just informational, but that some of the issues are handcuffed by regulation or issues that sometimes fall in the public domain (i.e. affordable housing fees). The public section has invested in the quality of life for this community. They do their part, but is only a fraction of what public funds are available. Some of the issues come before the public sector for them to play a role in. Mr. Urbanski added that they have not had the opportunity over the years to address quality of life issues from a public perspective (i.e. making sure streets are paved, roads are plowed, etc.). They were given the opportunity because there of the great working relationship between the private and non-profit public sectors to figure out ways to work together. For example, the United Way is sole funding of Hancock Area Transportation Services (H.A.T.S) which is mandated by the County. Their job is to figure out how to have affective transportation which came from dialog amongst the groups. It is not just going out and asking for money. There has to be dialog about how to fix it.

Councilman Slough asked if it would be appropriate to refer this to the Strategic Planning Committee. President Monday replied he believes it would be. Councilman Wobser added that even though there is not a specific request of Council, it should go to the Strategic Planning Committee, because if at some point in time, the Community Foundation and the United Way were to request anything from Council, that would be the group that they would speak to first. It would be something that would need to be put in the City's strategic plan so that it could be quantified and ultimately put in the plan and ultimately be done.

Ms. Kreuchauf added that as a follow up to Councilman Russel's question about the demographics, there is additional information on the survey available on the United Way's website as well as the Community Foundation's website. They also have buckets of data available if additional information is desired. They tried to be gentle on the readers when putting the information together. There is a lot of data that they gathered, so they limited it down to the most important concepts that they wanted to bring forward. They have been entrusted with money that has been given to them very generously through the United Way and through donors of the Community Foundation. It gives her great confidence to know that the issues and concerns that they are funding and are seeking to mill rate to the community that are in fact the issues that are most concerning to those who live here.

Mayor Mihalik thanked Ms. Kreuchauf and Mr. Urbanski for communicating what they have been doing. As a community, they started this conversation around the collective impact model a couple of years ago. The collective impact model and the different collations that they have in place now in the community is another continuation of that process. The Center for Civic Engagement at the University of Findlay is just getting started on a coordinated approach relative to these coalitions. A lot of what they are doing will help to address what has been highlighted here. She is a firm believer that there are a lot of resources in this community, which is very fortunate, but there needs to be a more focused approach relative to those resources which is what the United Way is trying to do with their initiative funding. It is encumbrance upon us to keep pushing our problem solvers across the community to evaluate their root cause of some of these issues which is relative to the impact model and is how we will continue to make progress. There will be opportunities for the City to step up and she looks forward to identifying those and providing them to Council, possibly via the Strategic Planning Committee. She looks forward to improving the quality of life together.

Council President Monday explained to Ms. Kreuchauf and Mr. Urbanski that a Strategic Planning Committee has recently been established with Councilman Wobser as the Chair. What the Community Foundation and what the United Way have submitted tonight will be forwarded to the Strategic Planning Committee to do with as they wish. Filed.

Hiroaki "Hiro" Kawamura – University of Findlay Associate Professor, Director, Area of Modern Languages - Friendship City Relationship with Kawaguchi City, Saitama, Japan

Mr. Kawamura is before City Council tonight to introduce and explain what Friendship City and Sister-State relationship is. Findlay City Council is the first body he has shared his information with. He highlighted the handouts he provided. The first page explains the Sister-State relationship between Saitama Prefecture, Japan and the State of Ohio. In 1990, they signed an agreement for a Sister-State. Under that agreement, many things have happened since then. The map shows the location, population, and size of Saitama Prefecture, Japan which is the suburb of Tokyo. The third page shows the Sister-State relationship between Japan and Ohio (University of Findlay). The Governor's first visit to the University of Findlay was in 2010, but many City Officials and Teachers have met with him since then. The relationship between Saitama and Ohio has been a very good one. One of their key programming is referred to as the Ohio State University Scholarship which is the higher education institution in Ohio for the youth who are from Saitama. There were many institutions that participated in this programming in the beginning, but right now, the University of Findlay is the only institution that is supporting this program. They currently are hosting three (3) students. The fourth page is about Kawaguchi City. In 2016, he was in Japan doing independent research where he received an email from the International Division of Saitama Prefecture who informed him that the City of Kawaguchi is interested in sending their high school students to Findlay High School. He responded by telling them that he is not part of the high school's faculty, so he cannot speak and in order to engage in meaningful dialog, he would need the information. He also visited them (pg 4 and 5). He received a very warm welcome by the Mayor and the Superintendent of the School. At that time in New Kawaguchi City, there were three (3) high schools owned by the City. Due to the 2011 northern Japan earthquake, building codes become strict, therefore, the three (3) high school buildings needed to be remodeled. Also the birth rate in Japan has gone down as well as the population of young people, so Kawaguchi City decided to integrate the three (3) high schools into one (1). Part of the new curriculum for the new high school is for students to study abroad for one (1) year. The population there is five hundred eighty thousand (580,000). It is the second largest city in Saitama. The Mayor there is equivalent to the Ohio Senate. During his visit to Columbus, he heard about Findlay. He has a very good impression of Findlay. The new Kawaguchi City High School will open in April. The Japanese school year is from April to March. The handouts show photos of the new high school, as well as a photo of Findlay while traveling east on West Main Cross Street. It shows the view of the Hancock County Courthouse. Findlay High School agreed to host two (2) students from Kawaguchi City High School. Findlay City Schools also agreed to work with the Kawaguchi City Board of Education. The agreement has not been returned signed yet, but they have firmly agreed to do so. The last page is a photo of when the Superintendent of Kawaguchi City visited Findlay City High School. It was in Findlay's local newspaper on October 2017. After that, they made a formal decision to partner. Kawaguchi City Board of Education proposed a one-on-one student exchange, but were uncertain that Findlay City High School would have any students who would be willing to go to Japan every year, so they came up with the creative exchange. In exchange for hosting two (2) students from Kawaguchi City for one (1) year, Findlay City Schools Administrators, Faculty, and staff will do professional development activities in Kawaguchi City, Japan which will take place in June. In 2018, Findlay City Schools will send students to Kawaguchi City. In 2019, Kawaguchi City will send their students here. After the October 2017 visit to the University of Findlay, Kawaguchi City sent an email to him asking if Findlay would be interested in a Friendship City relationship to which he started his research. He contacted Consulate-General of Japan in Detroit, Marysville and Lima who already has a sister relationship with Japan, Bellefontaine, and Toledo. At first, he did not think this type of relationship was needed, but now he believes it is needed so he provided the information to the Mayor, the Superintendent of Findlay City Schools, the Development Director, and the University of Findlay President who met and agreed to create a Friendship City relationship. It is still in progress and he will continue to work on it.

Discussion:

Councilman Watson asked what a Sister City relationship means. Mr. Kawamura replied that Sister City and Friendship City are two (2) different concepts, but mean the same. Sister City relationships requires City Council approval. Friendship City relationships can be approved by the Mayor. There are no differences between them in Japan. In essence, it depends on what the two (2) parties want to do and how they want to do it.

Councilman Harrington noted the City of Findlay and Hancock County have been blessed with a great relationship with Japan, not only with economic development, but also with the University of Findlay. Both Mr. Kawamura and Findlay's Mayor have traveled there on behalf of our City and County, as well as those who have traveled here on behalf of Japan. Anything Council can do to foster that relationship is a noble cause. Mr. Kawamura replied that he has thought a lot about whether or not this relationship is needed here. The University of Findlay and Findlay City Schools already have a relationship with Japan, and there are already business relationships, so he wondered if there needs to be another relationship. A formal relationship that is endorsed by the City as a whole will be stronger and easier to impact a larger population some of which may be overlooked and may receive less impact by an existing relationship.

Mayor Mihalik clarified the difference between a Friendship City and a Sister City relationship. It will be our declaration that we will be intentional about the way that we communicate, interact, and move forward with Kawaguchi City. The Mayor from Kawaguchi City and other members of a delegation of that city will be here later this summer, probably in August, just before the school year begins. Representatives from Findlay have been there twice. Once to do some economic development work and the other time for a tour of the new school which is a beautiful facility. Both communities made changes in their educational system as a result of a natural disaster. As we understand more about each other, the economic development side of things will become a more clearer picture. Findlay has had over a thirty (30) year relationship with Japan that originally started with economics, which was the original intent. It has blossomed from there. It has gone to the educational and cultural side. The drum show last night was amazing. It was a packed house. Many would never had the opportunity to engage in something like that had we not been intentional about bringing them here. She is looking forward to a Sister City or Friendship City relationship. There is not a need for anything to be done at this point, but she asked that Council keep an open mind and be willing to continue to help facilitate the development of the relationship.

Councilman Hellmann asked for a translation on what is written beside the photo of the Hancock County Courthouse (written in Japanese). Mr. Kawamura replied that it says that if someone comes to Findlay to study abroad, each student will receive four thousand dollars (\$4,000) U.S. dollars which means the City is behind this. Filed.

REPORTS OF MUNICIPAL OFFICERS AND MUNICIPAL DEPARTMENTS:

Safety Director Paul Schmelzer – State of Ohio Police Department Officer training

The Police Department received \$24,816.00 from the State of Ohio that has been deposited in the General Fund. These funds will be used to fund outside training for Findlay police officers. Legislation to appropriate funds is requested. Ordinance No. 2018-011 was created.

An appropriation is respectfully requested as follows:

FROM:	General Fund – State of Ohio Grant Program	\$24,816.00
TO:	FPD ORC Training Program <i>Project #31980800-other</i>	\$24,816.00

Filed.

N.E.A.T. Departmental Activity Report – December 2017 and January 2018. Filed.

Service Director Brian Thomas – City insurance payment on City vehicle

The City has received payment for the repair of a pickup truck from an accident from the City’s insurance company in the amount of six thousand one hundred eleven dollars and four cents (\$6,111.04) and has been deposited in the General Fund. Ordinance No. 2018-012 was created.

FROM:	General Fund (insurance proceeds)	\$ 6,111.04
TO:	Engineering Department #21021000-other	\$ 6,111.04

Filed.

Service Director Brian Thomas – City insurance payment on City vehicle

The City of Findlay has received payment in the amount of one thousand one hundred eighty-three dollars and forty cents (\$1,183.40) from the insurance company for the repair of a Sewer Maintenance vehicle involved in an accident. That amount has been deposited in the Sewer Fund. Legislation to appropriate funds is requested. Ordinance No. 2018-012 was created.

FROM:	Sewer Fund (insurance proceeds)	\$ 1,183.40
TO:	Sewer Maintenance Department #25048000-other	\$ 1,183.40

Filed.

City Auditor Jim Staschiak – summary financial reports

A set of summary financial reports for the prior month follows including:

- Summary of Year-To-Date Information as of December 31, 2017
- Open Projects Report as of December 31, 2017
- Cash & Investments as of December 31, 2017

Filed.

Treasurer’s Reconciliation Report – December 31, 2017. Filed.

City Planning Commission agenda – February 8, 2018; minutes – January 11, 2018. Filed.

Service Director/Acting City Engineer Brian Thomas – Waterline Extension to County Landfill, Project No. 35710800

Hancock County held a bid opening for this project on January 18, 2018. Bids were received from fourteen (14) potential contractors with bid amounts ranging from nine hundred thirty thousand two hundred twenty-one dollars and five cents to one million two hundred ninety-one thousand four hundred eighty-seven dollars and twenty-five cents (\$930,221.05 - \$1,291,487.25). The lowest and best bid was received from Underground Utilities of Monroeville, Ohio. This project was included in the 2017 Capital Improvement Plan with the estimated City’s share of the project being six hundred ninety thousand dollars (\$690,000). Based upon the bid received, the City’s share for construction is two hundred sixty-two thousand six hundred forty-one dollars and seventy cents (\$262,641.70). An appropriation for construction, inspection and contingency is needed to complete the project. There is approximately two thousand dollars (\$2,000) left in the project from the previous amount appropriated for engineering and startup. An additional twenty-one thousand three hundred fifty-eight dollars and thirty cents (\$21,358.30) is requested for contingency of any minor changes that may need to be made in the field. Legislation to appropriate funds is requested. Ordinance No. 2018-013 was created.

FROM:	Water Fund	\$ 284,000
TO:	Waterline Extension to Landfill <i>Project No. 35710800</i>	\$ 284,000

Filed.

Findlay Police Department Activities Report - January 2018. Filed.

City Income Tax Monthly Collection Report – January 2018. Filed.

Service Director/Acting City Engineer Brian Thomas – 2018 Capital Plan

The proposed version of the 2018 Capital Improvements Plan is nearly ready for review. Mr. Thomas would like to present the proposed 5-year plan at the next Appropriations Committee meeting. Copies of the draft plan will be ready for pickup on Friday, February 9, 2018 to allow for review prior to the February 13, 2018 Appropriations Committee meeting.

Discussion:

Councilman Russel asked if this is ready to go for the February 13, 2018 Appropriations Committee meeting. Service Director/Acting City Engineer Thomas replied it is if it that is when Council wants to review. Councilman Russel asked if the plan will be distributed by email and available for pick up on Friday, February 9, 2018. Service Director/Acting City Engineer Thomas replied that is correct.

City Auditor Staschiak asked the Administration if the Capital Plan could be enhanced to identify some of the cash withdrawals on the larger items to show the timing needed. He is seeing a significant increase in interest rates so he is trying to balance them and maximize the return on investment as much as possible. If he could know when some of the bigger withdrawals will take place, he can position the cash to be there so that Council does not have to request a transfer and does not have to sit idle. Referred to the Appropriations Committee. Filed.

Officer/Shareholders Disclosure Form from the Ohio Department of Commerce Division of Liquor Control for Vivir Modern Mexican LLC dba Vivir Modern Mexican, 119 East Crawford Street, Findlay, Ohio for a D1, D3 liquor permits. This requires a vote of Council.

John E. Dunbar, Chief of Police – Vivir Modern Mexican LLC dba Vivir Modern Mexican, 119 East Crawford Street, Findlay, Ohio. A check of the records shows no criminal record on the following:
Joseph P. Rowan

Councilman Slough moved for no objections be filed. Seconded by Councilman Harrington. All were in favor. Filed.

Officer/Shareholders Disclosure Form from the Ohio Department of Commerce Division of Liquor Control for Executive Food & Beverage Group LLC dba Legends, 411 South Main Street, Findlay, Ohio for a D1, D2, D3, D6 liquor permits. This requires a vote of Council.

John E. Dunbar, Chief of Police – Executing Food & Beverage Group LLC dba Legends, 411 South Main Street, Findlay, Ohio. A check of the records shows no criminal record on the following:
Nickolas L. Reinhart
Mark J. Klein
Robert J. Rosseau

Councilman Harrington moved for no objections be filed. Seconded by Councilman Slough. All were in favor. Filed.

COMMITTEE REPORTS:

LEGISLATION:

RESOLUTIONS – none.

ORDINANCES

ORDINANCE NO. 2018-006 (*6th Street vacation*) **third reading adopted**
AN ORDINANCE VACATING A CERTAIN PORTION OF A CERTAIN STREET (HEREINAFTER REFERRED TO AS SIXTH STREET VACATION) IN THE CITY OF FINDLAY, OHIO.

Councilman Slough moved to adopt the Ordinance, seconded by Councilman Shindledecker. Ayes: Frische, Harrington, Hellmann, Niemeyer, Ostrander Russel, Shindledecker, Slough, Watson, Wobser. The Ordinance was declared adopted and is recorded in Ordinance Volume XXI, Page 2018-006 and is hereby made a part of the record.

ORDINANCE NO. 2018-008 (*Trenton Ave/Main Cross St curbs replacement*) **second reading**
AN ORDINANCE APPROPRIATING AND TRANSFERRING FUNDS, AND DECLARING AN EMERGENCY.

Second reading of the Ordinance.

ORDINANCE NO. 2018-009 (*632 Davis St rezone*) **second reading**
AN ORDINANCE AMENDING CHAPTER 1100 ET SEQ OF THE CODIFIED ORDINANCES OF THE CITY OF FINDLAY, OHIO, KNOWN AS THE ZONING CODE BY REZONING THE FOLLOWING DESCRIBED PROPERTY (REFERRED TO AS 632 DAVIS STREET REZONE) WHICH PREVIOUSLY WAS ZONED "R2 SINGLE FAMILY, MEDIUM DENSITY" TO "R4 DUPLEX/TRIPLEX, HIGH DENSITY".

Second reading of the Ordinance.

ORDINANCE NO. 2018-011 (*Officer training donation from State of Ohio*) requires three (3) readings
AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

first reading adopted

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilwoman Frische. Ayes: Harrington, Hellmann, Niemeyer, Ostrander, Russel, Shindledecker, Slough, Watson, Wobser, Frische. The Ordinance received its second and third readings. Councilman Russel moved to adopt the Ordinance, seconded by Councilman Wobser.

Discussion:

City Auditor Staschiak asked the Council Clerk if the Ordinance will state the correct object code prior to its passage. Council Clerk DeVore replied it is stated correctly on the original she has which is what will be signed.

Ayes: Hellmann, Niemeyer, Ostrander, Russel, Shindledecker, Slough, Watson, Wobser, Frische, Harrington. The Ordinance was declared adopted and is recorded in Ordinance volume XXI, Page 2018-011 and is hereby made a part of the record.

ORDINANCE NO. 2018-012 (*City insurance payment on two City vehicles involved in accidents*) requires three (3) readings first reading adopted
AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

Councilwoman Frische moved to suspend the statutory rules and give the Ordinance its second and third readings, seconded by Councilman Russel. Ayes: Niemeyer, Ostrander, Russel, Shindledecker, Slough, Watson, Wobser, Frische, Harrington, Hellmann. The Ordinance received its second and third readings. Councilwoman Frische moved to adopt the Ordinance, seconded by Councilman Slough. Ayes: Ostrander, Russel, Shindledecker, Slough, Watson, Wobser, Frische, Harrington, Hellmann, Niemeyer. The Ordinance was declared adopted and is recorded in Ordinance volume XXI, Page 2018-012 and is hereby made a part of the record.

ORDINANCE NO. 2018-013 (*waterline extension to County Landfill*) requires three (3) readings
AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

first reading

First reading of the Ordinance.

UNFINISHED BUSINESS:
OLD BUSINESS

Councilwoman Frische pointed out that Council has been discussing tax deferrals for a couple of years. She read the Mayor's editorial and asked if her only concern is to eliminate unnecessary refunds and if it her only fear is overspending and not having the money in the event of an over-estimated payment. Mayor Mihalik replied that her concern is that there are a handful of individuals who consistently over pay their taxes. They over pay on their estimated payments prior to their taxes being due. From a conservative perspective, that money is not the City's until it is due. While some may think the City is a better depository or holder of other people's money than the businesses themselves, she does not agree. In 2009, the City continually collected estimated payments that were way overstated for a very long time that got the City into a very big problem. If the practice that is in place right now would have been in place back then, the city might have avoided having to increase income taxes in the City of Findlay, which is her concern. The practice that is currently in place right now is a good practice because the City is being smart about letting people keep their money until their taxes are due. It does not require them to over pay their taxes. It does not require the individuals or businesses, who happen to be in a potential volatile market, to make payments several days early, if not thirty (30) plus days prior to their quarterly results being made public, which makes it tricky depending upon what they are doing. In the past, the City spent that money prior to knowing whether or not it was theirs. The City should allow folks to keep their money until their taxes are due. She is done having the conversation about deferral. It is not a deferral. Taxes are paid when taxes are due. The audit firm that has been working with the City for the last couple of years agreed that it is not a deferral. They are estimated payment returns. If a business has a balance with the City in excess of their estimated payment that is more than what their normal liability has been for the City, then they are due a refund. In the past, the City booked it and held onto the cash unless the taxpayer asked for it back. It is not some elite groups that are receiving any special arrangements. If someone wants to be a part of that group, then they will have to consistently overpay their taxes year in and year out which is why the process is to eliminate overpayments. In the reports the Income Tax Administrator submitted last year, it states that the City still issued refunds in excess of seven hundred fifty thousand dollars (\$750,000) last year.

Councilman Wobser asked if a company is consistently paying their quarterly taxes but are always overpaying based on last year's taxes, if they would be making less profit every year. Mayor Mihalik replied not necessary. Councilman Wobser then asked if they are paying based on profitability. Mayor Mihalik replied they are making estimated payments based upon last year's numbers. Councilman Wobser asked if they are overpaying this year, if it would mean that the next year, they would make less. In his opinion, if they are consistently doing that year after year, they would be making less, so their estimated payments would always be higher than what should be paid. Mayor Mihalik replied it is difficult to make a decision on what the their profitability could potentially be. If someone is not used to dealing with the current practice, it gets tricky, especially when someone throws politics into it. Taxpayers are trying to take a guess or are deliberately sheltering money from the City of Findlay to try and avoid some tax liability at a higher level, which is not what the City is here for. The City is here to provide a service, which is a service that we provide very well. The due date for estimated payments are fifteen (15) days before the end of the quarter and forty-five (45) days before the results are publically made. Depending on what business someone is in, profits can be volatile which is why the ordinance was put in place. It is why back in 2009 the Income Tax Board unanimously approved it and is why Council put it in place also in 2009 after that. If Council does not like the current ordinance that is in place, it is up to them to change it as it is their ordinance.

Councilwoman Frische reiterated her question if it is the Mayor's main concern that the City is refunding too much money and may not have it if we spend it foolishly. Mayor Mihalik replied that her concern is that the City is collecting people's money when it is not ours to collect. It is not the philosophy she agrees with. If Council wants to change it, they can do so. It is not her policy. This same conversation keeps taking place over and over, but the policy has not been changed. As long as she is running the executive side of the City, she is going to be smart about how the City spends its money because the City has not always done that.

Councilwoman Frische again reiterated her question about estimated payments and noted that there has been an estimated plan in place for many years that had worked well for a long time, but had a hiccup back in 2007 when the City Income Tax Board voted on putting the policy in place. The Mayor at that time sent a letter to Council with no discussion on it and was not used until 2012. Four to five hundred thousand dollars (\$400,000-\$500,000) is put into a refund account every year for the Income Tax Department. Also, a PowerPoint presentation was given to Council in regards to this discussion listing what the City gives in deferrals every year, and what the largest refund amount was. On average, the City refunds less than a half million dollars a year. While there are carry-forwards and overpayments, the biggest refund she recalls was in 2007 in the amount of ninety thousand two hundred twenty-seven dollars (\$90,227). All other refunds were much less than that. She would like everyone to be on the same page because it should not be a political discussion, but should be about treating all citizens and businesses fairly and openly, which is not happening right now. Since the Mayor is running the City and the Income Tax Administrator sits underneath the Mayor, and the Mayor's only concerns is the City spending money that may not be theirs, but history shows there have not been any huge hiccups other than in 2007, then why is a minimum reserve policy not established in the Income Tax Department. The City already puts five hundred thousand dollars (\$500,000) into the refund account. If the Mayor's fear is that the City will overspend, a minimum reserve account of five hundred thousand dollars (\$500,000) can be set up and then eliminate deferrals all together. Council should address the policy and procedure that was not discussed with Julian & Grube Inc.

Councilman Shindledecker called for a point of order. There was a request for a Committee of the Whole meeting to discuss this, but there were not enough in favor of it. This discussion does not belong here and now. If Council wants to discuss this, it should be discussed in a Committee of the Whole meeting if the majority wants to. This is not the place to have an extended discussion on it. Councilwoman Frische replied that this is a public discussion. The reason she did not personally vote for a Committee of the Whole meeting was because there has been no new information given. In the email the Mayor sent, it stated that as long as we are mandating this policy, it is in Council's lap. If Council wants it in their lap, then they need to do something. It should be in the Income Tax Board's lap first before it comes to City Council, but that does not seem to happen. If the Administration's only fear is the fact that Council could overspend, then a minimum reserve policy should be set so that we are covered and that all of our ducks are in a row so we can move forward and have everyone paying taxes on the same quarterly timeframe. If they do not, there will be a penalty and interest assessed to them. There is not a transparency to this practice. When Council passed it in 2009, she does not believe they thought they were going to have to use it, but in 2012, it was used. In 2013, the City saw the windfall from it. Council does not have a full picture of the City's finances in order to budget and plan when they do not know what is going on. This should be an open discussion now because it goes nowhere in Committee of the Whole meetings. Mayor Mihalik replied that the ordinance was put in place and administered since 2009 because those were the duties that Council gave the Income Tax Administrator. It is not something that when she walked in the door in 2012, she started enforcing it. The reason the City is not issuing large amount refunds is because of the policy that is in place. The reason for the 2013 windfall was because there was a company that was profitable and had paid off the credit that they had owed to the City. That lasted six (6) years. The City was lucky they did not have to pay it back because we did not have it because as soon as we got it, we paid cash for a fire truck that cost nine hundred thousand dollars (\$900,000), and also paid off debt and did things that were ill-advised at the time because we did not realize what was happening. That is why the City has not had to pay excessive refunds in the last seven to eight (7-8) years. This is not something that just magically begun in 2012 when this Administration walked through the door.

Councilman Russel noted that he has been on City Council for a number of years now and each year they go through a budget process that he feels he has a good financial picture of what has been presented by the Auditor and the Administration in order to vote and create a budget. The City has been successful in creating the budget each year, so to say that Council does not have a proper financial picture is not an opinion he agrees with. Councilwoman Frische replied that she did not state that Council does not have a proper financial picture. She stated Council does not have a full picture. She also said that with transparency, citizens, businesses, individuals, and everyone that she has talked with in the community would like to see transparency on a policy procedure or to end the practice. It is time for Council to take a stand for their constituents and either put a policy and procedure in place, not one that was sent to Julian & Grube, which was clearly not a policy and procedure, nor is it Julian & Grube's job to approve a policy and procedure, but that it should go to the Income Tax Board and then come to Council. It is time for Council to do something instead of talking in circles. This is not an attack on the Mayor, nor have refunds ever been an issue. She pointed out that the Mayor attends many Mayor conventions and is active across the state and asked what other cities have this policy in place, and what their policy and procedures are since the City does not want set the bar for it and thinks it is a wonderful practice even though everyone else across the state seems to be able to handle their taxes like the old way. Mayor Mihalik replied this is not a topic that she seeks out benchmarking practices for, but is aware of conversations that the Income Tax Administrator has had with other Income Tax Administrators that have said our policy is sound and that the ordinance that we follow is a good one because it prohibits us from getting ourselves into a pickle like we did in 2007 and 2008.

Councilman Harrington pointed out that the number of times Councilwoman Frische has brought this subject up has given a lot of opportunities for Council to do things, but her argument has not been valid enough to render the votes needed to change. A number of Councilmembers understand and support the policy, and feel that the policy should stay as is. It is about as transparent as it has ever been. Last year, Council asked the Income Tax Administrator to provide a report and the Auditor asked for the additional information, as well as Councilmembers, so a transparency on who is not paying their quarterly taxes would be illegal to give that information out and would be subject to lawsuits because it is information that is confidential. To ask for that to be transparent would be improper. He has challenged Councilwoman Frische several times and challenges her again now to move on as the subject has fallen on deaf ears every time she has brought it up.

Councilman Wobser pointed out that Councilwoman Frische is not the only one who has a concern with this, nor are we the only citizens that do. There is a segment that there is concern about the way it is administered. While he does not doubt that this is potentially a good way for the City's cash flow and he understands where the Mayor is coming from, there is no policy and procedure in place, so it appears as if some are getting a deferral. Mayor Mihalik replied that the City is returning their estimated payments. They are making declarations with the City. They are telling the City what they anticipate their estimated payments will be depending on what their balance is with the City and what their liabilities have been with the City in the past. The Income Tax Administration evaluates those and makes a determination of whether or not the payment gets returned or processed. Councilman Wobser asked if the City could accept partial payments. Mayor Mihalik replied that she is unsure. She knows what the ordinance states and has heard how the Income Tax Administrator administers it, but she is not involved in any of it. She does not know who the individuals or businesses are that end up getting returns. She does not make side deals with anyone. She has tried to stay as far away from it as possible because of those insinuations. The companies are letting the City know where they are at quarterly.

If they have an existing balance with the City that far exceeds what their normal liability is, then the City has them reinvest their money back into their company instead of paying the City because it is not the City's money as they already have a credit with the City. They deal with multiple jurisdictions all the time, so they cut checks. Councilman Wobser pointed out that the way the policy is administered could leave itself open for concern down the road. He asked if another Mayor is elected into office and decides that there are three (3) big benefactors that help him/her fund their campaign and he/she decides to help them, what would stop him/her from doing so. Mayor Mihalik replied that it would be against the law. Councilman Wobser asked if that Mayor could request the Income Tax Administrator to not pay their quarterly income tax payments and allow the City to have that cash flow for awhile. Mayor Mihalik replied it could be done with any individual taxpayer. There are a lot of hypotheticals that could happen. It is not just businesses and not just individuals. She has no way of knowing what the next Mayor will do.

Safety Director Schmelzer asked Councilman Wobser if he is insinuating or thinks it is possible that an actual tax is owed and is not paid. Councilman Wobser replied no. At the end of the day, they have to pay their yearly taxes. Safety Director Schmelzer asked if Councilman Wobser believes the City is giving them a break from making a mistake. Councilman Wobser believes it is a cash flow issue. Safety Director Schmelzer asked Councilman Wobser if his concerns is that an error could be found and that the City would notify the taxpayer that since it is an error, they do not have to pay it to the City or that a liability will be waived. Councilman Wobser replied no. Safety Director Schmelzer replied that liabilities are always paid. Councilman Wobser replied that his concern is if the City allows individuals to keep a year's worth of cash flow versus paying their quarterly payment and use the money in the business and then pay it to the City at the end of the year which would enable that individual or business more time to utilize that cash flow that they would not have otherwise had. Safety Director Schmelzer replied that the flip side of that would be that the City would be using money that they think is there's. Councilman Wobser replied that if the City has the cash, they put it in the bank and draw interest on it. Safety Director Schmelzer asked if that is proper when it is known it is not the City's money. Councilman Wobser replied that they have to pay their quarterly payments to the City, so the City would put those in the bank and draw interest on it and then give it back to them as a credit. Safety Director Schmelzer asked if Councilman Wobser feels the same even if it is not the City's liability, the City would only be drawing interest on it instead of using it. If the City knows the money is theirs, they can use it, but if they know it is not theirs, they should not be allowed to just sit on it. Councilman Wobser asked if the Income Tax Administrator knows the taxpayer is over paying, if he tells them not to pay us. Safety Director Schmelzer replied they have already paid the City before that is known. Councilman Wobser then asked if the taxpayer has already paid the City if the City uses the money as a credit and pays the taxpayer back when their time is due, and if those who are actually going to cut the City a check because they do not have a credit if the City would take that money and put it in the bank and potentially give some of it back to them at the end of the year when their actual liability is known. Safety Director Schmelzer replied yes if they ask for it and if the City has the money available. Councilman Wobser replied that it could go to the fund Councilwoman Frische was talking about. The Income Tax Department's budget is a half a million dollars (\$500,000) per year. It could be added to so that there is enough money for potent refunds back to someone if it is not kept in escrow. If the Income Tax Administrator knows refunds are going to have to be given, he should notify Council of it so that the money could be available as he is having that conversation already anyway. Mayor Mihalik added that she had this exact conversation during an Income Tax Board meeting four (4) years ago and asked if the money could be escrowed into a different account, and was told it could not be done. If Council wants to do that, they can if they change the rules. The Administration submits a budget to Council that covers what we think we need, and then every refund that is needed can be authorized by City Council if Council wishes to go that route. Councilman Wobser replied he is just reiterating what he is hearing from citizens.

Councilwoman Frische believes there are two (2) issues: how things are paid and the deferral process. She asked if it is known what is due as estimates are given and if that amount can change. When someone does not pay their estimate, they pay a penalty or interest for not paying on time. When there is an overpayment, the City makes interest off that money. The Mayor stated that people pay their taxes when they are due. Councilwoman Frische replied that if the Mayor thinks that is good for the goose, it should be good for the gander and should tell everyone to pay their taxes when they are due so that everyone is treated the same so there would be no issues, but there would not be money to operate the City if everyone pays their taxes when they are due. The Mayor is saying that for a certain group but is not saying it for everyone, and there is no policy in place. She does not believe that the Income Tax Administrator is the Accountant for every company and individual in this town who knows more than what they know themselves. She believes the Income Tax Administrator has a role and is governed by the Income Tax Board that consists of the five (5) members: a Councilmember, City Auditor, Mayor, Law Director. The public sees it that the Income Tax Administrator has free rein to do whatever he wants and is not held accountable to anyone. She is hopeful that this discussion will continue at tomorrow's Income Tax Board meeting, and that a resolution will come into play. If citizens are to pay their taxes when they are due, the quarterly estimates should be eliminated for everyone. It would be interested to see how the City operates. Or, there should be a policy and procedure in place that anyone in this community can pull up online and see if they qualify before they even ask for a deferral, or ask to not pay their estimated payments, or request to have their check returned to them. Those request should then go to the Income Tax Board for accountability instead of leaving it all in the Income Tax Administrator's lap. Mayor Mihalik replied that the Income Tax Administrator has a certain amount of autonomy relative to the very sensitive nature of what he does for a good reason. He is the individual by the Ohio Revised Code that is charged with administering our Income Tax Code. There is a reason for that. Because of the sensitive nature of what they do. He is supervised. The Mayor does not micromanage and does not get her fingers into everything that the Income Tax Administrator does because she is not allowed to per the Ohio Revised Code. There is a policy in place. There is not a written policy that has been adopted by the Income Tax Board, but they are working on it. A draft has been given to Julian and Grube, the accounting firm that has written the management letter, because of conversations that they had with other individuals had called them deferrals. No one receives deferrals of taxes. They are not hardship cases. People are significantly overpaying their taxes through estimated payments. The reason the City has not had to worry about issuing large refunds is because of the policy that is currently in place as well as the ordinance that is in place. It is a Council Ordinance and her ability to do what Councilwoman Frische feels she should be able to do, which is micromanaging the Income Tax Administrator, is prohibited by Ohio Revised Code. If Councilwoman Frische does not believe that is true, she is welcome to go to the State House and talk to them about it.

Councilman Monday concluded discussions on this matter by stating that if Council wants to continue this conversation, it can be done at a Committee of the Whole meeting which would take a majority of Council to do so. He would accept a motion for that if Council so desires. He also reminded Council that if they want to change the current ordinance, it takes two (2) Councilmembers to make the request to the Law Director for legislation that will be voted on by Council.

Councilman Niemeyer highlighted the 2017 Shade Tree Committee annual report that was handed out tonight as an add-on. He pointed out that the Neighborhoods brochures to adopt a tree are to be given out by Councilmember to their neighbors. Councilman Russel pointed out that Tom Mills with the Shade Tree Commission is in the audience and asked if he would like to add anything. Mr. Mills introduced himself and stated that he has lived in Findlay for the past ten (10) years. He has a passion for trees and thanked Council for their support of the Shade Tree Commission. They are trying to do a lot with the program. They are trying to evolve the program to provide the best tree and treelawn service they can for Findlay. He appreciates working with Councilman Niemeyer and looks forward to working with everyone in the future. Councilman Russel asked if a Neighborhoods location has been designated for 2018. Mr. Mills replied the two (2) designations are White Birch Drive on the northwest side of Findlay and Nutmeg Lane behind Speedway on Tiffin Avenue. The Geise's and Tom Steinman are involved with this project. Mr. Steinman, who lives on a side street outside of city limits, is doing it for his Mother-in-Law who lives on White Birch Drive. The Geise's are working in their neighborhood which is along the back of the Speedway Station on Tiffin Avenue. The candidate that is being considered for 2019 is Vincent Street. Right now, there a major City project of replacing waterlines is going on there where trees have been taken down on one side, and on the other side, they are flip-flopping the pipes, so they have been working with them to replace the trees on both sides of the street back off the treelawns because of the utilities that are going down the treelawns. They opportunity for residents there to put trees twenty feet (20') back into their yard has been given if they are having utilities put in their treelawn. In talking with the Safety Director, it was suggested to minimize trees in treelawns if the utilities are there which makes it easier dig it up without affecting trees. Councilman Russel pointed out that Neighborhoods was in South Main Street area two (2) or three (3) years ago and also Mount Park. He asked if the Neighborhoods Project has been working as well as expected. He asked Mr. Mills for his feedback on areas that the Neighborhoods Project have already been done. Mr. Mills replied that the Neighborhoods Projects have been done for five (5) years now. A lot of trees have been put in including South Main Street. Twenty (20) trees were put in through the Neighborhoods Project last year. One of the new members of the Shade Tree Commission asked if any follow up is currently being done with projects that have been done in the past. The only follow up that is done is what they refer to as young tree trimming to ensure that the tree grows as it should. They are looking at other follow up ideas to ensure trees are growing properly and are thriving. It is a workable program. He echoed Councilman Niemeyer's comments about the Neighborhoods brochures. He suggested giving them to possible candidates for Neighborhoods. If each Councilmember hands out just one card, it would be twenty (20) possibilities for Neighborhoods.

NEW BUSINESS

Councilman Harrington expressed his condolences to Randy Anast, who televising City Council meetings, on the passing of his father.

Councilman Harrington thanked Service Director/Acting City Engineer Thomas and the Street Department on their work on area potholes. The weather this year has been abnormal with a lot of warm, then cold, then snow, and rain that has created holes.

Councilman Harrington: **PLANNING & ZONING COMMITTEE** tentative meeting on February 8, 2018 at 12:00 pm in the Council Office, first floor of the Municipal Building (CO). He is unaware of any agenda items for this meeting, so there will not be a meeting in February due to lack of agenda items. The two (2) agenda items that were introduced during tonight's meeting will be addressed at the next meeting.

Councilman Russel: **APPROPRIATIONS COMMITTEE** meeting on February 13, 2018 at 4:00 pm in the third floor conference room of the Municipal Building (CR1).
agenda: 2018 Capital Plan

President Monday adjourned Council at 8:20pm.


CLERK OF COUNCIL


PRESIDENT OF COUNCIL