

Monday

FEBRUARY 2, 2009

4:30 P.M.

At 4:30 p.m. a Budget Work Session was held by the Sandusky City Commission at City Hall, 222 Meigs Street, City Commission Chambers. The *City Commissioners* of Dan Kaman, Julie Farrar, Craig Stahl, Brett Fuqua, Pervis Brown, Bob Warner, and Dave Waddington were present; and the four *Charter Officers* of the City Manager Matt Kline, Law Director Don Icsman, Finance Director Ed Widman and the Clerk of the City Commission B. Joyce Brown; and the *Administrative Staff* of Director of Engineering Services Kathy McKillips, Fire Chief Mike Meinzer, Interim Police Chief Charlie Sams, Administrative Services Director Warrenette Parthemore and Senior Accountant/Auditor Hank Solowiej.

President Stahl said they would not have prayer, but a moment of silence for former City Commissioner Al Mason that passed away.

The Pledge of Allegiance took place and the following City Commissioners were present for roll call: Dan Kaman, Julie Farrar, Craig Stahl, Brett Fuqua, Pervis Brown, Bob Warner, and Dave Waddington.

President Stahl introduced the Finance/Audit Committee members. He said the Chairman for over ten years was Mr. Al Nickles, CPA with Dean Nickels & Company, Mr. Dave Hoffman, CPA of Cedar Fair, Ltd. Partnership and Mr. Dan Moncher, CPA with Firelands Regional Medical Center.

President Stahl said the format for this evening is Matt Kline will get a couple of minutes to speak and then Al will get a few minutes and then Dan and Dave if they want to join in to give an overview. Then the Commissioners can ask any or all questions of the Finance Committee members or the City Manager. The way the process works is the City Manager brings them the budget and each one of the seven Commissioners gets a vote. They give them guidance and they give them a budget to be voted up or down. If they need to meet as a City Commission, they'll meet every other Monday to discuss the finances of the City if they so deem that necessary.

Mr. Matt Kline, City Manager, said first he would like to say thank you to all of our Department Heads, staff and essentially Hank (Solowiej) and Ed (Widman) for working with them and spending hours upon hours on preparing the 2009 Budget.

Mr. Kline said the draft budget that they had before them tonight shows, let them go back to 2008, they would recall that in 2008 the budget that they presented, which was passed, he had projected about a \$300,000 deficit in our spending. As it turned out, with gas prices on the increase to \$4 a gallon, who knew that quite frankly that people would be flopping to Cedar Point. Our Admissions Taxes are up and our Income Tax was up and our Hotel/Motel Taxes have been raised, but we're looking at 2009 and we do have some major concerns when it comes to the revenue side. The budget that they were presenting tonight is projecting a little over a \$900,000 deficit in our spending. Taking our carryover at the end of the year of \$3,690,000 and if revenues come in as projected and if expenditures come in as we projected them to be, we would to have a cash balance ending December 31st of this year of \$2,745,000.

Mr. Kline said a couple things, first on the revenue side, and he has said this before and just to repeat, normally during a year any company or business would have basically 26 pay periods. However, there is an anomaly that happens every eleven years and this happens to be the eleventh year, and that is that there is going to be 27th pay period this year. In the past they've always looked at what the impact is to the General Fund. Approximately the impact to the General Fund on a pay period, which happens to be the 27th pay period this year, but it reflects \$370,000. Having said that, if they would compare, it's a better comparison was always going on where you were last year, where you were the year before and where you believe you want to be this year. If you would subtract out that \$370,000 pay period or that 27th pay period, you're looking at that we were able to reduce our expenditures approximately \$235,000. How we've done that is mostly through personnel. As an example, last year we had a few retirements at the end of the year and we also actually had a termination. For this year, the original budget as they remember that was presented, the draft budget back in November, included replacing those three positions. This

budget reflects not replacing those three positions. To give them a sense of where we're at that the City has gone on cutting its expenses, they went back five years to 2004. You go back to 2004 and in our Horticultural Divisions, Cemetery, Forestry, Greenhouse and Parks, at that time in 2004 we had 19 full-time employees and 9 seasonal employees for a total of 28 employees that represented \$1.2 million in payroll costs, wage dollars. In 2009 we're looking at only 12 full-time employees and no seasonal employees. So we're going essentially from 28 employees down to 12 and its going to be very difficult. They know how we did not have any of the seasonal employees last year and he knows of some of the calls that they have received and shared with him on various items, high weeds, high grass, etc. He would think that those problems would increase again.

Mr. Kline said but where we really get hit is on our revenue projection side. We have projected a loss in the Income Tax. They've shared with him over the course of several weeks, they all know how the economy is, there's been layoffs amongst not only companies here in town, but throughout the County. We believed that that's going to be what we will see, an impact when it comes to the Income Tax. In addition, two other items that need to be noted, one is the Local Government Fund. That is a revenue source that comes straight from the State of Ohio. The State of Ohio has been reducing that each year. Our certification from the County Budget Office came out to; this year we should be receiving \$796,000. As comparison last year we received \$897,000. So it's just over a \$100,000 loss of revenue, which was an important source of revenue. The other one that is really bad and it's just a reflection of the economy, and that is our Interest Income is going to be down this year. Quite frankly there's not too many answers to be able to, we're limited as to what our investments can be. It is what it is. It is a reflection of the economy. Just a small example, we had a small investment that should have yielded around 4%. It was called last week. That 4% interest rate dropped to a half percent. There's no easy answer when it comes to the revenue side, and that's really where we're seeing this loss, and it's on the revenue side. We have cut extremely lean. As an example, if they take away that 27th pay, we've actually decreased our spending by 1.3% from '08. And please remember that includes increases in healthcare costs and increases in wages and salaries for the three unions. So quite frankly he was pretty proud of what we've presented to the Commission on the expenditure side. So that's an overview and they'll let the Finance Committee present.

President Stahl said he wanted to say thank you Mr. Kline and he wanted to say thank you to all the members of our Finance Committee, and they have long said that you guys have spent a lot of time and donated to the City for free and this Commission was very thankful for the work that you guys do to help our City out and the time that you guys do that are very busy in their jobs and have very responsible positions. They appreciate their time of not only them, but the companies that they are associated with for giving us the time. So Mr. Nickles he was the long-time City Finance Chairman so if he would like to lead off and give some of his impressions of this budget.

Mr. Al Nickles said he would throw a number of things out and not necessarily in any specific order or any order of importance. You know if you look at the budget you've got some catch 22's here. We have to worry about our bond rating. If our bond ratings go down, our interest rates go up. So if we go much below that \$2 million threshold, that he thinks Mr. Widman has indicated, now all of a sudden instead of paying a 6% interest, now we're paying 6½% or something greater. We looked last year and had somebody come in to see if any of the bonds that we had could be refinanced. He thought the last set of bonds or notes that we put out, we couldn't even find anybody that wanted to buy them. So it gets to be a difficult situation. We talked about raises, obviously we're looking at things that are going to be flat or no raises. But you've got collective bargaining situations that are going to have to be dealt with. In that collective bargaining there's raises in there that are going to have to be dealt with and you got some healthcare costs that we're paying. Anybody that's out there looking in the general public and seeing what other jobs are doing, the City has a very generous healthcare program that he thought probably was going to have

to be looked at in his opinion. You have the income tax. In '08 we actually got a spiking income tax and this is something that just amazes him and he thinks you have to be living under a rock not to know that in '09 with all the cuts that you're reading in the paper and on t.v., there's a cut in jobs. If there's a cut in jobs that means that our City's withholding tax is going to go down. And companies aren't making as much money so then all of a sudden now our income tax on the gross receipts is not going to be there. Another tax that is always somewhat nebulous is the estate tax. Some years we get money and some years we don't. It's something that we just can't budget on, unless you know something that he don't. But again, it's critical. And you know cash flow is king, and again he thinks the administration has done a tremendous job of making the cuts, but you're going to get down to a point that you can only cut so much out of a budget. Sometimes it is known as you're going to have grow the top line. In other words, you're going to have to figure out how to get the revenues or something is even going to be more difficult, the Commissioners are going to have to make a decision, do I cut people or do I cut services. And he thinks that's where we have gotten. That basically is the budget in a nutshell. Gentlemen do you have any other highlights?

Mr. Dan Moncher said it's a pleasure to be here and he wanted to first of all commend Manager Kline and the Department Heads because they've been through this several times in many orientations and the fact that they have been able to look it with a very discerning eye and can come in with the actual net decrease in expenditures in '09 is very commendable and it gets us on the right track. But to kind of back up what Mr. Nickles was stating, as a city we can't cut our way into tax lights. It's going to be a point in time where we're going to be down to the bare bones and we may be approaching that time now. So as Al so eloquently said, you got to start looking at maybe I too need to grow the top line because we want to be able to offer up citizens the best services that we can. And we also want to make sure that we have people working in this City, not only for the City, but for the City as a whole to generate income taxes necessary. He knew from their perspective, their Medical Center (Firelands), they've had several if not hundreds of people working on that building project for four years. They're no longer working in the City building the new tower for them. So that's one thing that they already know in '09 is going to decrease and impact our income taxes. So we've got to replace those jobs with other jobs. If we can't replace the jobs, we've got to find other tax revenues, because at some point in time the citizenship of Sandusky deserves City services to be topnotch. And we're there now, but we're really getting close with the cuts that are in '09. And if we have to continue to cut, because again as Mr. Nickles stated, we have to protect our bond rating and we've got to protect our cash reserves, because that's what actually drives us at the end of the day. So again, he just wanted to reiterate what Al stated and also to make sure we got accommodations out there for the Department Heads and also for the Manager/Client for the good work they've done to get us to this point. At the Finance Committee they'll give their commitment that they'll continue to work on it and work this out to make sure that they can keep the City viable for many years into the future.

Mr. Dave Hoffman said a lot of heavy issues have been dealt with here. He appreciated the opportunity to participate and he has participated a grand total of one meeting so far this year. He appreciated the opportunity, but he guessed that he would just echo the comments of his colleagues. And in spite of to consider the fact that Sandusky has the lowest Income Tax rates of its peer communities, and while they would like to keep it that way, he thinks we live in an era of sort of shared pain. It's painful times. Our businesses are suffering. Our own pocketbooks are suffering, but he wondered in terms of keeping the services of the City and keeping our community where we would like it, if we do need to take a hard look at that Income Tax to see if that can be a possible revenue source for the future. That would be a full long-term source. President Stahl said he knows that he has actually been to two meetings and he knows that he has been to the Manager's office because he saw him in there working on the budget. So he appreciated it.

Mr. Hoffman said one final comment Mr. Stahl. They can work as a working Finance Committee; they can make an awful lot of recommendations; they can work with the Administration, but when the day is all done everybody here at the front table has to make that tough decision. President Stahl said what he was saying was that they have to give them the direction of what you want them to have them work out? Mr. Hoffman said absolutely sir. President Stahl said if they give them the guidance, they'll take care of how to screw the nuts and the bolts together. Mr. Hoffman said these very capable people in Finance and the City Administration are going to do that, they're just going to help them along. *President Stahl asked were there any comments or questions, no particular order who wants to go first.*

Mr. Warner said he wanted to commend everybody in here for working so hard on this budget. It looks real good, but he did have questions about a couple of things. He's going to ask, because he's new on the block and has never done this before.

Mr. Warner said first, and in no particular order, he don't know how to go about this, but under the **Police Department**, the \$74,180 for **Wage/Fringes for Police Reserves**, where last year it was \$20,000 (\$21,960), why is there a \$50,000 (\$52,220 difference) (2008/\$21,960 vs. 2009/\$74,180) jump in that budget? And he don't know why; he's just asking. Interim Police Chief Sams said one of the things that they're doing is they're attacking it from several angles. They've had a problem with recruiting minorities into the police force. They're down to four minorities or African American males on our department now. Mr. Warner said right. Interim Chief Sams said nothing works. They don't get anybody to come take our test; it's been well publicized. One of the things that they've done in order to attack this is create five Reserve Officers that are going to get paid. They're out there recruiting minorities right now. They've already got three minorities interested. They want to bring them on. They want to get them trained, help them so they can take the test and pass, get them the points that Reserves get, and then get them in to take the test and become full-time officers. When he had the test they had one African American male take the test and he failed. We're just not getting them and it's the only thing they believed that would work to get them on our force. Other words, they face a problem of again falling way under the 10%, getting sued and getting another mandate by the federal government on them. Mr. Warner said he understands that. Do we have to have five; the rule is two or three? We're pinching pennies here. We're looking to where we can wherever we have to have five minority Reserve Officers, and if we have them, how soon before we actually put them on the force and they come off this? You know that's a big jump in the budget, and is three good as five? Interim Chief Sams said the answer to his question he's already got eleven applications sitting on his desk; three of which are minorities. He would have them hired on almost within a month or two because he needs to get them on because the next test will be a little over a year and they have to be on a year to get the points. So he would have to do it quickly. The answer to whether he needs five, three or two, he takes whatever he gets, but your odds are a lot better obviously with the numbers. With that being said, he'll take what he can get, but... Mr. Warner said and there's also a lots other cities out here that are laying off officers and sheriff departments that he thought they may get. The next time the test comes around they may get some more applicants that they didn't have the last time. Times are lean everywhere out there.

Interim Chief Sams said and the other thing to consider in with this is that by having Reserve Officers going to the other standpoint, that's a two-man car. If his manpower's down, it could prevent having to pay overtime to bring somebody in to fill in for somebody if they call off sick or something else. So there is cost savings of having that part-time person making \$12 an hour, as opposed to having to pay somebody with benefits and everything else. Now he couldn't, and he's not saying he'd replace a full-time guy with a Reserve, because he can't do that because of the contract, but it increases the staffing out there and it could help save overtime and would. Mr. Warner said so he was telling him that if he gets this extra 50 grand (\$50,000) in here, your over-time budget is going to be lower? Interim Chief Sams said he's saying it would save some. He's not saying it would be of great significance or it would be \$50,000, but it would save some, yes.

Mr. Warner said the second question he's got, he's got nothing (2008/\$60,500 vs. 2009/-0-) in here for the **Police Boat (Police-Marine Patrol)**. He's getting conflicting stories on that, whether we're keeping the Police Boat or we're not keeping the Police Boat. It says zero here and that's what he's been going on. Interim Chief Sams said well the first answer to that is the Police Boat's gone; they took it back already; we gave it back. The second part of that is, there's a program out there that was under the State, the federal government has a boat, which we have entered in with the Sheriff's Department, Huron; and they fund the boat, they pay for the boat. There's no cost to us as far as the equipment. The only cost is manpower. Now, they're going to pay all the overtime to operate that boat. It's done as a regional boat. What it would cost us is four hours of regular time a week from one of our guys, which we could do with this existing budget. Mr. Warner said thank you very much. He has picked on him all he could. That was all he had in there.

Mr. Warner said on the **Fire Department** the Fire Chief he gets a pass. He looked at his; he don't know where he can cut. Those two (2008/\$4,723,184 vs. 2009/\$4,790,660) were fairly the same.

Mr. Warner said under **Administrative Services** the next thing he got is **Human Resources** dropped 30 grand (\$30,000) off what we got (2008/\$182,264 vs. proposed 2009/153,331) in November, which he thought that was great dropping 30 grand and cutting that. He likes when people save money.

Mr. Warner said **Info (Info Technologies)** dropped 30 grand (\$26,609) (2008/\$134,844 vs. 2009/\$108,235).

Mr. Warner said the **Cemetery** was about 71 (\$71,000) grand down (\$72,688) (2008/323,961 vs. proposed 2009/\$251,273), what did we do to save money there? Mrs. Warrenette Parthemore said one of the open positions is in the Cemetery that they wouldn't be filling. Mr. Warner said okay. Mrs. Parthemore said and they also cut back on some of the supplies. And she had been possibly looking at mowing a little bit less and things like that. Mr. Warner said all right. Well that's really saving things. All of those areas there, he wanted to point them out, good cuts in those areas he guessed, because we're actually saving quite a bit of money. Mr. Kline said one of the things, he brought up Cemetery though, is that some of the Commissioners will probably receive a phone call during this summer. He meant they might go out to their stone (grave headstone) and the grass might be a little not bit higher around their stone than it normally is. And that's just because we might be weed whipping around the stones as often as we have done in the past. Mr. Warner said if we don't have the money to hire people; we just can't do it. The hard facts, it may not be pretty, but that's where it's at guys, sorry. Excuse him for taking his time. President Stahl said go ahead, they have until six o'clock in this room.

Mr. Warner said next is **Administrative Support**, the **Transfers** (2008/\$1,456,875 vs. proposed 2009/\$1,508,977), it looks like about \$79,000 (\$52,120) transfer plus some. Mr. Widman said they have a number of funds, Police and Fire Pension, which is two separate funds. Our Parks & Rec. debt service, and at times we have, although not recently transferred to Capital. It's where the General Fund picks up the deficits. Police & Fire Pensions have a small amount of property taxes that is unvoted tax. That does not cover the total costs. So the rest comes from the General Fund. Mr. Warner said okay, so that 79 grand (\$79,000) would go for Police & Fire Pensions? Mr. Widman said yep, right. Mr. Warner said good enough. He just wanted to know.

Mr. Warner said **Economic and Community Development Department**, the **Economic Development**, that department is up to \$16,000 (\$16,483). This had to be up \$16,000. It looks like to him that last year's proposed appropriation for Wages/Fringes was \$81,671 and now its \$88,154. And then Contractual Services jumped \$10,000 (proposed 2008/\$6,500 vs. proposed 2009/\$16,500), which it seems like quite a bit to him. Mr. Hank Solowiej, Senior Accountant/Auditor, said it's lower than actual taking a look at the budget, the proposed 2008 actual was actually down. Mr. Kline said the 2008 actual. Mr. Warner said okay, the 2008/\$35,248 to proposed 2009/\$16,500 and \$88,154 to 2009/\$88,154. Mr. Solowiej said yes. Mr. Warner said all right.

Mr. Warner said **Community Development** contractual dropped 50 grand (total \$45,172 with both 2009 Economic Development of \$75,742 and Community Development of \$35,000), which he thought was pretty good or that dropped more.

Mr. Warner said the **City Commission**, the **Commission and the Commission Clerk**, both looked like they cut budgets. The City Commission was a \$10,000 (2008 proposed/\$44,751 vs. 2008 actual/\$34,789 for difference of \$9,962) cut was that about right? And the Commission Clerk was about \$100 (proposed 2008/\$80,353 vs. actual 2008/\$82,854 for difference of \$2,501)?

Mr. Warner said the **Engineering Department**, the **Building Inspections** was there anywhere they could cut any of that down? It seems like to him that it's up some from 2008 actual (actual 2008/\$262,708 vs. 2009/\$267,490), was there any savings in there? Could they combine Inspectors or anything? Mr. Kline said that's something that they had been looking at. They're part of the AFSCME union and that's why they see the wage increase, but he didn't know what else they could cut. They have been discussing, but they would have to eliminate the jobs. There could be a couple of retirements this year for that bottom line. Mr. Warner said he got it.

Mr. Warner said the **Contractual Services** was up about \$2,500 (proposed 2009/\$7,053 vs. actual 2008/\$4,547 for a difference of \$2,279) and **Supplies & Materials** were up (proposed 2009/\$7,287 vs. actual 2008/\$5,008 for a difference of \$3,178) about the same. Do it with what you had last year. Mr. Kline said he would take a look at that. Mr. Warner said \$2,500 here and \$2,500 there; you save a dollar.

Mr. Warner said another one he had under **Administrative Support**, well that one was down actually. He didn't see anywhere else to cut; that's about all he could see.

Mr. Warner said there were a couple of things in the **Sewer Fund Budget**, the bottom of that budget was \$32,000 for **Sewer Maintenance CSO** and it was \$15,000 (\$15,676) last year. It was \$13,000 (actual 2008/\$15,676 vs. proposed 2009/\$32,000 for a difference of \$16,324) higher than last year, was there a reason for that? That was doubling that budget for some reason. Mrs. McKillips asked which line was he looking at? President Stahl said Mr. Solowiej or Ed from now on do them a favor and number the pages. Mr. Widman said he might interject. That was in reference to our City/County Sewer Agreement and certain services they're supposed to track them separately. They're still kind of new with the languages and they were trying to keep it higher than maybe what it actually was. Mr. Warner said so there is possible savings there? Mr. Widman said it's part of the way that we share costs with the County, but we have to track them separately and that's per the agreement. Mr. Warner said their total there from last year seemed excessive to him. Mr. Widman said they may not spend that and they're new with that language and he thinks that maybe after three or four years yet as part of that they would know.

Mr. Warner said the next one he got is the **Law Department**, \$9,000 or less (actual 2008/\$284,972 vs. proposed 2009/\$292,000 for a difference of \$7,028); good job. That's all he had and all he managed to come up with.

President Stahl said he would ask that they speed along. There's six Commissioners that need to talk yet and he's going to waive any talking tonight so the five Commissioners get ten minutes and the public can get 10 minutes and that will take them to the end of their hour.

Mr. Kline said real quickly, go to the **Parks & Recreation - 2009 Operating Budget**, the **Boat Ramp** on Friday when they put this out and they printed this out they forgot to zero out the **Wages/Fringes** of almost \$26,000. That's another \$25,935 item. They've decided that the Boat Ramp would be a free ramp this year. There would not be any employees that would be charged with that. So \$25,935 would be added to the bottom line. Mr. Warner said the Parks & Rec. would need to be encumbered. Mr. Kline said yes. Except for they will have a few employees for the tournaments that we have to work, but they're sticking with our regular employees that have to work those tournaments. Mr. Kaman so basically that would be unattended? Mr. Kline said it would be a free ramp.

Mr. Brown said he only had one concern here on the **Economic and Community Development - 2009 Operating Budget**, in **Economic Development** the '08 actual was under \$125,959 and our projected is \$106,654, it looks like we had to pump more money into that development to get more commerce and business into the community. Also the **Community Development** part of it we had \$483,086 actual

(proposed 20009/\$134,258 less) and then we go down to \$348,828, could they explain to him what the cutback is? President Stahl said it's a good point. Mr. Hank Solowiej said that was because we had several employees that were terminated last year through the Housing investigation that positions were filled. So there were basically three positions that are not in here; he believed one was terminated, one resigned and the other was transferred to another non-General Fund department. So basically three positions are not in there. President Stahl asked Mr. Brown did he have any other questions? Mr. Brown said not at this moment.

Mr. Fuqua said much like, he did with the time constraints, he's not going to go into a lot of details, he just has a couple comments. His suggestions on what maybe they can do to cut services, he agrees with Mr. Nickels, they're either going to have to cut staff or services. He's said it before, as a matter of fact he was quoted in the paper today, he would much rather cut services than they were just going to have to have, and he was a citizen too, so they're going to have to bite the bullet and maybe do with less. And one thing that he would like to suggest, just throw it out there, he knows this is going to be very unpopular, but after talking to some of his friends and confidants and listening to what Mr. Warner said earlier at the meeting, he would maybe like to suggest to reopen the contract with our union employees to see if they would be willing to do something about that 3%. President Stahl said Mr. Fuqua that's an interesting point; he's glad he brought it up. He talked to Mr. Widman and Mr. Kline this morning and asked them to prepare a number for them of what is the impact of the 3% raise that they're financially obligated to give; what's our '09 impact over '08? They've had all day, so hopefully they have the number. Mr. Fuqua said and he's not saying... President Stahl said oh, he didn't have the number? Mr. Solowiej said they had meetings all day going over some budgets. Mr. Fuqua said he's not saying that they shouldn't get the raise, but he's saying that maybe they can work with us and reduce that percentage from 3% to maybe 1½% or something. It was just a suggestion. Maybe they can have Mr. Kline or Mrs. Parthemore suggest a meeting with our union heads to see if they would be willing to do that. And it may not be a permanent thing, but right now we have to look at everything. And again he knows that's very unpopular, because most of his constituency and the support that he got when he ran were from the union community. But man, with the state of economy, not only here in Sandusky, but across the country, we just have to look at everything. *President Stahl said could he ask staff to prepare that number tomorrow by e-mail to the Finance Committee as to what that number is and he would e-mail the City Commission and e-mail Mr. Pagren and Mr. Singer what that number is so that we're a full-open disclosure?* And tough thoughts for you Mr. Fuqua and he appreciated it. Mr. Fuqua said very, very tough thoughts. He's struggled with that the whole weekend, man. President Stahl said he knows it's tough for all of them.

Mrs. Farrar said her personal opinion is she thought staff has done a great job, and she's satisfied, but she hears what Mr. Nickles is saying and she hears what he's saying Mr. Fuqua. But how long has our income tax been 1%? Mr. Nickels said since the City's inception. Mr. Widman said since the City was incorporated; it started in '68. Mrs. Farrar said she was one year old when you guys put this tax on. It just seemed to her, and she knows she's not going to get the support, but if you want things done, you have to pay for them. And for 41 years we've had this 1% and you all know how much the phone rings off the hook about the snow, the grass, the weeds, the abandoned homes, this and that and the other thing, and we're already strapped. Remember the numbers she gave them about the mowing and how we had to take one whole day just to mow the abandoned properties. You can't squeeze blood out of a turnip. She works and she pays taxes and she feels if we increase it a half a percent, what would that bring us? You know can we get that number? Mr. Fuqua said he thought his comments were unpopular. Mr. Warner said don't feel bad because she's thinking the same thing he's thinking; it's just nobody wants to actually say it. President Stahl said it has to be by a vote of the City Commission. He thought that our Charter says we have to take that to a vote. And as bold as he thought his statement is, he's made similar statements here, he just don't think that the economic climate Mrs. Farrar to be completely honest with her, is going to allow

for a tax increase. Mrs. Farrar said okay, Mr. Chairman she heard what he's saying, but in 41 years we haven't had an economic climate where we could raise the income tax? In 41 years we haven't been in good standing in this City? For 41 years we haven't... President Stahl interrupted and said they elected them too late. Mrs. Farrar said she didn't want to see services cut or people cut, because she feels like we're at the bare minimum. She would like if they could get the number, just let them know what would a ½% increase in income tax bring us? President Stahl said that number could be easily figured. Mr. Moncher said it was \$3.2 million. President Stahl said right now it's at \$6.4 million and ½ of 1% would \$6,400,000 so divide that by 2 and that would \$3.2 million. Mrs. Farrar said therefore a quarter percent, then you could take yourself to a good bond rating and if you want to leave it at ¼%, not a ½ okay, if you want to leave it there for 41 more years, fine. She's not an accountant; she's just throwing out an idea and on a personal note, she would be willing to pay a ¼% or a ½% more. So her services would be taken care of. Mr. Nickels said that was his comment, one when Mr. Moncher insisted that they needed to grow the top line, and that was what he was referring to and he was going to let the Commissioners use the tax word. Mrs. Farrar said the unpopular word. Mr. Fuqua said he could have thrown that out there Mr. Nickels, because he didn't have to get re-elected. President Stahl said they actually brought that same message from the Finance Committee to the City Commission at the September meeting just so this financial mess was all announced.

Mr. Kaman said he had approximately 30 questions, not just questions; they're observances, ideas, out of the box thinking. He's all for looking at the income tax, looking at it, comparing our income tax to what other cities has. He thought the last time we compared them we were about even. So that's the only reasons we didn't do anything. He'd be interested in knowing what those income tax increases would be compared to an admissions tax increase. And he would be interested in finding out before we do that, how Cedar Fair feels with that, now having a person of their own on our board, which he's very proud of our board. He thinks that's one of the best things we ever did Mr. Stahl was to make this board up and get community members involved. President Stahl said he was very much involved in that and he's always appreciated that. Mr. Kaman said it's made it a lot easier on the Commissioners. The days were when Commissioners had to know every one of these numbers and now it's a lot nicer and more convenient to have you guys do a lot of their homework for them and they just have to get the executive summaries. But as Mr. Stahl said last meeting, he said there is a red flag now. So the light at the end of the tunnel like he said isn't a coal miner coming up the shaft. It is a train coming at us. He don't favor opening up our contracts at all. He says wait till next year; we'll negotiate then. He's asking our management team to lead by example. He agrees with Mr. Nickels, who's responsible for this budget? And that's the seven guys up here, the seven lady and gentlemen up here. Our wages, according to the pie chart, is the biggest thing of our expenses. He's looking forward to hearing from Mr. Kline, about two months ago he told them he could cut \$250,000 from the budget, he said like that. He's looking forward to hearing about that. He don't want to delete whole departments. But if we don't act now, in two years we can play patty cake out now all they want, but in two years we're going to have to do something drastic if we don't do it now. And that's looking at whole departments. If we don't cut wages, what do they cut?

Mr. Kaman asked are they tracking the local layoffs in our economy? Every day it seems like in the paper they're saying this company or that company laid off. He gets phone calls at night saying, hey me and 24 of my friends just got laid off, okay are we tracking that? We should know as a City what that direct impact is on us. We should be able to run those numbers monthly. By doing something with our management team now he thinks it is going to open doors for the unions next year.

Mr. Kaman said the Police Boat, Mr. Charlie Sams says it's gone. Well really it's not gone, you're actually just replacing it, then we're going to be sharing it with at least two other departments. So he was interested to hear more about that. What are we going to do with the dock tax? The dock tax was put on for the Police Boat. It's unfairly collected; it's not collected on everybody. He thinks they need to look at that, along with the rental tax.

Mr. Kaman said as they heard last week, being on the Commission several years, he's been saying the rental tax isn't being collected fairly. They need to look at that.

Mr. Kaman asked did they look at any numbers as starting with management this year paying something like 15% of their insurance? You throw out a number like 15% and you guys can do the numbers, throw back anything you want, but throw it out there. Get something established so when we open up the contracts next year they're not just throwing it right on the union people. They already see that we're leading by example and doing something.

Mr. Kaman said it's interesting to hear that the Boat Ramp is going to be free this year. The thing he would like to look at is leasing out the Boat Ramp; leasing out the concession stand at Shoreline Park; leasing out the main concession stand at Surf's Up since it's going to be there yet one more summer.

Mr. Kaman said we're tearing down a lot of houses. Chicago has an auction at these condemned houses the day before the demolition. We have auctions at our Police Department with our surplus goods; why not auction off these houses? Let people go in there and tear out the old pocket doors, the flooring, the stairwells, the exterior doors. We have a lot of century homes in the City of Sandusky. We're tearing a lot of them down. Let's reuse them, its part of being green.

Mr. Kaman said the Housing Department and the Nuesse Department; they need to wrap those up. He believed we're paying three attorneys and the City Manager to be out there at that hearing. It's going on way too long.

Mr. Kaman said the Leaf Collection's been a problem five years he's been here. They need to look at something. They need to lease it out or sub it out. He's not saying lay off those guys, but at the same time leaf collection was going on potholes can be filled. Potholes in the City have been terrible and that's at the same time. You take that and lease out the lease and the guys are available or lease out the potholes, one of the two, look at it. They're not getting rid of people. That's the one thing that's going to worry the unions when they bring it up, getting rid of people, but we're not going to. A lot of our roads in the City don't have curbs and gutters. They're on our list to be redone and that's costly. Let's go back to the old way and that it is cheaper, but it is more efficient because it lasts longer. Look at tar and chip in the roads that are outbound roads, widely used with no curbs in them.

Mr. Kaman said street lights; let's look at cutting 25% to 50% of the lights, especially downtown. Those poles started out with four lamps each and they're down to two, do we really need every single one of them lit?

Mr. Kaman said he would like to see them look at raising all of the fees in the City. Instead of the taxes he would like to raise the fees first 5% or our really low fees to \$5. Look at it; see what it's going to do. Judge O'Brien on his cases, a lot of times people don't have the money, so he gets his court costs, but he doesn't give any type of fine. He'd like to see at least a \$10 minimum fine collected that day.

Mr. Kaman said the Cemetery we still supply a house for the guy that takes care of our Cemetery. We need to look at that and see if that's really needed. There's other ways to compensate him besides giving him a house with utilities.

Mr. Kaman said he had another note on here about Cedar Point further down, but he'd like to talk to them and see how they feel about that admissions tax. He for one don't like it. He don't favor it. He'd put that on and tax the tourist before they tax residents, but it's getting to the point now after five years that something is going to have to give. But he wants open and frank, honest discussion with Cedar Point before we do that. Their admissions tax right now or when they looked at it before, the parking tax was the same as their competitors. So he wanted to keep it that way, not more than their competitors. That's all he had. President Stahl said Mr. Hoffman will take back copious notes to the leadership at Cedar Fair Entertainment and relay his (Mr. Kaman) thoughts there. And Dan personally he thinks he's right on on some of them. He thinks that's just normal that maybe if he could condense those to writings, he would be happy to tell him which ones he liked. And he thinks it all becomes really just a big piece of the puzzle he thought was what he was saying. Mr. Kaman said right. President Stahl said but if they addressed every one of them they'd be here until nine o'clock. But he thought what he was saying was that in all he wanted the City to look at those things. Mr. Kaman said Sandusky International used to have the saying every time they used to have a meeting, union and

management always had meetings, and always the union guys were pointing the fingers at the management and management was pointing at union. There was the saying when you got the problem, management brought them the problems and that was no problem and they were always quick to talk about them and to cooperate. But they always said I need to eat an elephant. When you got a problem that elephant in the room, how do you eat it? Sandusky International, we always said, one bite at a time and you throw everything out on the table and you look at it, what's the best thing to do, what can you live with? It's a good company, they're surviving today, he meant that's their managing style. President Stahl said what you have to do Dan is like watching the Super Bowl, like watch Ben Rothelsburger in the huddle, everybody gets around, they stand in a circle and he says here's the play on two and he thinks they have to do the same thing. It's not a football game and it's very serious business, but he'd tell them what, they all band together and work together. And a lot of your suggestions are good and he thinks the City staff and the Finance Committee would take those back. Is that fair? Mr. Kaman said yep.

Mr. Kline said on a couple of the ideas that Mr. Kaman put out, they have actually been looking at; don't have solid numbers for them yet. He mentioned a proposal for the downtown streetlights; they were actually going to LED lights. Now they were more expensive granted, but there's a financial proposal out there that he was going to look at and possibly bring to the table. That there's a financial arm that can be a cost upfront, not paid for, not cashed out by us, that would be just on the savings alone on burning on 75 watt bulb, it only burns an 18 watt bulb. It has increased our electrical costs, but it will be able to pay for itself in three years time and all of a sudden it will be a decrease in electrical costs. So we're looking at things like that, contracting out the leaves and other things. So yes, several of these ideas we are looking at. Mr. Kaman said the thing for him is, it's good to look at all this stuff. He wanted everybody to look at everything, but it's getting to the point now where we can't look, you got to act. Mr. Kline said oh absolutely. President Stahl said you're right on. He would tell them that at Cedar Point they only light every other post on the Causeway at night. He didn't know if anybody has noticed that, but that's gone from every one still being lit to every other one.

Mr. Waddington said he guessed he wanted to take a different tact here on this 1%, he knows it's been since 1968, but we've lost population and jobs in the last several years or 41 years. The taxpayers right now can't have the appetite for income tax increases when we're losing homes, foreclosures and just trying to put food on the table and just basic life issues.

Mr. Waddington said some other things he has, he'd like to ask Mr. Nickles, is there any other positive refinancing opportunities coming up in 2009 since he remembered at the Friday meeting on our money or our called-out debt, that it would bring zero to maybe a ¼%. Was there anything coming up, has anybody looked down the road? Mr. Nickles said we've had bond counsel and people that advised us to look at everything. The problem is they're not selling. Mr. Waddington asked was there anybody that forecast six or nine months from now? Mr. Nickles said no. He thinks that they would, and Ed could probably answer that better than himself, he thinks over the next six months between Hank and Ed and the committee, they're going to be looking at "An" income on the side of going down drastically and the ability to finance it. And like he said in his opening comments, it's a two-edged sword Mr. Waddington, we're not doing as well and our reserves are going down. That means our bond rating is going down and if our bond rating is going down, we won't have the opportunity to refinance because we're going to be at a lower rate or a lower bond rating, which increases our rates. It doesn't decrease our rates. Mr. Waddington asked how soon is... President Stahl interrupted and said Mr. Moncher does more with bonds than anybody in the room. Was there anything that you wanted to add on that Dan? Mr. Dan Moncher said no, Mr. Nickles is right. The prognosis for the bond market going out to the end of '09 is basically static. Anybody that has bonds to sell is having to pay an increase just so they can get buyers to buy them. Because, and then again at these stages, your bond ratings goes down, people are taking more risks with you when they purchase your bonds, so you pay a higher interest rate. So we got both of those things kind of working against us. So this

market, and again he agreed with Mr. Widman and Mr. Solowiej, you have to continue to monitor that on behalf of the City. If they bring it to them at a Finance Committee, they will certainly act post-haste to get an opportunity out there. Mr. Nickles said they're leaving no rock unturned. Mr. Waddington said he understood.

Mr. Waddington said his follow up question was how soon in 2009 will we be borrowing to make payroll for the City? He knew last year we got pretty far out into the year, isn't it moving up? He thought he heard April at one time. Mr. Nickles said that's a possibility. Again, cash flow, he believed April was the day. Mr. Widman said what he's basically asking is when are we going to blow red ink in the General Fund? Mr. Waddington said right. Mr. Widman said certainly early summer or late spring is when, before the tourism dollars start to flow, they would be watching real closely. The numbers are slightly better with this bigger surge than what he thought they were talking about Friday. The last Finance meeting he thought they were about 2.2, which is yes basically springtime is going to be our difficult period to get through the way that our cash flow works. They've talked about that for years. But realistically we cannot borrow from like they were talking about with debt service, that's not a permissible way to solve a cash flow problem. In essence we would be using off our General Fund cash and we would be actually using some of the other cash we have in those funds in anticipation that it would come back. We would probably have to publically do something with the Commission to cover our tails as administrators so that we don't have an illegal act or something on our part. We're taking money from a fund that we weren't allowed to. Mr. Waddington said thanks.

Mr. Waddington said two more questions for the City Manager; how will the overtime costs be monitored, was he going to be watching that throughout 2009 as far as, he understands the overtime's been cut as far as the Police Boat from last year, the four hours a week he believed that was what was said earlier? And we're only going to have one City police officer four hours per week. Interim Chief Sams said we're going to have a police officer on there four hours out of the week out of our budget. The federal government is going to pay our officers overtime if they go out there. Mr. Waddington asked then how will the other overtime, would he be monitoring that? Mr. Kline said absolutely. Every two weeks, actually almost every day, and the department heads at the end of the year letting him know when and if overtime was going to be needed to be paid. So yes, they look at it.

Mr. Waddington said and then the last thing is just a comment. He's for a wage freeze. All you got to do is get out on your porch. He don't expect their (Sandusky City schools) contract, it should be up or he believed coming up pretty soon, March or April, whatever. When they negotiating their contracts, he don't expect to get anything and he's smart enough to know that he's not going to ask for nothing. If they tell him zero, they'll look at it in a couple of years. He'll just have to live with less and make his way and that could be a good lesson for City staff to do that. Yea they would love to give them all a raise. He'd love to make more money, but this is very challenging times and they just got to be realistic. And Mr. Nickles he appreciated all his efforts and the CPA's that's on this committee; this is just tough times and you guys see it every day. So he appreciated all their efforts and City staff, but we are now on a cliff and he don't want to get pushed over. So he would rather freeze the wages and we're still going to have a tough road ahead of us.

President Stahl said Mr. Waddington he thinks it's appropriate that they as a group discuss this wage freeze on the non-union people right now. And Mr. Kline has full knowledge of what our issues are. Mr. Waddington said he would be all for it; he didn't know about the others. President Stahl said he thinks it's almost appropriate then as he does his budget work he's going to have to, or somebody is going to have to be the hammer. **Mr. Waddington said he'll be the hammer; he'll make the motion that they discuss the wage freeze. Mr. Kaman seconded the motion.** President Stahl asked was there any discussion? Mr. Kaman said he supports wage freeze for all non-union bargaining unit employees in the City of Sandusky. Mr. Kline said they do realize that this number, this reflects a wage freeze. President Stahl said right. He just thinks they need to give the City staff support so they know where we're coming from. That's the thought process. And so the citizens know that they're making the tough decisions and that they're asking them in the Finance Committee

to work the numbers. He don't like doing this. Mr. Fuqua said he didn't think any of them did. President Stahl said this was very difficult for everybody and everybody gets a chance to talk on this issue.

Mrs. Farrar said well she's supportive of it, knowing that she's been through tough times. She's been at the Veterans Home for 24 years and like Mr. Waddington said, when times get tough, union and non-union, we all have to pitch in. They went two and three years sometimes without a raise, but they knew as a union that that was what they had to do so that they could keep everybody working. So she's in support of this. President Stahl said he didn't know that they could keep everybody working Mrs. Farrar. It's tough everywhere. Mr. Fuqua said he supports wage freeze. He meant he disagreed, he thought they could keep everybody working. He's said it before, he'll say it again, and he'll keep saying it, he will never as long as he sits at this table, support cutting any people. He will support cutting services. He will support a wage freeze. Union, non-union, they all have to realize that we lost that. He means times are just tough and he knows that it is a cliché; he knows it's continuing to be said, but they are. He means across the country everybody is trying to do more with less or maybe not even more, but maintain with less. And we all just have to realize we got to bite the bullet like he said earlier and work it out. He can't imagine that these times will last forever; at least he prays they don't, but until then, we all have to work together as one and try to make the best we can with what we have. President Stahl said it's not just on Channel 81 Mr. Fuqua; it's on all the national networks. Mr. Fuqua said exactly. Mr. Waddington said he don't think this would be the first time, most of them up there have been like, he agrees with Mrs. Farrar, he's rolled coins in his lifetime before and it builds character and sometimes it gives you appreciation of what you really got. He appreciates his job every day.

Mr. Brown said he had an issue of being a raise freeze per se. When you say wage freeze and not give us a raise, what's the difference? And if they say no administration is getting a promotion or a raise, what's the difference in that and to say they have a wage freeze? Why do they have to use the word, it's a negative connotation when you say you're going to freeze the wages and why can't they just say they're not giving any raises this year? Is there a difference? Mr. Nickles said economically sir, no. Mr. Brown said so if they're projecting when they say to our people that there're no raises, he would just say at this present time we're not getting no raise and instead of saying they can say wage freeze. Maybe something comes up that one individual may be promoted or something happens that they have to give them some extra amount of money for something, then they're going to look mighty funny to the public saying they froze the wages and they're giving this certain person some money for something that might happen or occur. He thinks they'd want to go that route. They just say to their administrators that at the present time under the conditions that our economy is we're not giving any raise.

Mr. Kline said they wanted to give the public a chance to speak as well. And he just wanted them to know that that is not an issue. It's already worked in. The staff understands of course, let's move on. They're done. He meant they're fine. So if they just want to go on with the next topic. Mr. Kaman said one not of clarification though. He wanted to make sure that there's no games. Last time a Commission directed the Manager no raises, they ended up finding out there were days off with pay. Mr. Kline said there's no games. Mr. Kaman said he don't want any games. He don't want to hear about it afterwards. He don't want to hear it tonight. He don't want to hear it in a month. That's what they mean. He don't care how they say it, that's what they mean. President Stahl said yea, he agreed with him. Mr. Warner said he agreed with Mr. Kline. He looked at this thing all weekend and there's no 1% increases in there. President Stahl said he and himself wanted to do the 1% originally. Mr. Warner said they wanted to, but they can't and Mr. Kline took that under advisement and this is a no-increase budget. There's no reason to pass it under law or anything, he's doing it. It's there. They asked him and he's done it. President Stahl asked that the Clerk call the roll. ***The Clerk then called the roll with the response as follows: Yeas: Kaman, Farrar, Stahl, Fuqua, Brown, Warner, Waddington, 7. Nays: 0. President Stahl declared the motion passed.***

Mr. Kaman asked did they have another budget meeting set up? President Stahl said he thought they would talk about it at the City Commission meeting next Monday and set it up. And Mr. Kline would he have more numbers for them then? Mr. Kline said the numbers are pretty much what they are now. They would have to put it together in an ordinance form.

President Stahl said they would take 15 minutes and come back for Audience Participation. At 5:44 p.m. the Commission and staff returned to the table.

Mr. Tim Schwanger asked on Reserve Officers how many spots did we have? Interim Chief Sams said right now we have no Reserve Officers. They have basically what they call Auxiliary Officers. The Reserve Officers were eliminated a couple of years ago. Mr. Schwanger said that number five was what he wanted? Interim Chief Sams said that's what they put in the budget, yes. Mr. Schwanger said right now they had three applicants? Interim Chief Sams said he had a lot of applicants right now and three were minorities. Mr. Schwanger said if it's all about getting the minorities involved, why don't he just go down to three and leave it at that? Interim Chief Sams said well, he had two or three other people that have expressed an interest that have not turned in applications yet, but he believed they will.

Mr. Schwanger said if they're not going to cut employees, which he didn't think they should, then there was no reason to cut services, correct, they should be able to maintain? Mr. Kline said examples of what they mean by that. He probably heard that the weed whipping was not going to be as clean and crisp and as often at the Cemetery this year. The parks, the bathrooms and the trash may not be hauled away on Sundays as it normally has been in the past. We might only do half of the port-o-pots that we normally have done in the past. We may not drag the baseball diamonds at all or for much less because we just don't have the manpower. When it comes to those services that people have become accustomed to, we may be more conservative on the plantings at the parks this year with flowers. Mr. Kaman said but only if we cut people? Mr. Kline said no, we've already cut people. He meant we've done a lot of attrition; there's been retirements that we're not replacing.

Mr. Schwanger said on the Income Tax Budget, he's noticed \$262,000 has been budgeted, is that mostly to RITA? Mr. Widman said sure. Mr. Schwanger asked what do we get in return for that? Say we're giving them \$262,000 or whatever the figure is, to do the income tax, are we getting back anything or are we breaking even situation or are we making money on it? Mr. Widman said they've looked at what the Tax Budget used to be when we had City employees doing it only and they projected that out with routine wage increases and other things, most of those folks were AFSCME employees. It's less today than what it would have been had they kept people. President Stahl said the interesting thing to point out Mr. Schwanger was that RITA has the ability to, if he files his tax returns, it gives a copy to the federal government and it can tell them that he's being honest, which is very important.

Mr. Schwanger asked could they use RITA to go after the rental properties that we have problems with, like the Chesapeake where we're having a hard time identifying whether or not those folks are paying or whether they should be paying? Mr. Widman said there're several issues with the Chesapeake. One is that there may be properties that you pay Transient Occupancy Tax. There are legitimate exceptions if people choose to file those. There is a rental housing process. If someone is renting them long term, to take out of transient occupancy, the transients' got less than 30 days, a minimum. That's one of the exceptions. So if someone is renting them six months or a year at a time, they're not subject to bed tax. Mr. Schwanger said okay. Mr. Widman said but they would have to pay rental registration fees. And then if they were to make money off of their rental, then they're going to have to deal with income tax. A lot of that is an annual filing. It's not a withholding issue for business properties. Mr. Schwanger said but if we're having a hard time identifying that because our staff is overworked, could they give it to RITA to maybe do better, you know get a grasp on it? Mr. Widman said they have talked with them about that.

Mr. Schwanger said income tax increase they know you're going to see an uproar in the City of Sandusky if they go for an income tax increase. What he would like to see personally is maybe a combination of both an income tax increase and an admissions tax increase.

Mrs. Sharon Johnson said she's hearing cutting services; she don't like that, they're really down to bare bones. They can't even get leaves collected and when this snow starts to melt, the gutters are clogged up, there's going to be some flooding.

Mrs. Johnson said the increase in income tax, she don't like that one either. She's concerned that they may be asking for this increase in income tax because there's a development on the table. There's going to be some expenses with this development. And she don't want to see that kind of money if they do this income tax, which she don't think it will fly. So she thinks that's maybe why they're asking for that because it's going to be expensive from this development. She don't see how this City can have a huge development on the table with this kind of budget. They're going to have to match some grants; where are we going to get the money for those grants? That scares her having this development on the table with this budget. She don't know where we're going to get the borrowing power for this. President Stahl said he thinks personnel will come to help us. Mrs. Johnson asked is anybody concerned about this development? President Stahl said he thought the development would be the best thing that could happen to this City right now. Mr. Warner said he seconded that. Mr. Fuqua said he third it. Mrs. Johnson said but it's going to cost us some money. President Stahl said it won't cost anymore than us currently operating this building and he thinks the most important thing they can do and that is jobs and a new economy. Mrs. Johnson said she hasn't even seen a financial plan for this development yet. President Stahl said the wonderful thing is that they asked real money of \$150,000 and it's for the development and Stage I is in escrow at Citizens' Bank. Mr. Kline said a \$100,000. Mrs. Johnson said that's a drop in the bucket.

Mr. Lance Warner, 1421 Columbus Avenue, said just some thoughts. He wanted to point out the income tax, while it has not been increased in some years, it automatically adjusts for inflation. It's automatic so it's not falling behind. It's not increasing. His own experience is that three of the last five tenants in their building that left, left because in part, they were going to be able to stay there and avoid the income tax on themselves and their employees.

Mr. Lance Warner said and the next item he would like to mention is when was the last time the average person employed in the private sector, received a raise? For him another way to put it, what has been the average increase in the private sector conversation in our economy? Again, he wanted to say private sector, not those on assistance or not those employed by government?

Mr. Lance Warner said he would encourage them to continue to increase the supply of middle and upper income housing. Right now higher income people moving into the area are not locating in the City and there are people locating in the area. They only have to take a look in the increase in employment out at NASA and where those people are locating. He would also encourage them to assist in any way possible with other local subdivisions, close and maybe not so close, and attract the jobs and industry. Right now there are opportunities to attract NASA contractors and there's certainly the opportunity to support the Plum Brook Runway and Regional Airport. And there's a great deal of effort right now to locate at least one or possibly two utility scale wind farms in this area and those are good jobs and well-paying jobs. He would point out that the average person in Erie County drives 18.2 miles to and from work every day. You cannot live in the City of Sandusky and commute 9.1 miles or people living outside the City of Sandusky that drive into the City of Sandusky for employment. For a long time we tried to increase jobs within the City of Sandusky and in essence put ourselves in competition with Perkins, Huron, Castalia and Norwalk, and we're not in competition with them. They should be our best allies or our best friends, because one out of every five jobs out there, is going to live in the City of Sandusky if we position ourselves to accept them.

President Stahl stated, as there is no further action, he would entertain motions for adjournment. Mr. Kaman said he would so move; Mr. Fuqua seconded, carried.

ATTEST:

B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

CRAIG H. STAHL, PRESIDENT
SANDUSKY CITY COMMISSION