

Vice President Brett Fuqua called the meeting to order at 5:02 p.m. and opened with the **Invocation**, given by Kim Nuesse, followed by the **Pledge of Allegiance**.

**Upon motion of Dan Kaman and second of Julie Farrar, the City Commissioners voted to proceed with the election of the President and Vice President of the City Commission. All Ayes.**

Brett Fuqua asked for **nominations for the President of the City Commission**. Dave Waddington nominated Dan Kaman and he accepted the nomination. Julie Farrar nominated Dave Waddington and he did not accept the nomination. Pervis Brown nominated Brett Fuqua and he accepted. Ballots were then distributed by Don Icsman and tallied. **Don Icsman announced the new President of the City Commission will be Dan Kaman.**

Brett Fuqua asked for **nominations for the Vice President of the City Commission**. Kim Nuesse nominated John Hamilton and he accepted the nomination. Brett Fuqua nominated Julie Farrar and she accepted the nomination. Ballots were then distributed by Don Icsman and tallied. **Don Icsman announced the new Vice President of the City Commission will be John Hamilton.** Brett Fuqua then turned over the chairing of the meeting to Dan Kaman who asked for open discussion from the City Commissioners.

Kim Nuesse stated she had emailed a **Vision, Mission Statement, Goals and a Plan**, including details, to the City Commissioners for discussion purposes this evening. She stated these should help to provide insights and discussion for the upcoming budget process. Kim Nuesse indicated she wanted to get these thoughts and ideas on paper and the Haag's helped to sketch them out and asked the Commissioners to provide their input. She then read the documents for the benefit of the public.

#### Vision

*Sandusky: Ohio's Model City of 2030*

Kim Nuesse stated this would be to get the city in a position for growth of our industry, neighborhoods, population and businesses.

#### Mission

*To do what's best for the citizens of Sandusky*

#### Goals

1. *Do well only what cities do (safety, infrastructure, parks)*
2. *Remove obstacles the city raises to private local development*
3. *Spend locally from the city budget (Local jobs!)*

#### Plan

1. *Streamline the organization into 3 services and 1 project group; improve service at lower cost*
2. *Remove obstacles in ordinances and attitudes that make local private developers turn away*
3. *Spend \$20 million here from the City budget*

Kim Nuesse said she would like to get input from the Department Heads regarding the Plan details:

#### Plan Details

1. *A) Safety/Compliance Service  
B) Water/Sewer Service  
C) City Facilities Service  
D) Project Management*
2. *Delete or review development-obstructing ordinances (historic design review, signs, zoning, contractor licensing); and streamline city review/approval processes and use parks as core for development of the Plan.*
3. *Replace the local preference ordinance with:*
  - A) *City bids broken into smaller, locally-winnable packages*
  - B) *Listing, recruiting and training locals to win city bids*
  - C) *Help with bonding and insurance for local contractors*
  - D) *Track and report how much city spends locally*

Kim Nuesse said she wanted to take a look at our hiring of outside consultants and do what we can to **use businesses in Erie County and preferably the City of Sandusky**. Kim Nuesse said she would like to hear from the Department Heads and take a different avenue regarding our current **local preference Ordinance**. She stated this plan has been brought forward for discussion and to gather input to help in evaluating the budget and give the Commissioners some direction. Dave Waddington said Brett Fuqua was instrumental in initiating our local preference policy and would like to see bids broken down smaller to allow for local contractors and tradesmen to be contacted so that our dollars can stay here rather than spent outside of Erie County.

Bob Warner, representing the Painters Local Union, stated local contractors can deliver services to the city and there are organized painters, carpenters, masonry iron workers, electricians and millwrights willing to share their services and abilities with the city. Brett Fuqua said it would be a good idea to get together to allow local tradesmen to have the first crack for these jobs and projects. He understands with some contracts, government funding must go outside of Erie County, but he prefers to keep local starting with Sandusky, Erie County and then branch out from there. Brett Fuqua said he has no problem with the Vision but would prefer the year 2030 be removed from it.

Julie Farrar said she has some concerns with how best to get the word out to the available local contractors and asked if they have a newsletter (both organized and unorganized). Bob Warner said those he represents do have a newsletter but he is not certain about those who are un-organized/non-union. He said the best way to start would be to contact the Erie County Home Builders Association. Dave Waddington said with the current economic situation, we need to look at what we can do to keep jobs local and concentrate on our total budget. Kim Nuesse said she does not want to exclude a lot of the smaller businesses and family firms. Dave Waddington said he believes the bonding and insurance issues can be a deterrent and Ruth Haag suggested putting together a mentoring program to help them understand how to work through these processes.

Dan Kaman asked Don Icsman to distribute this information to the Department Heads this week and have them email their ideas, questions and concerns about it. Brett Fuqua stressed the importance of paying prevailing wages when bidding locally, especially non-union contractors. Julie Farrar asked if Don Icsman could put together an informational session for some of the smaller contractors to educate them on what they need to do in order to do business with the city. Don Icsman said it would be appropriate for the Engineering Department to do this but to be careful about our funding sources as some projects are restrictive and that geographical preference is not favored in the law. Dan Kaman said he felt it was just important to get the information out to locals and they then may or may not bid.

Dave Waddington asked Ed Widman and/or Hank Solowiej for a snapshot of the last **Audit/Finance Committee** and where we left off with this. Ed Widman said the Finance Office is currently wrapping up 2009 and should be completely finished in the next two to three weeks. Hank Solowiej said 2009 is about 99% closed out and it looks like we will have a \$2.8 million General Fund carryover which is a 23% drop from last year or a decline in our reserves of \$842,000. The city's Income Tax collections were down by about half of a million dollars (7.6%) and the interest income impact was reduced by \$400,000 for an overall decrease in revenues of 6%. Dave Waddington asked if the interest rates were expected to increase in 2010 and Hank Solowiej said there is not an easy answer; our investments in CD's are still around 2±%. He said the feds are predicting the rates to stay low with a current daily rate of 0.06% and that he is not optimistic that things will change. Hank Solowiej stated the projected numbers for 2010 predict a 4% decrease in Income Tax, a 5% decrease in Hotel/Motel Tax and total projected revenues of \$15 million for the General Fund which will create a \$1.5 million - \$1.6 million hole for 2010. Dave Waddington asked if Moody's could downgrade the city and Hank Solowiej indicated they could. He said the City of Elyria recently went through this after a reduction of personnel and a proposed ballot issue to increase their Income Tax. Dave Waddington asked about the Cold Creek project's impact and if this was done and Ed Widman said this will continue to be a problem for the city until lots are sold and people start paying taxes. He said with the last budget amendment made, we were able to take approximately \$600,000 out of wages and fringe benefits which was then reallocated to other needs. He also said the Sandusky Fire Department gave back \$200,000 and that cuts hurt in how we set our goals and objectives. Hank Solowiej said the city spent less money on wages and fringes in 2009 than in 2008 even with the extra payroll and the workforce reduction had a measurable impact. Dave Waddington asked if our Income Tax was down over half of a million dollars or 10% and Hank Solowiej said it was actually down by 7 ½%; the Admissions Tax was down by 3% and the Hotel/Motel Tax was down by 16%. Dan Kaman asked about the City of Huron's \$2 million carryover while ours is \$3 million. Hank Solowiej explained that Moody's looks at the percent of spending to determine what a city's carryover should be. In a perfect world, it would be good to have 30% in reserves. Dan Kaman said when people hear we have a carryover they believe we should be laying people off but this is money

which allows us to continue to do projects. Ed Widman said it is important to remember that our cash flow is cyclical and the bulk of our revenues do not come to the city until mid-year.

Dave Waddington asked if the Finance Office is watching the **Purchase Orders generated** and Ed Widman indicated the Department Heads have been directed to spend money only as absolutely necessary especially at the beginning of the year with the temporary appropriations budget. Dave Waddington asked if the Audit/Finance Committee would be ready to present the budget on Monday and Ed Widman said prior to passing the budget, our process calls for a Public Hearing to take place which must first be advertised. He asked if the Commissioners would like for the budget to be run through the Audit/Finance Committee prior to bringing it before them.

**Upon motion of Dave Waddington and second of Julie Farrar, the Commissioners voted upon using the members of the Audit/Finance Committee to go through the budget prior to it being presented for approval by the City Commission.**

*Discussion:* Kim Nuesse asked for clarification about what exactly the Audit/Finance Committee would do. Ed Widman said they would conservatively look at the rationale behind the revenues, look at expenditure patterns and justification(s). Ed Widman asked if the City Commissioners would like to have work sessions with the Department Heads and the Commissioners collectively agreed to allow the members of the Audit/Finance Committee to do this. The results would then be presented to the City Commissioners for final authorization and approval. Don Icsman said some of the Commissioners may recall the city doing zero-based budgeting which was very time consuming and we have not done it this way for quite a while. Kim Nuesse asked for the motion they are voting upon to be clear that the goal is for the Audit/Finance Committee to look at spending patterns and questions will be answered through the Audit/Finance Committee members first. Ed Widman said "yes" and the formal act of approving the budget falls back onto the City Commissioners after a notice has been provided and a Public Hearing is held for comments. The final budget must be presented by March 31, 2010. Brett Fuqua said he did not feel it necessary for the Department Heads to go through their budgets line by line as he recalls when this was done in the past the Commissioners lost focus. He said the experts on the Audit/Finance Committee are better prepared to do this and the information can then be made available for the public. Dan Kaman clarified the members of the Audit/Finance Committee do not make suggestions for cuts. Don Icsman said involving the members of the Audit/Finance Committee is fine but there are some looming decisions which will need to be made with regard to collective bargaining and the budget, as it impacts this strategy, and will have to be dealt with by the City Commissioners. The decision about the number to cut will be made by the Commissioners.

Pervis Brown said he was a new member of the City Commission last year when the budget process was done and thought it had been done differently. He concurred with letting the members of the Audit/Finance Committee do their work but placed emphasis on the City Commissioners discussing the moves which must be taken now regarding the cuts to be made. He stated the City Commission needs to take actions now to start the year out right. Julie Farrar said there are cuts which need to be made which she would consider non-essential first before touching the Police and Fire Departments which affect the public directly. Kim Nuesse said she is concerned about how the personnel cuts may impact collective bargaining and we need to be careful so as not to have an unfair labor practice charge filed against the city. Kim Nuesse said individual employees should not be lobbying for jobs and that collective bargaining takes place through the Interim City Manager and not the City Commissioners. Individual lobbying is not going to be effective as they are looking at positions, not at personalities. She said we are dealing with cold, hard numbers going forward and it is time to stop passing the buck and we should be looking at this next week.

**Roll call on the motion: Yeas: Pervis Brown, Julie Farrar, Brett Fuqua, John Hamilton, Dan Kaman, Kim Nuesse and Dave Waddington, 7. Nays: 0. The President declared the motion passed.**

**Upon motion of Pervis Brown and second of Julie Farrar, the Commissioners were asked to hold an Executive Session regarding Personnel.**

*Discussion:* Brett Fuqua said he did not feel the Commissioners were yet ready to make any decisions. Don Icsman said he did not believe this would be appropriate under the Sunshine Law and he is not yet prepared with a plan to present for the Commissioners consideration. He did not know what personnel were yet affected and had no updates on negotiations. He said some preliminary discussions were held about ideas but said he should have waited until the new City Commissioners were seated prior to presenting a plan for specific recommendations. Don Icsman said these ideas were brought out in a very negative way. He said he does need to make a plan with specific recommendations so that all of the

Commissioners know how much money we are going to save. He said one of the things he observed before is that there was a lack of communication and consultation with the Commissioners which is something he is trying to cultivate. This may bring with it the chance that someone may disclose something which is totally disrespectful to the process for collective bargaining and to the individuals involved. He asked the Commissioners to be prepared for Monday's meeting so that he can intelligently discuss these things. There have been no further discussions with any one commissioner or any person on staff. We have always done reorganizations lawfully, respectfully and appropriately and there has not been any litigation as a result. We are talking about a reduction in the workforce and the saving of money and being more efficient. Don Icsman said this is not an evaluation of the employee and noted he is the guy who had to send two people home who did nothing wrong but for a number, those being Carrie Lear and Mike Kaufman. He will be ready to present a plan on Monday.

**Pervis Brown withdrew his motion to hold an Executive Session and Julie Farrar withdrew her second to that motion.**

Kim Nuesse said she was working on **the adoption of an objective Employee Evaluation form for the Charter Officers**. She said there are sample forms being looked at so that expectations can be set and goals and objectives set for each person. She will get copies of these and the handbook to the rest of the Commissioners after getting input from the Charter Officers. Dan Kaman said the evaluations of the Charter Officers were previously done in December. Pervis Brown asked if it was regular practice to do these and asked what is different about this year. Dan Kaman said different formats have been used each time and they wish to standardize them.

**Upon motion of Julie Farrar and second of Brett Fuqua, the Commissioners voted to hold an Executive Session regarding Personnel, the City Clerk's position. Roll Call: Yeas: Pervis Brown, Julie Farrar, Brett Fuqua, John Hamilton, Dan Kaman, Kim Nuesse and Dave Waddington, 7. Nays: 0. The President declared the motion passed.**

Kim Nuesse said **rules of order for the City Commissioners** were brought forward a couple of years ago and she had copies for all of the Commissioners and she asked that they each review the document so that they can discuss it at the next meeting. She would like to see the city adopt **Roberts Rules of Order** to add some decorum to the meetings.

Under **Audience Participation**, the following offered their comments:

John Ginty, 5055 Providence Drive, said he wished for the City Commissioners to consider moving their regular meetings to the Erie County Commission Chambers downtown. He does not feel the current facilities meet ADA requirements. He also said this would help to cut expenses such as heat and the lighting would be better for viewing via television. John Ginty asked the Commissioners to consider the placement of a tape recorder which would be available at all times for citizens to call with comments and/or problems they may wish to have addressed. He also asked to have EMS runs brought back into the city and done in-house. John Ginty said the issuance of occupancy permits should not be done unless all requirements of the ADA are met.

Sharon Johnson, 1139 Fifth Street, asked how the vision list came about as she did not recall this being presented at a public meeting. Kim Nuesse stated she emailed this to each of the Commissioners prior to tonight's Commission meeting so that it could generate discussion. Don Icsman said passing along information like this for discussion purposes is okay. Sharon Johnson said she has reviewed purchases on the city's 22 credit cards which each have a \$5,000 limit. She said \$112,000 was spent with credit cards this year (2009) and hoped the Commissioners would be discussing this. Dan Kaman said none of the monies spent were done so without having been part of the budget. Sharon Johnson said she noticed numerous pizzas and luncheons and Dan Kaman said they would look into this. Sharon Johnson asked about the process for the appointment of a new City Manager and if the city had started to prepare a handbook which she understands had begun prior to the Human Resources person being let go. Don Icsman said this is being worked on so that disciplinary procedures are the same "across the board". Sharon Johnson asked if it was appropriate under the Ohio Revised Code for Bob Warner to act as a union agent with the City since he most recently was a City Commissioner. Don Icsman said he is certain Bob Warner has competent council and he is good at what he does. Mike Meinzer said in his department, the credit card was used just today to purchase cords for a defibrillator which were in need of replacement and that is part of the convenience of using credit cards rather than walking through the Purchase Order process. He also said there are open houses held at the Fire Station throughout the year which are paid for on their credit card but the monies spent are offset through their donation fund which is kept separate for these purposes. Ed Widman said there are benefits for using credit cards to

pay for smaller purchases and that some vendors will not accept a Purchase Order at all. Dan Kaman said this will continue to be under a microscope and Ed Widman also assured his department is keeping a close eye on these purchases.

Diedre Cole, 807 Hancock Street congratulated Kim Nuesse, John Hamilton and Pervis Brown as well as the seated Commissioners and said she is proud and hopeful the city is headed in the right direction. She said this year is a census year and the last time a census was performed, approximately 3.4 million Americans were not counted. She feels the city needs to do all it can to ensure that everyone is counted so that we do not lose any federal funding. April 1, 2010 is Census Day. Dan Kaman said he was aware Tim King of the Erie Regional Planning Commission is spearheading this effort for the city.

Bob Warner, 1011 Third Street said he had a packet with project labor agreements and the North Central Building Trades of Ohio are interested in helping the city with the construction of wind generating facilities and entering into project labor agreements with building trades to police these jobs. He said according to the project labor agreement, local contractors are required to provide workers with health insurance, pension contributions and payment of taxes.

Tim Stookey, 1307 Fifth Street, said he retired last year and feels residents need to be aware of filing with the city's Income Tax Department when they retire rather than with RITA so they do not end up paying penalties. He said this is a complicated issue which residents should understand. He asked if it is wise for the city to use R.I.T.A. and how much money we spend for them to perform collections. Ed Widman said they (R.I.T.A.) receive a small percentage of our collections which are a little above 2% which is significantly lower than the city having five employees working in the Income Tax Division as in the past.

**The meeting was adjourned at 6:17 p.m. for a five minute recess. At 6:30 p.m., the Commissioners went into Executive Session.**

**At 8 p.m., upon motion of Brett Fuqua and second of Dan Kaman, the Commissioners voted to adjourn. All Ayes.**

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*Kelly L. Kresser*  
*Interim Clerk of the City Commission*

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*Daniel J. Kaman*  
*President of the City Commission*