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# MEMORANDUM

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**TO:** Mayor & Members of Council  
**FROM:** Jon Bisher  
**SUBJECT:** General Information  
**DATE:** June 29, 2012

## CALENDAR

**PUBLIC HEARING AGENDA** – Monday, July 2<sup>nd</sup> @ 6:55 pm

**CITY COUNCIL MEETING AGENDA** - Monday, July 2, 2012 @ 7:00 pm

## C. APPROVAL OF MINUTES

1. Regular Council Meeting/June 18, 2012

## G. INTRODUCTION OF NEW ORDINANCES AND RESOLUTIONS

1. **RESOLUTION NO. 049-12** a Resolution Adopting the 2013 Tax Budget for the City of Napoleon, Ohio, as Required in Section 5705.28 of the ORC and Directing the Finance Director to File the Same with the County Auditor, and Declaring an Emergency.

## J. GOOD OF THE CITY

1. *Award of Bid for 108 SD Conventional Chassis*
  - a. Attached is a Memorandum from Chad with the recommendation of award.
2. *Award of Hobson Street Waterline Improvements, Phase 1 (CDBG)*
  - a. We've enclosed Chad's Memorandum with the bid results and the recommendation of award for this project.
3. *Review of Application for a Liquor Permit – City of Napoleon Municipal Golf Course*
  - a. Greg has included information from the Ohio Dept. of Commerce/Div. of Liquor Control
4. *To Schedule an Appeal Hearing with the Water, Sewer, Refuse, Recycling & Litter Committee Regarding a Sewer Tap Decision*
  - a. The attached information gives some background on this issue.
5. *Approval of Changes to the City's Investment Policy as Recommended by the City Finance Director*
  - a. Greg has outlined the changes he is requesting in the attached memor.
6. *Regarding a Power Contract with the Busch's* (Refer to Committee)
7. *Regarding AMPGS Outstanding Liability* (Refer to Electric Committee and BOPA)
8. *Lawn Meter Policy* (Refer to Committee)

## **RELATED ITEMS**

1. Greg has included a packet of information on the rating information on debt issues.
2. **CANCELLATIONS**
  - a. *Technology & Communications Committee*
3. **AMP UPDATE/June 22, 2012**

JAB:rd  
Records Retention  
CM-11 - 2 Years

| June 2012 |    |    |    |    |    |    | July 2012 |    |    |    |    |    |    | August 2012 |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|-------------|----|----|----|----|----|----|
| S         | M  | T  | W  | T  | F  | S  | S         | M  | T  | W  | T  | F  | S  | S           | M  | T  | W  | T  | F  | S  |
|           |    |    |    |    | 1  | 2  | 1         | 2  | 3  | 4  | 5  | 6  | 7  |             |    |    | 1  | 2  | 3  | 4  |
| 3         | 4  | 5  | 6  | 7  | 8  | 9  | 8         | 9  | 10 | 11 | 12 | 13 | 14 | 5           | 6  | 7  | 8  | 9  | 10 | 11 |
| 10        | 11 | 12 | 13 | 14 | 15 | 16 | 15        | 16 | 17 | 18 | 19 | 20 | 21 | 12          | 13 | 14 | 15 | 16 | 17 | 18 |
| 17        | 18 | 19 | 20 | 21 | 22 | 23 | 22        | 23 | 24 | 25 | 26 | 27 | 28 | 19          | 20 | 21 | 22 | 23 | 24 | 25 |
| 24        | 25 | 26 | 27 | 28 | 29 | 30 | 29        | 30 | 31 |    |    |    |    | 26          | 27 | 28 | 29 | 30 | 31 |    |

 Calendar

| Sunday                                     | Monday  | Tuesday                                    | Wednesday  | Thursday   | Friday   | Saturday  |
|--|---|--|--|--|--|---|
| <b>1</b>                                   | <b>2</b><br>7:00 PM City COUNCIL Meeting  | <b>3</b><br>BISHER - Vacation              | <b>4</b><br>10:00 PM Fireworks<br>HOLIDAY - 4th of July<br>BISHER - Vacation | <b>5</b><br>BISHER - Vacation                          | <b>6</b><br>BISHER - Vacation                          | <b>7</b><br>8:00 AM Napoleon Triathlon<br>BISHER - Vacation |
| <b>8</b><br>BISHER - Vacation              | <b>9</b><br>6:30 PM Electric Committee BOPA Meeting<br>7:00 PM Water/Sewer Committee Meeting<br>7:30 PM Municipal Properties/ED Committee Meeting | <b>10</b>                                  | <b>11</b><br>6:00 PM River City Rodders Cruise-In                            | <b>12</b>  | <b>13</b><br>7:00 PM Rally in the Alley                | <b>14</b>   |
| <b>15</b><br>AMP - Bisher @ Louisville, KY | <b>16</b><br>7:00 PM City COUNCIL Meeting<br>8:00 PM Parks & Rec Committee Meeting<br>AMP - Bisher @ Louisville, KY                               | <b>17</b><br>AMP - Bisher @ Louisville, KY | <b>18</b><br>BISHER - Vacation   | <b>19</b><br>BISHER - Vacation                         | <b>20</b><br>BISHER - Vacation                         | <b>21</b><br>BISHER - Vacation                              |
| <b>22</b><br>BISHER - Vacation             | <b>23</b><br>6:30 PM Finance & Budget Committee Meeting<br>7:30 PM Safety & Human Resources Committee Meeting                                     | <b>24</b>                                  | <b>25</b>  | <b>26</b>  | <b>27</b><br>Greg Heath - Vacation                     | <b>28</b><br>Greg Heath - Vacation                          |
| <b>29</b><br>Greg Heath - Vacation         | <b>30</b><br>Greg Heath - Vacation  | <b>31</b><br>Greg Heath - Vacation         | <b>1</b><br>6:00 PM River City Rodders Cruise-In<br>Greg Heath - Vacation    | <b>2</b><br>BISHER - Vacation<br>Greg Heath - Vacation | <b>3</b><br>BISHER - Vacation<br>Greg Heath - Vacation | <b>4</b><br>BISHER - Vacation<br>Greg Heath - Vacation      |

*City of Napoleon, Ohio*

## **CITY COUNCIL**

*LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio*

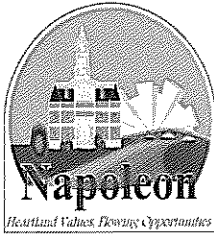
### **Public Hearing Agenda**

**Monday, July 2, 2012 at 6:55 PM**

- A. Public Hearing  
To review the proposed 2013 Tax Budget and Inside Ten (10) Mill Levy Rates allocated to the City
- B. Any Other Items That May Properly Come Before Council
- C. Adjournment

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Gregory J. Heath, Finance Director/Clerk of Council



## CITY OF NAPOLEON, OHIO

255 West Riverview Avenue • PO 151 • Napoleon, Ohio 43545-0151

Gregory J. Heath, Director of Finance/Clerk of Council

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E-mail: [gheath@napoleonohio.com](mailto:gheath@napoleonohio.com)

DATE: July 2, 2012

TO: Members of City Council  
Ronald A. Behm, Mayor  
Dr. Jon A. Bisher, City Manager  
Trevor M. Hayberger, City Law Director

FROM: Gregory J. Heath, Finance Director/Clerk of Council

SUBJECT: 2013 Tax Budget – Public Hearing, July 2, 2012 at 6:55 PM

Attached herewith is a copy of the Proposed 2013 Tax Budget for review at the Public Hearing scheduled for July 2, 2012 at 6:55 PM at City Hall.

Previously, under the ORC statutory code 5705.25, Departments, Divisions, Boards and Commissions would be requested to submit an estimate of contemplated Revenues and Expenditures for 2013 by the 1st of June for inclusion in the 2013 Tax Budget. These numbers would be utilized by the Budget Commission (County Auditor, County Treasurer and County Prosecutor) to determine the allocation of the Undivided Local Government Fund.

However, the Political Subdivisions within the County, as allowed by statute, a number of years ago adopted an *Alternate Method* for the allocation of the Undivided Local Government Fund. Now the primary purpose of the Tax Budget is determination of need and use of the Unvoted Inside Mill Ten Property Tax Allocation, plus any Voted Property Taxes. The City currently does not have any Voted Property Taxes.

The purpose of the Public Hearing is to review the Unvoted Inside Mill Tax Rates as allocated to the City and listed in the 2013 Tax Budget.

Thank you.


Gregory J. Heath,  
Finance Director/Clerk of Council

# 2013 TAX BUDGET

Henry County, Ohio  
 Office of **NAPOLEON CORP.**, June 18, 2012

To the County Auditor:

The Council of <sup>City</sup> ~~Said Village~~ hereby submits its annual Budget for the year commencing January 1st, 20 for consideration of the county budget Commission pursuant to Section 5705.30 of the Revised Code.

  
 \_\_\_\_\_  
 \*Village Fiscal Officer  
 City

\_\_\_\_\_  
 County Auditor

**Gregory J. Heath,**  
**Finance Director/Clerk of Council**  
**City of Napoleon, Ohio**

\_\_\_\_\_  
 County Treasurer

\_\_\_\_\_  
 County Prosecuting Attorney

Schedule A

SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION AND  
 COUNTY AUDITOR'S ESTIMATED TAX RATES

| City of Napoleon, Ohio                            |       | Amount approved<br>by Budget<br>commission Inside<br>10 M Limitation | Amount to be<br>derived from<br>Levies Outside<br>10 M Limitation | County Auditor's     |                       |
|---|-------|--|---|----------------------|-----------------------|
| City Tax Valuation: \$143,316,660<br>FUND         |       |  |   | Inside 10 M<br>Limit | Outside 10 M<br>Limit |
|   | Mills |  |   |                      |                       |
| 1. General Fund                                   | 2.0   | \$ 286,633   |   |                      |                       |
| 4. Road and Bridge Fund                           |       |  |   |                      |                       |
| 5. Cemetery Fund                                  |       |  |   |                      |                       |
| 9. Police District Fund                           | 0.6   | \$ 85,990  |   |                      |                       |
| 10. Fire District Fund                            | 0.3   | \$ 42,995  |   |                      |                       |
| 11. Road District Fund                            |       |  |   |                      |                       |
| 12. Park Levy Fund                                |       |  |   |                      |                       |
| 14. Miscellaneous Funds                           |       |  |   |                      |                       |
| 15. General Bond Retirement Fund                  |       |  |   |                      |                       |
| 20. Special Levy Funds                            |       |  |   |                      |                       |
| 21. Capital Equipment Fund                        |       |  |   |                      |                       |
| 28. Ambulance and Emergency Medical Services Fund |       |  |   |                      |                       |

\$ 415,618

**SCHEDULE B**  
**LEVIES OUTSIDE 10 MILL. LIMITATION, EXCLUSIVE OF DEBT LEVIES**

| FUND  | Max. Rate Authorized<br>to be Levied | County Auditor's Est. of<br>Yield of Levy ( Carry to<br>Schedule A, Column II) |  |
|---|--------------------------------------|--|--|
| <b>GENERAL FUND:</b>                            |                                      |  |  |
| Current Expense Levy authorized by voters on 20 |                                      |  |  |
| not to exceed 5 years.                          |                                      |  |  |
|   |                                      |  |  |
| <b>SPECIAL LEVY FUNDS:</b>                      |                                      |  |  |
| Levy authorized by voters on 20                 |                                      |  |  |
| not to exceed 5 years                           |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20                 |                                      |  |  |
| not to exceed 5 years                           |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____             |                                      |  |  |
| not to exceed years                             |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____             |                                      |  |  |
| not to exceed years                             |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____             |                                      |  |  |
| not to exceed years                             |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____             |                                      |  |  |
| not to exceed years                             |                                      |  |  |
|   |                                      |  |  |
|   |                                      |  |  |
|   |                                      |  |  |
|   |                                      |  |  |

**CITY COUNCIL**

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

**MEETING AGENDA**

Monday, July 2, 2012 at 7:00 PM

- A. Attendance** *(Noted by the Clerk)*
- B. Prayer**
- C. Approval of Minutes:** June 18 *(In the absence of any objections or corrections, the minutes shall stand approved.)*
- D. Citizens Communication**
- E. Reports from Council Committees**
- 1. Parks & Recreation Committee** did not meet on Monday, June 18 due to lack of agenda items.
  - 2. Finance & Budget Committee** *(Majority Report)* met on Monday, June 25 and recommended:
    - a.**
    - 3. Safety & Human Resources Committee** did not meet on June 25 due to lack of agenda items.
- F. Reports from Other Committees, Commissions and Boards** *(Informational Only-Not Read)*
- 1. Civil Service Commission** did not meet on Tuesday, June 26 due to lack of agenda items.
  - 2. Preservation Commission** met on Wednesday, June 27 with the following agenda items:
    - a.** NPC 12-03 722 N. Perry St. Together We Can Make A Difference
    - b.** NPC 12-04 711 N. Perry St. B&I TV and Appliance
    - c.** NPC 12-05 127 E. Clinton St. The Armory
    - d.** NPC 12-06 524 N. Perry St. Snyder Chevrolet
    - e.** Discussion regarding repairs and or demolition of the buildings at 118 W. Washington and 120 W. Washington
  - 3. Parks & Recreation Board** did not meet on Wednesday, June 27 due to lack of agenda items.
- G. Introduction of New Ordinances and Resolutions**
- 1. Resolution No. 049-12** A resolution adopting the 2013 Tax Budget for the City of Napoleon, Ohio, as required in section 5705.28 of the ORC and Directing the Finance Director to file the same with the county Auditor, and declaring an emergency.
- H. No Second Readings of Ordinances and Resolutions**  
There are no second readings of Ordinances and Resolutions.
- I. Third Readings of Ordinances and Resolutions**
- 1. Ordinance No. 048-12** An Ordinance amending Section 931.10 of the Codified Ordinances to provide for a cap to the sanitary sewer tap charge for single family, two family, and three family dwellings
- J. Good of the City** *(Any other business as may properly come before Council, including but not limited to:)*
- 1. Discussion/Action:** Award of bid for 108 SD Conventional Chassis
  - 2. Discussion/Action:** Award of Hobson St Waterline Imp. Phase I (CDBG).
  - 3. Discussion/Action:** Review of application for a liquor permit - City of Napoleon Municipal Golf Course
  - 4. Discussion/Action:** To schedule an appeal hearing with the Water, Sewer, Refuse, Recycling & Litter Committee regarding a sewer tap decision
  - 5. Discussion/Action:** Approval of changes to the City's Investment Policy as recommended by the City Finance Director.
  - 6. Discussion/Action:** Regarding a power contract with the Busch's *(Refer to Electric Committee & BOPA)*
  - 7. Discussion/Action:** Regarding AMPGS outstanding liability *(Refer to Electric Committee & BOPA)*
  - 8. Discussion/Action:** Lawn Meter Policy *(Refer to Committee)*
- K. Executive Session** *(As needed)*
- L. Approve Payment of Bills and Approve Financial Reports** *(In the absence of any objections or corrections, the payment of bills and financial reports shall stand approved.)*
- M. Adjournment**



**A. Items Referred or Pending in Committees of Council**

- 1. Technology & Communication Committee (1<sup>st</sup> Monday)**  
*(Next Regular Meeting: Monday, August 6, 2012 @ 8:00 PM)*
- 2. Electric Committee (2<sup>nd</sup> Monday)**  
*(Next Regular Meeting: Monday, July 9 @ 6:30 PM)*
  - a. Review of Electric Billing Determinants
  - b. Electric Department Report
- 3. Water, Sewer, Refuse, Recycling & Litter Committee (2<sup>nd</sup> Monday)**  
*(Next Regular Meeting: Monday, July 9 @ 7:00 PM)*
  - a. Water Treatment Plant Evaluation (Tabled)
  - b. Long Term Control Plan (LTCP) Modifications
  - c. Review of Responsibility for Sanitary Sewer Tap Repair
- 4. Municipal Properties, Buildings, Land Use & Economic Development Committee (2<sup>nd</sup> Monday)**  
*(Next Regular Meeting: Monday, July 9 @ 7:30 PM)*
  - a. Updated Info from Staff on Economic Development (as needed)
- 5. Parks & Recreation Committee (3<sup>rd</sup> Monday)**  
*(Next Regular Meeting: Monday, July 16 @ 8:00 PM)*
- 6. Finance & Budget Committee (4<sup>th</sup> Monday)**  
*(Next Regular Meeting: Monday, July 23 @ 6:30 PM)*
- 7. Safety & Human Resources Committee (4<sup>th</sup> Monday)**  
*(Next Regular Meeting: Monday, July 23 @ 7:30 PM)* Meeting with Townships on 11/26
  - a. Meeting with Townships: Review of EMS Costs
- 8. Personnel Committee (As needed)**

**B. Items Referred or Pending In Other City Commissions and Boards**

- 1. Board of Public Affairs (2<sup>nd</sup> Monday)**  
*(Next Regular Meeting: Monday, July 9 @ 6:30 PM)*
  - a. Review of Electric Billing Determinants
  - b. Electric Department Report
  - c. Long Term Control Plan (LTCP) Modifications
  - d. Review of Responsibility for Sanitary Sewer Tap Repair
- 2. Board of Zoning Appeals (2<sup>nd</sup> Tuesday)**  
*(Next Regular Meeting: Tuesday, July 10 @ 4:30 PM)*
- 3. Planning Commission (2<sup>nd</sup> Tuesday)**  
*(Next Regular Meeting: Tuesday, July 10 @ 5:00 PM)*
- 4. Tree Commission (3<sup>rd</sup> Monday)**  
*(Next Regular Meeting: Monday, August 20 @ 6:00 PM)*  
July meeting is canceled.
- 5. Civil Service Commission (4<sup>th</sup> Tuesday)**  
*(Next Regular Meeting: Tuesday, July 24 @ 4:30 PM)*
- 6. Parks & Recreation Board (Last Wednesday)**  
*(Next Regular Meeting: Wednesday, August 29 @ 6:30 PM)*  
June & July meetings are canceled.
- 7. Privacy Committee (2<sup>nd</sup> Tuesday in May & November)**  
*(Next Regular Meeting: Tuesday, November 13 @ 10:30 AM)*
- 8. Records Retention Commission (2<sup>nd</sup> Tuesday in June & December)**  
*(Next Regular Meeting: Tuesday, December 11 @ 4:00 PM)*
- 9. Housing Council (1<sup>st</sup> Monday of the month after the TIRC meeting)**  
*(Next Meeting: Monday, May 6, 2013? @ 6:30 PM)*
- 10. Health Care Cost Committee (As needed)**
- 11. Preservation Commission (As needed)**
- 12. Infrastructure/Economic Development Fund Review Committee (As needed)**
- 13. Tax Incentive Review Council (As needed)**
- 14. Volunteer Firefighters' Dependents Fund Board (As needed)**
- 15. Lodge Tax Advisory & Control Board (As needed)**
- 16. Board of Building Appeals (As needed)**
- 17. ADA Compliance Board (As needed)**
- 18. NCTV Advisory Board (As needed)**

**CITY COUNCIL**

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**Meeting Minutes**

Monday, June 18, 2012 at 7:00 PM

**PRESENT**

**Council**

Glenn Miller - President, John Helberg, Travis Sheaffer (arrived at 7:05), James Hershberger, Jeffrey Lankenau, Patrick McColley, Christopher Ridley

**Mayor**

Ronald A. Behm

**Law Director**

Trevor M. Hayberger

**Finance Director/Clerk**

Gregory J. Heath

**Recorder**

Barbara Nelson

**City Staff**

Robert Weitzel, Police Chief

**Others**

News Media, Jascha Chiaverini, Max Uhl

**ABSENT**

**Council**

Travis Sheaffer

**Others**

Dr. Jon A. Bisher, City Manager

**Call To Order**

President Miller called the meeting to order at 7:00 PM with the Lord's Prayer.

**Minutes Approved**

Minutes of the June 4, 2012, Council meeting stand approved with no objections.

**Citizen**

**Communication**

Jascha Chiaverini, owner of the Diamond & Gold Outlet on Washington Street, said he is hurt that Council members have not expressed support for him and his business during these difficult times. The business's building is falling down, but his landlord, Mr. Reese, won't fix it properly. Chiaverini has been fighting with him for over a year. Jeff Lankenau is Mr. Reese's lawyer. Chiaverini believes this is a conflict of interest because Lankenau is a Councilman. He received a letter from Lankenau saying Mr. Reese demanded that he leave the property, but this is not true. He was told to look for another location as soon as possible. He has another year on his lease and does not want to move. He may not have a choice if the building isn't fixed.

Chiaverini said Mr. Reese put tape on cracked windows and one of them burst out. The engineers put braces by one of the brick walls, but another one is falling down. There have been rumors that they may tear the building down. A customer asked him today if it was safe to come into his business. Chiaverini talked to Tom Zimmerman, City Building Inspector. He is waiting for Zimmerman to call him back with more information. Levis Commons is making offers to get Chiaverini to move there. Chiaverini's heart is in Napoleon and he doesn't want to move.

Chiaverini's worldwide corporation was established by his family in 1913. He took it over in 1981. He hasn't asked for any money or grants. His religious community believes in a hand up, not a handout. He looked at different buildings, but would like to save the property he is in. He invested hundreds of thousands of dollars in advertising and State licensing fees for the current location. He would have to pay those costs all over again in a new location.

Chiaverini said Council tries to solicit new businesses to come to Napoleon, but they should also support the businesses that are already here and make them feel welcome. Glenn Miller is the only Councilman who has offered support to him. Miller said he didn't know what he could do, but to let him know if he could help. Police Chief Weitzel has been in many times to say hello and express support. The Police Department patrols regularly to assure that Chiaverini is safe. Greg Heath also

|   |   |
|---|---|
| <b>Reports From Committees</b>  | <p>expressed support. Jon Bisher used to call and check on him too. Chiaverini appreciates this. Chiaverini would like Council to give a pat on the back to businesses already here. It is difficult to stay in business in these hard economic times. There is a valuable lesson to be learned. Don't let this happen to someone else. He still believes in Napoleon and is investing to live here. He wants to retire here.</p> <p>President Miller said Chiaverini's point is well taken. Chiaverini is part of Napoleon and Council appreciates it. Chad Lulfs, City Engineer, spoke to Miller briefly today about Chiaverini's concerns. Miller would like to sit down with Hayberger, Lulfs and Zimmerman to see where to go from here. Chiaverini thanked President Miller, Heath, and Chief Weitzel for their support. He apologized for picking on Lankenau, but he was angry and hurt. Miller said he will see Chiaverini after talking with staff.</p> <p>The Technology &amp; Communication Committee did not meet on Monday, June 4 due to lack of agenda items.</p> <p>Chairman Sheaffer reported that the Electric Committee met on Monday, June 11 and recommended:</p> <ol style="list-style-type: none"><li>1. Approval of electric billing determinants for June;</li><li>2. To start the EcoSmart Choice Program with a .5 cent plus .2 cent for a total of .7 cent rate when the City is switched over to the beta system, with usage break levels of 50% &amp; 100%, and 2 mailings in the bills per year</li></ol> <p>The Water, Sewer, Refuse, Recycling and Litter Committee did not meet on June 11 due to lack of agenda items.</p> <p>Chairman Helberg said the Municipal Properties, Buildings, Land Use and Economic Development Committee met on June 11. They had a long discussion and recommended taking no action at this time regarding sidewalks on Jahns Road</p> |
| <b>No New Ordinances Or Resolutions</b>   | <p>There are no new Ordinances or Resolutions.</p>  |
| <b>Second Read Of Ordinance #048-12</b>   | <p>President Miller read by title Ordinance No. 048-12 An Ordinance amending Section 931.10 of the Codified Ordinances to provide for a cap to the sanitary sewer tap charge for single family, two family, and three family dwellings</p>  |
| <b>Motion To Approve Second Read</b>  | <p>Motion: Ridley    Second: Helberg<br/>To approve second read of Ordinance No. 048-12</p>   |
| <b>Discussion</b>   | <p>Hayberger said the legislation has not changed since its last reading.</p>   |
| <b>Passed<br/>Yea-7<br/>Nay-0</b>   | <p>Roll call vote to approve second read of Ordinance No. 048-12<br/>Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer<br/>Nay-</p>   |
| <b>No 3<sup>rd</sup> Readings</b>   | <p>There were no third readings of Ordinances and Resolutions.</p>  |
| <b>GOOD OF THE CITY<br/><u>Discussion/Action</u><br/>Motion To Approve<br/>Billing Determinants</b> | <p>Motion: McColley    Second: Sheaffer<br/>To accept the recommendation for approval of June electric billing determinants as follows:<br/>Generation Charge: Residential @ \$.08026; Commercial @ \$.09498; Large Power @</p>   |

|  |  |
|--|--|
|  | <p>\$.05323; Industrial @ \$.05323; Demand Charge Large Power @ \$13.19; Industrial @ \$14.53; JV Purchased Cost: JV2 @ \$.04030; JV5 @ \$.04030</p>   |
| <p><b>Passed</b><br/><b>Yea-7</b><br/><b>Nay-0</b></p>             | <p>Roll call vote on above motion:<br/>Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer<br/>Nay-</p>  |
| <p><b>EcoSmart Choice Program Recommendation</b></p>               | <p>Hayberger said the EcoSmart Choice Program recommendation will require legislation. Heath said Council approved upgrading the utility billing system through CMI last year. Since we are in the middle of upgrading, CMI said they can add the EcoSmart Choice program with the new beta site at no additional cost. We anticipate being fully operational by November 1, 2012. Miller said a presentation could be given on the whole EcoSmart Choice program when legislation comes to Council.</p> |
| <p><b>Motion To Bring Legislation</b></p>                          | <p>Motion: Hershberger                      Second: Sheaffer<br/>To direct the Law Director to bring legislation to start the EcoSmart Choice Program with .5 cent plus .2 cent for a total of .7 cent rate when the City is switched over to the beta system, with usage break levels of 50% &amp; 100%, and two mailings in the bills per year</p>   |
| <p><b>Passed</b><br/><b>Yea-7</b><br/><b>Nay-0</b></p>             | <p>Roll call vote on above motion:<br/>Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer<br/>Nay-</p>  |
| <p><b>Update To LTCP Presentation</b></p>                          | <p>President Miller said Adam Hoff would like to give a presentation to the Water, Sewer, Refuse, Recycling &amp; Litter Committee and Board of Public Affairs about <i>Long Term Control Plan Modifications</i>. Miller recommended a Special Meeting of Council at the same time.</p>  |
| <p><b>Motion To Schedule Special Meeting On 7/9 At 7:00 PM</b></p> | <p>Motion: Hershberger                      Second: Lankenau<br/>To set a Special Council meeting in conjunction with the Water, Sewer, Refuse, Recycling &amp; Litter Committee and Board of Public Affairs meetings on Monday, July 9, at 7:00 PM for discussion of <i>Long Term Control Plan (LTCP) Modifications</i></p>   |
| <p><b>Passed</b><br/><b>Yea-7</b><br/><b>Nay-0</b></p>             | <p>Roll call vote on above motion:<br/>Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer<br/>Nay-</p>  |
| <p><b>Filing/Public Hearing For 2013 Tax Budget</b></p>            | <p>Heath said information regarding the 2013 tax budget was included in the packet. It must be adopted by legislation on or before July 15 and submitted to the County Auditor by July 20. Heath requested a hearing at 6:55 on July 2.</p>  |
| <p><b>Motion To Schedule On 7/2/12</b></p>                         | <p>Motion: McColley                      Second: Ridley<br/>To schedule Public Hearing on Monday, July 2, 2012 at 6:55pm for 2013 Tax Budget</p>   |
| <p><b>Passed</b><br/><b>Yea-7</b><br/><b>Nay-0</b></p>             | <p>Roll call vote on above motion:<br/>Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer<br/>Nay-</p>  |
| <p><b><u>Good Of The City(cont)</u></b><br/><b>Hayberger</b></p>   | <p>Hayberger – no items</p>  |
| <p><b>Lankenau</b></p>   | <p>Lankenau – no items</p>   |

|   |   |
|---|---|
| <b>Sheaffer</b>   | Sheaffer said Haley Street looks good and rides very nice. Miller said Clinton and Webster do too.  |
| <b>McColley</b>   | McColley – no items   |
| <b>Mayor Behm</b>   | Mayor Behm met with Fulton County officials about Napoleon buying water from Archbold. There are many different communities involved with this. He will meet with the Mayor of Wauseon next week. He wants to keep all options open and see if we can find the best alternative for Napoleon due to the need to update our water plant. He spoke with the Mayor of Liberty Center who mentioned they are actively seeking an alternative water supply. Liberty Center is a major buyer of our water. This will impact our ability to generate money to pay down the debt.   |
| <b>President Miller</b>   | President Miller noted that patching was done downtown on East and West Washington Street to fill holes there.  |
| <b>Hershberger</b>  | Hershberger said they did a beautiful job on the Haley Street Project. He received complaints on Oakwood about the Hogrefe property having too many vehicles. The old auction building on 424 is up for sale. The City did not grant permission to run a junkyard there. This should be addressed. Hogrefe received eight years to fix the junkyard and this should be up by now. Miller said he talked to Zimmerman assured him this will be cleaned up by August 1. Hayberger said Zimmerman talked to him about this too.  |
| <b>Helberg</b>  | Helberg asked about an expenditure of \$20,320 to the Estabrook Corporation. Heath verified it was for repair of the water pump that was discussed last year. Helberg noted two different expenditures for filling stump holes and seeding. He would like to see these included as part of the tree removal contract for a competitive bid on the complete job rather than have holes while waiting for another company to come in and fill them.   |
| <b><i>Review of Responsibility for Sanitary Sewer Tap Repair Assigned To 7/9 Special Council, WSRRL &amp; BOPA Meetings</i></b> | Helberg believes it is not fair to put the cost of sewer tap repairs on homeowners, especially when the sewer is made extra deep for design purposes. This is expensive to repair and out of the homeowner's control. He does not like the current policy. He would like to go back 5-10 years and reimburse homeowners for some of these costs. Homeowners could be responsible for middle of the road and 8' deep, but any cost beyond that should be the City's. President Miller assigned <i>Review of Responsibility for Sanitary Sewer Tap Repair</i> to the Special Council meeting; Water, Sewer, Refuse, Recycling & Litter Committee meeting; and Board of Public Affairs meeting on July 9 at 7:00 PM. |
|   | Helberg asked if progress has been made on railroad crossing repairs. President Miller said Lulfs reports that discussions are going well. Maumee Western is agreeable with a number of issues. Hayberger said the Attorney General's office asked him how we get so much response from the railroad. Miller said it requires a lot of give on our part. There are verbal agreements now. Written agreements are next.  |
| <b>Ridley</b>   | Ridley said the railroad crossing by Haley Street is great. There is about a 1" to 1-1/2" gap and bump between where the curb and asphalt are by the alley between Washington & Clinton. He asked if something can be done about this. Ridley's grandparents have a house with an ash tree that needs to come down. He asked if there is money left in the grant for this. Heath said that money was spent.   |

**Heath**

Heath said information about a public records media workshop on July 24 in Wauseon was in the packet. We are in the process of trying to wrap up the CAFR. We are also finishing up the debt issue. The debt sells next month.

**Max Uhl,  
Performance Audit  
Manager**

President Miller introduced Max Uhl, CPA. Uhl said he is the lead audit manager on the City's performance audit. He met with Miller, Mayor Behm and Bisher last week to kick the project off. The audit team is in the planning stage now which takes about a month. The team will speak with Council members and department heads and get as much information as possible to put with financial information. The team will identify areas to look at further and begin investigating those areas. The field work stage takes a couple months. The whole process takes 5-8 months. The goal is to develop recommendations that will enable the City to operate more effectively and efficiently and save money. The team will use national benchmarks and best practices. The final piece is a peer comparison. The team talked with the City Manager about some potential peers as a basis of comparison. They will use 5-7 cities in Ohio with similar demographics and household incomes. The team will meet two to three times throughout the process with the Mayor, City Manager, Council President and any members of Council who want to be included. Council will know the team's recommendations before the final report is released.

McColley asked when the team wants to meet with Council members. Uhl said within the next couple weeks. They will be here a couple days per week during the planning stage and a couple days every other week for the field work stage. The team will talk with as many people as want to talk to them. Uhl will stay after tonight's meeting to answer initial questions. The Mayor has Uhl's cell phone number if anyone has questions in the future.

**Approval Of Bills**

Bills and reports stand approved as presented with no objections.

**Motion To Adjourn**

Motion: Lankenau                      Second: McColley  
To adjourn the meeting.

**Passed**  
**Yea -7**  
**Nay -0**

Roll call vote on above motion:  
Yea- Lankenau, Ridley, Helberg, Hershberger, Miller, McColley, Sheaffer  
Nay-

**Adjournment**

Meeting adjourned at 8:00 PM.

---

Glenn A. Miller, Council President

**Approved:**  
July 2, 2012

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Ronald A. Behm, Mayor

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Gregory J. Heath, Finance Director/Clerk of Council

**RESOLUTION NO. 049-12**

**A RESOLUTION ADOPTING THE 2013 TAX BUDGET FOR THE CITY OF NAPOLEON, OHIO, AS REQUIRED IN SECTION 5705.28 OF THE ORC AND DIRECTING THE FINANCE DIRECTOR TO FILE THE SAME WITH THE COUNTY AUDITOR; AND DECLARING AN EMERGENCY**

**WHEREAS**, at least two (2) copies of the Tax Budget have been on file with the Finance Director for public inspection not less than ten (10) days before its adoption; and,

**WHEREAS**, the Finance and Budget Committee of Council, by and through the Finance Director, has prepared a Tax Budget pursuant to Article II, Sec. 2.13 of the City's Charter; and,

**WHEREAS**, a Public Hearing was held on July 2, 2012 concerning this 2013 Tax Budget.

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

Section 1. That, the City Council of Napoleon, Ohio adopts the 2013 Tax Budget, as required by Section 5705.28 ORC, in the form presented to Council and currently on file in the Office of the Finance Director and marked as the 2013 Tax Budget.

Section 2. That, the Finance Director is hereby directed to file the 2013 Tax Budget with the County Auditor on or before July 20, 2012.

Section 3. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 4. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.

Section 5. That, this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time to meet the filing deadlines; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law.

Passed: \_\_\_\_\_

\_\_\_\_\_  
Glenn A. Miller, Council President

Approved: \_\_\_\_\_

\_\_\_\_\_  
Ronald A. Behm, Mayor

VOTE ON PASSAGE \_\_\_\_\_ Yea \_\_\_\_\_ Nay \_\_\_\_\_ Abstain

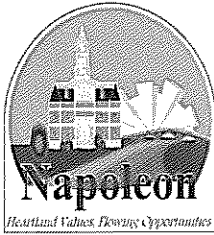
Attest:

\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

*I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 049-12 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.*

\_\_\_\_\_  
*Gregory J. Heath, Clerk/Finance Director*





## CITY OF NAPOLEON, OHIO

255 West Riverview Avenue • PO 151 • Napoleon, Ohio 43545-0151

Gregory J. Heath, Director of Finance/Clerk of Council

phone (419) 599-1235 fax (419)-599-8393

Web Page: [www.napoleonohio.com](http://www.napoleonohio.com)

E-mail: [gheath@napoleonohio.com](mailto:gheath@napoleonohio.com)

DATE: July 2, 2012

TO: Members of City Council  
Ronald A. Behm, Mayor  
Dr. Jon A. Bisher, City Manager  
Trevor M. Hayberger, City Law Director

FROM: Gregory J. Heath, Finance Director/Clerk of Council

SUBJECT: 2013 Tax Budget – Public Hearing, July 2, 2012 at 6:55 PM

Attached herewith is a copy of the Proposed 2013 Tax Budget for review at the Public Hearing scheduled for July 2, 2012 at 6:55 PM at City Hall.

Previously, under the ORC statutory code 5705.25, Departments, Divisions, Boards and Commissions would be requested to submit an estimate of contemplated Revenues and Expenditures for 2013 by the 1st of June for inclusion in the 2013 Tax Budget. These numbers would be utilized by the Budget Commission (County Auditor, County Treasurer and County Prosecutor) to determine the allocation of the Undivided Local Government Fund.

However, the Political Subdivisions within the County, as allowed by statute, a number of years ago adopted an *Alternate Method* for the allocation of the Undivided Local Government Fund. Now the primary purpose of the Tax Budget is determination of need and use of the Unvoted Inside Mill Ten Property Tax Allocation, plus any Voted Property Taxes. The City currently does not have any Voted Property Taxes.

The purpose of the Public Hearing is to review the Unvoted Inside Mill Tax Rates as allocated to the City and listed in the 2013 Tax Budget.

Thank you.

Gregory J. Heath,  
Finance Director/Clerk of Council

# 2013 TAX BUDGET

Henry County, Ohio  
 Office of **NAPOLEON CORP.**, June 18, 2012

To the County Auditor:

The Council of <sup>City</sup> ~~Said Village~~ hereby submits its annual Budget for the year commencing January 1st, 20 for consideration of the county budget Commission pursuant to Section 5705.30 of the Revised Code.

*Gregory J. Heath*  
 \_\_\_\_\_  
 \*Village Fiscal Officer  
 City

\_\_\_\_\_  
 County Auditor

**Gregory J. Heath,**  
**Finance Director/Clerk of Council**  
**City of Napoleon, Ohio**

\_\_\_\_\_  
 County Treasurer

\_\_\_\_\_  
 County Prosecuting Attorney

Schedule A

SUMMARY OF AMOUNTS REQUIRED FROM GENERAL PROPERTY TAX APPROVED BY BUDGET COMMISSION AND COUNTY AUDITOR'S ESTIMATED TAX RATES

| City of Napoleon, Ohio<br>City Tax Valuation: \$143,316,660<br>FUND | Mills | Amount approved<br>by Budget<br>commission Inside<br>10 M Limitation | Amount to be<br>derived from<br>Levies Outside<br>10 M Limitation | County Auditor's     |                       |
|---|-------|--|---|----------------------|-----------------------|
|   |       |  |   | Inside 10 M<br>Limit | Outside 10 M<br>Limit |
| 1. General Fund   | 2.0   | \$ 286,633   |   |                      |                       |
| 4. Road and Bridge Fund   |       |  |   |                      |                       |
| 5. Cemetery Fund  |       |  |   |                      |                       |
| 9. Police District Fund   | 0.6   | \$ 85,990  |   |                      |                       |
| 10. Fire District Fund  | 0.3   | \$ 42,995  |   |                      |                       |
| 11. Road District Fund  |       |  |   |                      |                       |
| 12. Park Levy Fund  |       |  |   |                      |                       |
| 14. Miscellaneous Funds   |       |  |   |                      |                       |
| 15. General Bond Retirement Fund                                    |       |  |   |                      |                       |
| 20. Special Levy Funds  |       |  |   |                      |                       |
| 21. Capital Equipment Fund  |       |  |   |                      |                       |
| 28. Ambulance and Emergency Medical Services Fund                   |       |  |   |                      |                       |

\$ 415,618

**SCHEDULE B**  
**LEVIES OUTSIDE 10 MILL. LIMITATION, EXCLUSIVE OF DEBT LEVIES**

| FUND  | Max. Rate Authorized<br>to be Levied | County Auditor's Est. of<br>Yield of Levy ( Carry to<br>Schedule A, Column II) |  |
|---|--------------------------------------|--|--|
| <b>GENERAL FUND:</b>  |                                      |  |  |
| Current Expense Levy authorized by voters on 20<br>not to exceed 5 years. |                                      |  |  |
|   |                                      |  |  |
| <b>SPECIAL LEVY FUNDS:</b>  |                                      |  |  |
| Levy authorized by voters on 20<br>not to exceed 5 years                  |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20<br>not to exceed 5 years                  |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____<br>not to exceed years                |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____<br>not to exceed years                |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____<br>not to exceed years                |                                      |  |  |
|   |                                      |  |  |
| Levy authorized by voters on 20____<br>not to exceed years                |                                      |  |  |
|   |                                      |  |  |
|   |                                      |  |  |
|   |                                      |  |  |

**ORDINANCE NO. 048-12**

**AN ORDINANCE AMENDING SECTION 931.10 OF THE CODIFIED ORDINANCES TO PROVIDE FOR A CAP TO THE SANITARY SEWER TAP CHARGE FOR SINGLE FAMILY, TWO FAMILY, AND THREE FAMILY DWELLINGS**

**WHEREAS**, the City of Napoleon desires to establish a cap to the sanitary sewer tap charge for single family, two family, and three family dwellings;

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

Section 1. That, Section 931.10 of the Codified Ordinances of the City of Napoleon, Ohio shall be amended and enacted as follows:

**“931.10 SANITARY SEWER TAP FEES.**

(a) A sanitary sewer tap fee (service connection fee) shall be charged for each connection to the City's sanitary sewer system as follows: (This fee does not cover any labor and material required. Any such labor or materials is a separate charge based on actual cost.)

(b) Charges as contained in this section are applicable and shall be charged for all tributary parcels now in the City to which a sanitary sewer has not been assessed and also for all parcels hereafter annexed to the City. This charge is also applicable and shall be made for all new buildings, major additions, or alterations; to buildings causing increased sewage discharge; any land use causing the discharge of sewage into the sewage system; and any change in sewage flow distribution ordered by the City Manager when the redistribution of sewage flow requires the construction of a new trunk line sewer and a new service connection thereto.

(1) For ~~subdivisions~~ **LOTS** with single-family dwellings, **TWO FAMILY DWELLINGS, OR THREE FAMILY DWELLINGS**, the sanitary sewer tap charge shall be based upon a minimum of eighty-seven dollars (\$87.00) per 7,200 square feet of land exclusive of dedicated streets, or a charge of eighty-seven dollars (\$87.00) per dwelling unit location, whichever is greater. Anything over the first 7,200 square feet of land shall be on a pro rata basis. **HOWEVER, THERE SHALL BE A CAP TO THE SEWER TAP CHARGE AS FOLLOWS:**

- A. SINGLE-FAMILY DWELLINGS MAXIMUM CHARGE IS \$150.00;**
- B. TWO FAMILY DWELLINGS MAXIMUM CHARGE IS \$300.00;**
- C. THREE FAMILY DWELLINGS MAXIMUM CHARGE IS \$450.00.**

(2) For ~~subdivisions with multifamily units of any nature, or~~ manufactured homes courts, the sanitary sewer tap charge shall be based upon a minimum of eighty-seven dollars (\$87.00) per 7,200 square feet of land exclusive of dedicated streets, or a charge of eighty-seven dollars (\$87.00) per dwelling unit location whichever is greater. Anything over the first 7,200 square feet of land shall be on a pro rata basis.

(3) For all other developments of any kind, excluding commercial or industrial, the sanitary sewer tap charge shall be based upon a minimum of eighty-seven dollars (\$87.00) per 7,200 square feet of land, exclusive of dedicated streets, or a charge of eighty-seven dollars (\$87.00) per dwelling unit location, whichever is greater. Anything over the first 7,200 square feet of land shall be on a pro rata basis.

- (4) All commercial or industrial uses: the sanitary sewer tap charge shall be six hundred (\$600.00) dollars.
- (5) All sanitary sewer tap fees outside the corporation limits shall be increased fifty percent (50%) from what is stated in this provision.
- (c) Inspection fees for sanitary sewer taps shall be as follows:
  - (1) Single-family and duplex residential: \$60.00
  - (2) Multifamily residential, commercial, and industrial fifty feet in length or less: \$100.00
  - (3) Multifamily residential, commercial, and industrial fifty-one feet in length or more: \$100.00, plus an additional \$10.00 for each fifty foot increment over and above the initial fifty foot length.
  - (4) Inspection fees outside the corporation limits shall be increased by fifty percent (50%) of the rates established in this inspection fee section.”

Section 2. That, Section 931.10 of the Codified Ordinances of Napoleon, Ohio, as existed prior to the enactment of this Ordinance, is repealed.

Section 3. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 4. That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of this Ordinance is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof.

Section 5. That, upon passage, this Ordinance shall take effect at the earliest time permitted by law.

Passed: \_\_\_\_\_

\_\_\_\_\_  
Glenn A. Miller, Council President

Approved: \_\_\_\_\_

\_\_\_\_\_  
Ronald A. Behm, Mayor

VOTE ON PASSAGE \_\_\_\_ Yea \_\_\_\_ Nay \_\_\_\_ Abstain

Attest:

\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Ordinance No. 048-12 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

---

Gregory J. Heath, Clerk/Finance Director



# City of Napoleon, Ohio

## Department of Public Works

255 West Riverview Avenue, P.O. Box 151

Napoleon, OH 43545

Chad E. Lulfs, P.E., P.S., Director of Public Works

Telephone: (419) 592-4010 Fax: (419) 599-8393

www.napoleonohio.com

## Memorandum

**To:** Dr. Jon A. Bisher, City Manager  
**From:** Chad E. Lulfs, P.E., P.S., Director of Public Works  
**cc:** Mayor & City Council  
Greg Heath, Finance Director  
Jeff Rathge, Operations Superintendent  
**Date:** July 2, 2012  
**Subject:** Award of Bid for Large Dump Truck/Snow Plow

On Wednesday, June 27, 2012, bids were opened and read aloud for the above referenced project. One (1) bid was submitted and read as follows:

Stoops Freightliner Quality Trailer, Inc. \$139,307.00

The available budget amount for this unit is \$157,000.00. As part of the submitted bid, an alternate was requested and a bid submitted for this item. Because of the condition of another Large Dump Truck/Snow Plow (Unit #45) in the fleet, we requested a price for a second chassis. The bid amount for the second chassis is \$79,407.00.

This truck is only one (1) year newer than the truck being replaced as part of this bid. The City's head mechanic stated that this truck has several issues:

- Truck is twenty (20) years old
- There is rust underneath the truck (carrier bearing bracket)
- Hydraulic hoses are getting weak; continued maintenance
- The digital spreader box (salt) is outdated; difficult to find parts
- Exhaust manifold gasket is leaking; cannot remove bolts without breaking them
- Rust around windshield
- Steering has loose parts
- Injectors are leaking causing low power

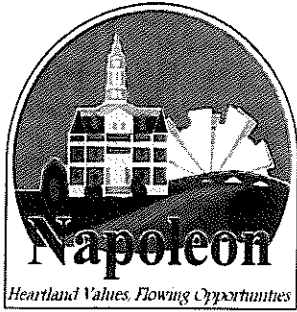
I recommend purchasing the second chassis now with funds available in the budget. The outfitting of the chassis would be submitted as a budget request for next year. I recommend funding this purchase as follows:

|                |   |             |
|----------------|---|-------------|
| 400.5100.57000 | Extra in budget for purchase of plow  | \$17,693.00 |
| 561.6400.57000 | Extra in budget for purchase of recycling truck   | \$51,322.00 |
| 204.5100.54260 | Extra in budget for purchase of salt (We currently have enough salt bought for all of this coming winter) | \$10,392.00 |
|                | Total:  | \$79,407.00 |

**Having reviewed the submitted bid, it is my recommendation that Council award Stoops Freightliner Quality Trailer, Inc. the contract for the Large Dump Truck/Snow Plow, as well as the purchase of the second chassis, in the amount of \$139,307.00 and \$79,407.00, respectively.** If you have any questions or require additional information, please contact me at your convenience.

*CEL*





# City of Napoleon, Ohio

## Department of Public Works

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## Memorandum

**To:** Henry County Commissioners  
Dr. Jon A. Bisher, City Manager  
**From:** Chad E. Lulfs, P.E., P.S., City Engineer  
**cc:** Mayor & City Council  
Greg Heath, Finance Director  
**Date:** July 2, 2012  
**Subject:** Hobson Street Waterline Improvements ~ Phase I  
Recommendation of Award

On Tuesday, June 26, 2012, bids were opened and read aloud at the Henry County Commissioners' Offices for the above referenced project. Three (3) bids were submitted and read as follows:

|                            |             |
|----------------------------|-------------|
| Vernon Nagel, Inc.         | \$22,450.00 |
| Lingvai Excavating, L.L.C. | \$32,305.00 |
| B. Hill'z Excavating, Inc. | \$38,850.00 |

The published Engineer's Estimate for this project is \$30,000.00. This project consists of replacing the six inch (6") waterline on Hobson Street that crosses E. Riverview Avenue (S.R. 424) with ten inch (10") C900 (PVC) waterline. This project is the City of Napoleon's 2011 C.D.B.G. project.

Per Section 5.2 REVIEW OF LOW BID of the Instructions to Bidders in the Project Specifications:

5.2.1 "No Bidder shall be best if the Bidder's bid is more than...twenty-five percent (25%) below the median of all higher bids received for a Contract where the estimate is less than \$100,000, unless the following procedures are followed.

5.2.1.1 The Architect/Engineer conduct an interview with the Bidder to determine what, if anything has been overlooked in the bid, and to analyze the process planned by the Bidder to complete the Work. The Architect/Engineer shall submit a written summary of the interview to the Authorized Representative.

5.2.1.2 The Bidder submits to the County a certified financial statement and a list of recent public contracts which the Bidder has performed.

5.2.1.3 The County reviews and approves the Bidder as the best pursuant to subparagraph IB 3.5.

5.2.1.4 The County notifies the Bidder's Surety in writing that the Bidder with whom the County intends to enter a Contract submitted a bid determined to be substantially lower than the median of all higher bids."

The bid submitted by Vernon Nagel, Inc. is more than twenty-five percent (25%) below the median of all higher bids. I conducted an interview with Vernon Nagel, Inc. per Section 5.2.1.1. A written summary of that interview is attached as required.

Per Section 5.2.1.2, a certified financial statement and a list of recent public contracts which Vernon Nagel, Inc. has performed is attached. With this information, Vernon Nagel, Inc. was reviewed per Section 3.5 of the Instructions to Bidders. Vernon Nagel, Inc. was determined to be financially stable and possesses the necessary experience to perform the work required for this project.

**Having reviewed the submitted bids, it is my recommendation that the Henry County Commissioners and City of Napoleon Council award Vernon Nagel, Inc. the contract for Hobson Street Waterline Improvements Phase I in the amount of \$22,450.00.** Please note that if this contract is awarded to Vernon Nagel, Inc., that the Henry County Commissioners must notify Vernon Nagel, Inc.'s Surety in writing that the County intends to enter a Contract with Vernon Nagel, Inc. in which the bid was substantially lower than the median of all higher bids. If you have any questions or require additional information, please contact me at your convenience.

*CEL*



# City of Napoleon, Ohio

## Department of Public Works

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## Memorandum

**To:** Henry County Commissioners  
Dr. Jon A. Bisher, City Manager

**From:** Chad E. Luffs, P.E., P.S., City Engineer

**cc:** Mayor & City Council  
Greg Heath, Finance Director

**Date:** June 29, 2012

**Subject:** Hobson Street Waterline Improvements ~ Phase I  
Bid Review Interview

On Friday, June 29, 2012, I interviewed Marc Nagel from Vernon Nagel, Inc. per the requirements of Section 5.2.1.1 of the Instructions to Bidders in the Project Specifications. Prior to the interview, I reviewed Vernon Nagel, Inc.'s submitted bid item by item. On some items the submitted price was in line with the other bidders. These items were essentially ignored for our interview. Items that stood out as being extremely low were:

|             |   |
|-------------|---|
| Item No. 3  | Asphalt Pavement with Concrete Base Removed & Replaced    |
| Item No. 6  | 10" on 12" Tapping Sleeve, Valve & Box Assembly, Complete |
| Item No. 11 | 6" AWWA C900 (Class 150 & DR18), Type B                   |
| Item No. 12 | 10" AWWA C900 (Class 150 & DR18), Type B                  |
| Item No. 14 | Fertilizer, Seeding, & Mulching                           |
| Item No. 18 | Storm Water Pollution Prevention Plan                     |

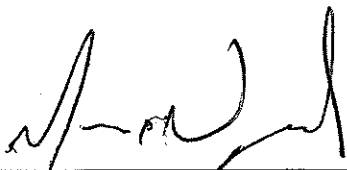
Each of these items was addressed individually. Mr. Nagel stated that these items were essentially bid at cost. Mr. Nagel told me that because this was a local project, they wanted the work and were willing to sacrifice profit on the project. They prefer to work close to home and are familiar with working in the City of Napoleon.

After speaking with Mr. Nagel I am confident that the project will be completed according to the specifications and that the final product will meet both the County's & City's expectations for quality and timeliness.

CEL

Vernon Nagel, Inc., the Contractor, hereby certifies that the attached Financial Statements and Supplementary Information are true and correct.

June 29, 2012


by:   
\_\_\_\_\_  
Marc Nagel

STATE OF OHIO        }  
COUNTY OF HENRY }    SS.

Before me on this 29th day of June, 2012, personally appeared Marc Nagel, who being duly sworn, did depose and say that the attached Financial Statements and Supplementary Information is true and correct to the best of the officer's knowledge and belief.



ROXANNE DIETRICH  
NOTARY PUBLIC  
FOR THE  
STATE OF OHIO  
My Commission Expires  
June 23, 2017

  
\_\_\_\_\_  
Notary Public

**VERNON NAGEL, INC.**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**Years Ended October 31, 2011 and 2010**

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MOSLEY, PFUNDT, GLICK & DEMARCO, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Vernon Nagel, Inc.  
0-154 Co. Rd. 11C  
Napoleon, Ohio 43545

We have audited the accompanying balance sheets of Vernon Nagel, Inc., as of October 31, 2011 and 2010, and the related statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vernon Nagel, Inc. as of October 31, 2011 and 2010 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note N to the financial statements, certain errors resulting in an understatement of deferred income tax liability and overstatement of accrued income tax and long-term deferred income tax liability as of October 31, 2011 were discovered subsequent to the issuance of the audited financial statements for the related fiscal year then ended. Accordingly, the 2011 financial statements have been restated to correct this error.

*Mosley, Pfundt, Glick + Demarco, Inc.*

February 8, 2012

**VERNON NAGEL, INC.**  
**BALANCE SHEETS**  
**October 31, 2011 and 2010**

| ASSETS  | <u>2011</u>         | <u>2010</u>         |
|---|---------------------|---------------------|
| Current assets  |                     |                     |
| Cash and cash equivalents   | \$ -                | \$ 178,768          |
| Marketable securities - available for sale  | 3,968               | 4,054               |
| Contract receivables, net of allowance for doubtful<br>accounts of \$5,000 in 2011 and 2010 | 2,239,456           | 2,488,981           |
| Costs and estimated earnings in excess of billings on contracts in process                  | 1,282,678           | 351,594             |
| Deferred income tax   | -                   | 30,000              |
| Total current assets  | <u>3,526,102</u>    | <u>3,053,397</u>    |
| Property and equipment  |                     |                     |
| Leasehold improvements  | 469,042             | 454,143             |
| Machines and equipment  | 3,511,034           | 3,705,703           |
| Trucks and autos  | <u>1,063,252</u>    | <u>1,191,205</u>    |
| Total property and equipment  | 5,043,328           | 5,351,051           |
| Less accumulated depreciation and amortization  | <u>3,453,736</u>    | <u>3,671,149</u>    |
| Net property and equipment  | 1,589,592           | 1,679,902           |
| Other assets  |                     |                     |
| Real estate held for investment   | <u>395,603</u>      | <u>395,603</u>      |
| Total other assets  | <u>395,603</u>      | <u>395,603</u>      |
| <br>  |                     |                     |
| Total assets  | <u>\$ 5,511,297</u> | <u>\$ 5,128,902</u> |



| LIABILITIES AND SHAREHOLDERS' EQUITY  | <u>2011</u>         | <u>2010</u>         |
|---|---------------------|---------------------|
| <b>Current liabilities</b>  |                     |                     |
| Checks written in excess of certain cash balances   | \$ 8,664            | \$ -                |
| Line of credit  | 233,098             | -                   |
| Current portion of long-term debt   | 372,235             | 281,998             |
| Current portion of capital lease obligations  | 19,101              | -                   |
| Accounts payable, including retainage payable of \$165,317 and \$18,066<br>in 2011 and 2010 | 1,320,600           | 1,816,305           |
| Billings in excess of costs and estimated earnings on contracts in process                  | 86,469              | 38,489              |
| Accrued salaries, wages, and related withholdings   | 122,208             | 85,383              |
| Accrued loss on contracts in process  | 24,077              | -                   |
| Deferred income tax   | 112,000             | -                   |
| Accrued income tax  | 2,100               | -                   |
| Other accrued expenses  | 78,852              | 74,081              |
| Total current liabilities   | <u>2,379,404</u>    | <u>2,296,256</u>    |
| <b>Long-term liabilities</b>  |                     |                     |
| Deferred income tax   | 106,000             | 98,000              |
| Note payable - shareholder  | 216,386             | 178,703             |
| Long-term debt, less current portion  | 460,453             | 691,300             |
| Capital lease obligations, net of current portion   | 63,340              | -                   |
| Total long-term liabilities   | <u>846,179</u>      | <u>968,003</u>      |
| Total liabilities   | <u>3,225,583</u>    | <u>3,264,259</u>    |
| <b>Shareholders' equity</b>   |                     |                     |
| Common stock  |                     |                     |
| No par value, 1,000 shares authorized, issued, and outstanding                              | 71,900              | 71,900              |
| Retained earnings   | 2,214,115           | 1,792,958           |
| Accumulated other comprehensive loss  | (301)               | (215)               |
| Total shareholders' equity  | <u>2,285,714</u>    | <u>1,864,643</u>    |
| Total liabilities and shareholders' equity  | <u>\$ 5,511,297</u> | <u>\$ 5,128,902</u> |

The accompanying notes are an integral part of these financial statements.

**VERNON NAGEL, INC.**  
**STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**Years ended October 31, 2011 and 2010**

|   | 2011<br>Amount | Percent to<br>Revenue | 2010<br>Amount | Percent to<br>Revenue |
|---|----------------|-----------------------|----------------|-----------------------|
| Contract revenues   | \$ 11,829,865  | 100.00 %              | \$ 12,828,288  | 100.00 %              |
| Contract costs  | 10,103,307     | 85.41                 | 11,595,702     | 90.39                 |
| Gross profit  | 1,726,558      | 14.59                 | 1,232,586      | 9.61                  |
| <br>  |                |                       |                |                       |
| General and administrative expenses   | 1,179,729      | 9.97                  | 1,127,413      | 8.79                  |
| Net operating income  | 546,829        | 4.62                  | 105,173        | 0.82                  |
| <br>  |                |                       |                |                       |
| Other income (expense)  |                |                       |                |                       |
| Interest income   | 607            | 0.01                  | 406            | -                     |
| Interest expense  | (65,300)       | (0.55)                | (69,953)       | (0.54)                |
| Miscellaneous income  | 37,489         | 0.31                  | 2,984          | 0.02                  |
| Rental income   | 14,000         | 0.12                  | -              | -                     |
| Gain on sales of property & equipment   | 42,702         | 0.36                  | 43,700         | 0.34                  |
| Total other income (expense)  | 29,498         | 0.25                  | (22,863)       | (0.18)                |
| <br>  |                |                       |                |                       |
| Net income before income taxes  | 576,327        | 4.87                  | 82,310         | 0.64                  |
| <br>  |                |                       |                |                       |
| Income taxes  |                |                       |                |                       |
| Federal - deferred  | 150,000        | 1.26                  | 22,000         | 0.17                  |
| Federal - current   | 2,100          | 0.02                  | -              | -                     |
| City  | 3,070          | 0.03                  | -              | -                     |
| Total income taxes  | 155,170        | 1.31                  | 22,000         | 0.17                  |
| <br>  |                |                       |                |                       |
| Net income  | 421,157        | 3.56 %                | 60,310         | 0.47 %                |
| <br>  |                |                       |                |                       |
| Other comprehensive income  |                |                       |                |                       |
| Unrealized holding gain (loss) on marketable securities arising during the period | (86)           |                       | 788            |                       |
| <br>  |                |                       |                |                       |
| Comprehensive income  | \$ 421,071     |                       | \$ 61,098      |                       |

The accompanying notes are an integral part of these financial statements.

**VERNON NAGEL, INC.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**Years ended October 31, 2011 and 2010**

|  | Number<br>of Shares | Common<br>Stock  | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Retained<br>Earnings | Total               |
|--|---------------------|------------------|--|----------------------|---------------------|
| Balances October 31, 2009                              | 1,000               | \$ 71,900        | \$ (1,003)   | \$ 1,732,648         | \$ 1,803,545        |
| Net income   | -                   | -                | -  | 60,310               | 60,310              |
| Unrealized holding gains arising<br>during the period  | -                   | -                | 788  | -                    | 788                 |
| Balances October 31, 2010                              | 1,000               | 71,900           | (215)  | 1,792,958            | 1,864,643           |
| Net income   | -                   | -                | -  | 421,157              | 421,157             |
| Unrealized holding losses arising<br>during the period | -                   | -                | (86)   | -                    | (86)                |
| Balances October 31, 2011                              | <u>1,000</u>        | <u>\$ 71,900</u> | <u>\$ (301)</u>  | <u>\$ 2,214,115</u>  | <u>\$ 2,285,714</u> |

The accompanying notes are an integral part of these financial statements.

**VERNON NAGEL, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended October 31, 2011 and 2010

|   | 2011       | 2010       |
|---|------------|------------|
| Cash flows from operating activities  |            |            |
| Net income  | \$ 421,157 | \$ 60,310  |
| Adjustments to reconcile net income to net cash provided (used) by operating activities |            |            |
| Depreciation and amortization   | 487,337    | 580,166    |
| Gain on sales of property and equipment   | (42,702)   | (43,700)   |
| Deferred taxes  | 150,000    | 22,000     |
| (Increase) decrease in assets   |            |            |
| Contract receivables  | 249,525    | (622,902)  |
| Costs and estimated earnings in excess of billings on contracts in process              | (931,084)  | 636,227    |
| Increase (decrease) in liabilities  |            |            |
| Accounts payable  | (495,705)  | (568,498)  |
| Billings in excess of costs and estimated earnings on contracts in process              | 47,980     | 38,489     |
| Accrued loss on contracts in process  | 24,077     | -          |
| Accrued income taxes  | 2,100      | -          |
| Accrued expenses  | 41,596     | (7,746)    |
| Net cash provided (used) by operating activities  | (45,719)   | 94,346     |
| Cash flows from investing activities  |            |            |
| Purchases of property and equipment   | (125,085)  | (463,707)  |
| Proceeds from sales of property and equipment   | 77,530     | 43,700     |
| Net cash used by investing activities   | (47,555)   | (420,007)  |
| Cash flows from financing activities  |            |            |
| Checks written in excess of certain cash balances                                       | 8,664      | -          |
| Net proceeds on line of credit  | 233,098    | -          |
| Payments on note payable - shareholder  | -          | (5,757)    |
| Proceeds from long-term debt  | -          | 482,392    |
| Payments on long-term debt  | (327,256)  | (482,494)  |
| Net cash used by financing activities   | (85,494)   | (5,859)    |
| Net increase (decrease) in cash   | (178,768)  | (331,520)  |
| Cash and cash equivalents at beginning of year  | 178,768    | 510,288    |
| Cash and cash equivalents at end of year  | \$ -       | \$ 178,768 |
| Supplemental disclosures of cash flow information                                       |            |            |
| Cash paid during the year for   |            |            |
| Interest  | \$ 65,300  | \$ 69,953  |
| Income taxes  | \$ 3,070   | \$ -       |

Supplemental disclosure of non-cash investing and financing activities

During 2011, the Company purchased \$269,087 of property and equipment through note payable and capital lease obligations. The Company also purchased a truck for \$37,683 from one of its shareholders through an increase in the note payable to shareholder.

In 2011 and 2010, the Company had a \$86 unrealized loss and \$788 unrealized gain, respectively, on its marketable securities available for sale.

The accompanying notes are an integral part of these financial statements.

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note A – Summary of Significant Accounting Policies**

Business activity

Vernon Nagel, Inc. was incorporated in the state of Ohio on January 28, 1960. The Company is engaged primarily in excavating for the construction of highways, bridges, sewers, landfills, site development, ponds and other excavating projects. A significant portion of the Company's business is for federal, state and municipal government projects, which are dependent upon tax based appropriations for construction projects. The work is performed under cost-plus-fee and fixed-price contracts, modified by extra work adjustments to increase the contract price with customer approval.

Basis of accounting

The books of the Company are maintained on the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Revenue and cost recognition

For financial reporting purposes, revenue from construction contracts is recognized on the percentage of completion method, measured by the proportion of costs incurred to date to the total estimated cost for each contract. The Company considers contracts completed for financial reporting purposes when final contract values are approved. For federal income tax purposes beginning with the fiscal year ended October 31, 2011, the Company changed its tax accounting method from completed contract to the percentage of completion method utilized for financial reporting purposes. For the fiscal year ended October 31, 2010, the Company recognized contract revenue using the completed contract method. Regulation 1.460-1 of the Internal Revenue Code states a contract is deemed complete when at least 95% of the contract costs have been incurred. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. The accrued loss on contracts in process for the fiscal years ended October 31, 2011 and 2010 was \$24,077 and \$0, respectively.

Costs and estimated earnings in excess of amounts billed on contracts in process are classified as current assets. Billings in excess of costs and estimated earnings on contracts in process are classified under current liabilities. Contract retentions are included in accounts receivable. Unbilled revenues on completed contracts are included in accounts receivable.

VERNON NAGEL, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**Note A – Summary of Significant Accounting Policies (continued)**

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contracts receivable and bad debts

The Company bills its customers in accordance with contractual arrangements, generally on a progressive basis, as work is completed. For the fiscal years ended October 31, 2011 and 2010, there was an allowance for doubtful accounts of \$5,000 based on management's estimate of collectability.

Marketable securities

Marketable securities are classified according to Management's intent at the time of purchase. If management has the intent and the Company has the ability at the time of purchase to hold securities until maturity or on a long-term basis, they are classified as investments and carried at historical cost. Securities to be held for indefinite periods of time and not intended to be held to maturity or on a long-term basis are classified as available-for-sale and carried at fair value. Securities held for indefinite periods of time include securities that management intends to use as part of its asset and liability management strategy and that may be sold in response to changes in interest rates, resultant prepayment risk, and other factors related to interest rate and resultant prepayment risk changes.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of the securities sold, using the specific identification method. Unrealized gains and losses on investment securities available-for-sale are based on the difference between book value and fair value of each security. These gains and losses are credited or charged to shareholders' equity, whereas realized gains and losses flow through the Company's yearly operations.

Fair value measurement

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price to sell an asset or transfer a liability between market participants as of the measurement date. FASB ASC 820-10 establishes a consistent framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions, and expands disclosure requirements for fair value measurements. There are three levels in the fair value hierarchy with the highest priority given to the first level: level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, level 2 – other than quoted prices that are observable for the asset or liability, either directly or indirectly, and level 3 – unobservable inputs for the asset or liability.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed by using straight-line and accelerated methods over the estimated useful lives of the assets.

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note A – Summary of Significant Accounting Policies (continued)**

Real estate held for investment

Real estate held for investment is recorded at cost and consists of a building and land in the state of Florida, undeveloped land adjacent to the Company's leased facility in Napoleon, Ohio, and land received from a customer in satisfaction of accounts receivable. This real estate is acquired primarily for speculation or is currently unused, but may be developed and sold or used for operating facilities.

Comprehensive income

FASB ASC 220, *Comprehensive Income*, governs the financial statement presentation of changes in shareholders' equity resulting from non-owner sources. Accumulated other comprehensive income as reported in the accompanying balance sheet represents unrealized gains and losses on available for sale securities.

Reclassification of financial statement presentation

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. Such reclassifications had no effect on net income as previously reported.

Subsequent events

Subsequent events were evaluated through February 8, 2012, the date the financial statements were available to be issued.

**Note B – Marketable Securities**

The amortized cost and fair values of marketable securities available-for-sale as of October 31, 2011 and 2010 are shown below.

|                                | 2011     | 2010     |
|--------------------------------|----------|----------|
| Corporate bonds, at cost       | \$ 4,269 | \$ 4,269 |
| Unrealized losses              | (301)    | (215)    |
| Corporate bonds, at fair value | \$ 3,968 | \$ 4,054 |

The method of valuation employed by management is level one measurement as defined by FASB ASC 820-10.

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note F – Note Payable – Shareholder**

The Company has a non-interest bearing note payable to a shareholder of the Company of \$216,386 and \$178,703 at October 31, 2011 and 2010, respectively. The note is unsecured and due on demand, however, the note is subordinated to the Company's bank debt. Accordingly, this amount has been classified as a long-term liability.

**Note G – Long-term Debt**

Long-term debt at October 31, 2011 and 2010 consisted of the following:

|  | 2011       | 2010       |
|--|------------|------------|
| Bank term note dated 5/12/10, original amount \$400,000, payable in 60 monthly installments of \$7,424 principal and interest at 4.25%, to be adjusted May 1, 2012 to the one year constant maturity US Treasury rate plus 4.25%, secured by substantially all Company assets. | \$ 295,288 | \$ 369,893 |
| Bank term note dated 5/28/08, original amount \$880,000, payable in 60 monthly installments of \$17,259 principal and interest at 6.5%, secured by substantially all Company assets.   | 310,417    | 490,364    |
| Note payable to a bank, dated 11/27/09, original amount of \$41,196, payable in 66 monthly installments of \$727 principal and interest at 5.54%, secured by a vehicle.  | 28,853     | 35,815     |
| Note payable to a bank, dated 11/27/09, original amount of \$41,196, payable in 66 monthly installments of \$727 principal and interest at 5.54%, secured by a vehicle.  | 28,853     | 35,815     |
| Note payable to financing company, dated 9/14/09, original amount of \$39,400, payable in 60 monthly installments of \$762 principal and interest at 6.00%, secured by a vehicle.  | 24,373     | 31,773     |
| Note payable to financing company, dated 6/3/07, original amount of \$30,437, payable in 60 monthly installments of \$507 principal and interest at 0.00%, secured by a vehicle.   | 4,058      | 9,638      |
| Note payable to financing company, dated 12/4/10, original amount of \$33,749, payable in 60 monthly installments of \$651 principle and interest at 5.89%, secured by a vehicle.  | 28,783     | -          |



**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note G – Long-term Debt (continued)**

|   | 2011       | 2010       |
|---|------------|------------|
| Note payable to financing company, dated 4/27/11, original amount \$139,538, payable in 24 monthly installments of \$6,178 principle and interest at 5.98%, secured by equipment. | 112,063    | -          |
| Total long-term debt  | 832,688    | 973,298    |
| Less current portion  | 372,235    | 281,998    |
| Total long-term debt  | \$ 460,453 | \$ 691,300 |

Maturities of long-term debt are as follows:

| Year Ending<br>October 31, |            |
|----------------------------|------------|
| 2012                       | \$ 372,235 |
| 2013                       | 272,747    |
| 2014                       | 116,371    |
| 2015                       | 70,050     |
| Thereafter                 | 1,285      |
| Total                      | \$ 832,688 |

The bank term note contains certain restrictive covenants regarding minimum debt service coverage and maximum debt to tangible net worth.

**Note H – Leases**

The Company has obligations under capital leases for equipment and trucks. The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments are as follows:

|   |           |
|---|-----------|
| 2012  | \$ 24,498 |
| 2013  | 24,498    |
| 2014  | 22,833    |
| 2015  | 19,503    |
| Thereafter  | 3,251     |
| Total minimum lease payments                      | 94,583    |
| Less amount representing interest                 | 12,142    |
| Present value of net minimum lease payments       | 82,441    |
| Less current portion of capital lease obligations | 19,101    |
| Capital lease obligations, net of current portion | \$ 63,340 |

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note H – Leases (continued)**

The following is an analysis of the capital leased assets included in property and equipment:

|   |                         |
|---|-------------------------|
| Automobiles and trucks                            | \$ 83,700               |
| Leasehold improvements                            | <u>12,100</u>           |
| Total property and equipment under capital leases | 95,800                  |
| Less accumulated depreciation                     | <u>2,840</u>            |
| Net property and equipment under capital leases   | \$ <u><u>92,960</u></u> |

The Company also leases its facilities under an operating lease on a month-to-month basis from a shareholder of the Company. Rent expense related to this lease was \$48,000 and \$42,000 for the years ended October 31, 2011 and 2010, respectively.

The Company subleases a portion of its facilities to an unrelated party expiring in March 2012 and going month to month thereafter. Sublease rentals to be received in the future under this sublease are \$10,000.

**Note I – Union Affiliations**

During 2007, substantially all of the Company's employees became members of various trade unions. The Company makes fringe benefit contributions to the unions based upon employee hours worked and benefit rates determined by the unions. The fringe benefits include health and welfare, pension, vacation, and other items.

**Note J – Profit Sharing Plan**

Effective June 3, 1996, the Company adopted a 401(k) profit sharing plan and trust which covered substantially all employees. As discussed in Note I, substantially all of the Company's employees became members of various trade unions during 2007. As a result, employer contributions to the profit sharing plan ceased for these employees. The plan provides for discretionary matching contributions by the employer equal to a percentage of the amount of salary reduction by the employee. The percentage is determined each year by the employer and only salary reductions up to 4% of compensation are considered. The expense charged to operations for the plan was \$489 and \$743 for the years ended October 31, 2011 and 2010, respectively.

**Note K – Financial Instruments and Credit Risk Concentration**

Financial instruments which potentially subject the Company to credit risk are primarily cash and accounts receivable. The Company may, from time to time, maintain balances in cash accounts in financial institutions which exceed federal depository insurance limits. The balances are insured by the Federal Deposit Insurance Corporation, unlimited for non-interest bearing accounts and up to \$250,000 per financial institution for all other accounts. There were no uninsured cash balances at October 31, 2011 and 2010, respectively.

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note L – Uncertainty in Income Taxes, Estimated Federal Income Tax and Deferred Taxes**

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal or state and local tax examinations by tax authorities for fiscal years before 2008. The Company recognizes interest incurred related to unrecognized tax benefits in interest expense and penalties in operating expense. No interest or penalties related to unrecognized tax benefits were incurred for the years ended October 31, 2011 and 2010.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due as well as deferred taxes. For the fiscal years ended October 31, 2011 and 2010, the Company utilized net operating loss carry forwards of \$331,000 and \$996,000, respectively, to offset taxable income in each year. Current income tax expense for the fiscal year ended October 31, 2011 related to the alternative minimum tax. The net operating loss carry forward remaining at October 31, 2011 was approximately \$116,000 and expires beginning in 2020.

Deferred income taxes are provided to reflect timing differences in reporting results of operations for financial statement and income tax purposes and the future benefit of tax carry forwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets or liabilities are recovered or settled or the tax carry forwards are utilized. The deferred income tax assets (liabilities) as of October 31, 2011 and 2010 were as follows:

|  | 2011         | 2010        |
|--|--------------|-------------|
| Current deferred tax asset (liability)     |              |             |
| Net operating loss carry forwards          | \$ 29,000    | \$ 110,000  |
| Contract accounting                        | (150,000)    | (80,000)    |
| Other                                      | 9,000        | -           |
| Net current deferred tax asset (liability) | \$ (112,000) | \$ 30,000   |
| Long-term deferred tax liability           |              |             |
| Depreciation                               | \$ (106,000) | \$ (98,000) |

**Note M – Commitments and Contingencies**

The Company is subject to various other claims, legal proceedings, and investigations, covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have significant effect on the financial position or operations of the Company, if disposed of unfavorable.

**VERNON NAGEL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note N – Restatement of Previously Issued Financial Statements**

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions and provides for income taxes and related tax effects of transactions reported in the financial statements consisting of taxes currently due as well as deferred taxes. During the preparation of the related tax returns for the fiscal year ended October 31, 2011 subsequent to the financial statements originally issued and dated January 19, 2012, it was identified that the related accrued income tax liability, deferred income tax liability and long-term deferred income tax liability were not properly disclosed.

The following financial statement line items are being restated as of October 31, 2011:

| <u>Balance Sheet</u>                    | <u>Amount as<br/>previously<br/>reported</u> | <u>Amount as<br/>restated</u> | <u>Adjustments</u> |
|---|--|-------------------------------|--------------------|
| Deferred income tax liability           | \$ 51,000                                    | \$ 112,000                    | \$ 61,000          |
| Accrued income tax liability            | \$ 3,717                                     | \$ 2,100                      | \$ (1,617)         |
| Long-term deferred income tax liability | \$ 149,000                                   | \$ 106,000                    | \$ (43,000)        |
| <br><u>Income Statement</u>             |  |                               |                    |
| Federal income tax - deferred           | \$ 132,000                                   | \$ 150,000                    | \$ 18,000          |
| Federal income tax - current            | \$ 3,717                                     | \$ 2,100                      | \$ (1,617)         |

**SUPPLEMENTARY INFORMATION**



MOSLEY, PFUNDT, GLICK & DEMARCO, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Vernon Nagel, Inc.  
0-154 Co. Rd. 11C  
Napoleon, Ohio 43545

We have audited the financial statements of Vernon Nagel, Inc. as of and for the years ended October 31, 2011 and 2010, and our report thereon dated February 8, 2012 which expressed an unqualified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of completed contracts, revenues earned and costs of revenues, contracts in process, contract costs, and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mosley, Pfundt, Glick + Demarco, Inc.*

February 8, 2012

**VERNON NAGEL, INC.**  
**SCHEDULE OF COMPLETED CONTRACTS, REVENUES EARNED, AND COST OF REVENUES**  
Year ended October 31, 2011

| Contract Number  | Contract Name                              | Revenues Earned      | Cost of Revenues     | Gross Profit (Loss) |
|--|--|----------------------|----------------------|---------------------|
| 10-2052  | Monclova Rd Bridge Replacement             | \$ 768,282           | \$ 698,325           | \$ 69,957           |
| 10-2053  | ODOT 101032 I-280 Bridge Repair            | 2,292,145            | 1,471,599            | 820,546             |
| 10-2056  | ODOT 100163 US 24 Bridge Replacement       | 2,122,469            | 2,170,042            | (47,573)            |
| 10-2063  | ODOT 100375 Putnam Co Bridge Repair        | 392,183              | 353,798              | 38,385              |
| 10-2065  | ODOT 102003 Henry Co Highway Garage        | 104,927              | 76,431               | 28,496              |
| 10-2066  | Haley Ave Interceptor - Napoleon           | 786,374              | 731,292              | 55,082              |
| 10-2071  | Campbell Soup Waterline                    | 637,722              | 457,056              | 180,666             |
| 10-2074  | Appian Ave Sanitary Sewer Imp-Napoleon     | 173,877              | 170,037              | 3,840               |
| 10-2077  | ODOT 100495 Finzel Rd Pedestrian Bridge    | 208,115              | 192,340              | 15,775              |
| 10-2083  | ODOT 100552 St Rt 65 Bridge Repair         | 1,122,027            | 994,790              | 127,237             |
| 11-2086  | Sub to Gerken: ODOT 110106                 | 805,533              | 639,515              | 166,018             |
| 11-2090  | ODOT 110249 Wood Co Slide Repair           | 574,626              | 469,714              | 104,912             |
| 11-2093  | Sub to Gerken: ODOT 110331                 | 317,756              | 314,947              | 2,809               |
| 11-2094  | Sub to Shelly: ODOT 110372                 | 261,363              | 116,684              | 144,679             |
| 11-2095  | W Barnes Ave & First St W/L Imp - Napoleon | 151,444              | 148,729              | 2,715               |
| 11-2108  | 2011 Campbell's Work                       | 53,372               | 49,008               | 4,364               |
| All other contracts < \$20,000, miscellaneous work, and overapplied overhead |  | <u>543,556</u>       | <u>142,377</u>       | <u>401,179</u>      |
| Subtotals  |  | 11,315,771           | 9,196,684            | 2,119,087           |
| Prior year work in process   |  | (7,811,710)          | (6,578,302)          | (1,233,408)         |
| Current year work in process   |  | <u>8,325,804</u>     | <u>7,484,925</u>     | <u>840,879</u>      |
| Totals   |  | <u>\$ 11,829,865</u> | <u>\$ 10,103,307</u> | <u>\$ 1,726,558</u> |

See independent auditors' report on supplementary information.

**VERNON NAGEL, INC.**  
**SCHEDULE OF CONTRACTS IN PROCESS**  
Year ended October 31, 2011

| Contract Number                 | Contract Name                             | Contract Amount | Actual Costs To Date | Estimated Total Cost | Estimated Percent Complete | Revenue Earned | Billings     | Billings in Excess of Costs Plus Est. Profit | Cost Plus Est. Profit in Excess of Billings |
|---------------------------------|---|-----------------|----------------------|----------------------|----------------------------|----------------|--------------|--|---|
| 09-2046                         | Christ the Word Church-Site Work          | \$ 423,177      | \$ 366,178           | \$ 413,136           | 88.63%                     | \$ 375,062     | \$ 274,760   | \$ -   | \$ 100,302                                  |
| 10-2061                         | ODOT 103004 Hancock Co Design Build       | 1,592,220       | 1,460,570            | 1,475,802            | 98.97%                     | 1,575,820      | 1,503,900    | -  | 71,920                                      |
| 10-2069                         | Roachton Rd West - Perrysburg - Wood Co   | 4,080,457       | 3,407,463            | 3,582,723            | 95.11%                     | 3,880,923      | 3,355,821    | -  | 525,102                                     |
| 11-2088                         | Melbern Area Sanitary Sewer Improvements  | 1,431,357       | 1,286,880            | 1,311,737            | 98.11%                     | 1,404,304      | 1,241,428    | -  | 162,876                                     |
| 11-2098                         | Sub to Shelly: Hollywood Casino           | 377,247         | 164,022              | 221,315              | 74.11%                     | 279,578        | 366,047      | 86,469                                       | -   |
| 11-2101                         | Greensburg Pike Bridge Rehab, Wood Co     | 406,725         | 197,212              | 352,425              | 55.96%                     | 227,603        | 135,965      | -  | 91,638                                      |
| 11-2102                         | Henry County Bridge G-16.50               | 280,283         | 27,125               | 229,447              | 11.82%                     | 33,129         | -            | -  | 33,129                                      |
| 11-2103                         | Tee-It Up Pond and Sitework               | 133,985         | 132,127              | 147,127              | 89.80%                     | 120,319        | 90,000       | -  | 30,319                                      |
| 11-2104                         | Dairy View Road Bridge #2-60A, Wood Co.   | 185,308         | 116,112              | 201,891              | 57.51%                     | 106,571        | 99,102       | -  | 7,469                                       |
| 11-2105                         | Oxford Drive Waterline Replacement, Bryan | 159,110         | 135,978              | 183,584              | 74.07%                     | 117,853        | -            | -  | 117,853                                     |
| 11-2106                         | Meuse-Argonne Waterline, Hicksville       | 153,480         | 956                  | 127,269              | 0.75%                      | 1,151          | -            | -  | 1,151                                       |
| 11-2107                         | Parkway Street Improvements, West Unity   | 193,869         | 50,907               | 163,348              | 31.16%                     | 60,410         | -            | -  | 60,410                                      |
| 11-2109                         | Stevenson Street Improvements, Napoleon   | 249,089         | 71,767               | 261,960              | 27.40%                     | 68,250         | -            | -  | 68,250                                      |
| 11-2110                         | Kaester Corporation Sitework - Phase I    | 246,398         | 67,628               | 222,664              | 30.37%                     | 74,831         | 62,572       | -  | 12,259                                      |
| Totals for contracts in process |   | \$ 9,912,705    | \$ 7,484,925         | \$ 8,894,428         |                            | \$ 8,325,804   | \$ 7,129,595 | \$ 86,469                                    | \$ 1,282,678                                |

See independent auditors' report on supplementary information.



**VERNON NAGEL, INC.**  
**SCHEDULES OF CONTRACT COSTS**  
**Years ended October 31, 2011 and 2010**

|  | 2011<br><u>Amount</u> | Percent to<br><u>Revenue</u> | 2010<br><u>Amount</u> | Percent to<br><u>Revenue</u> |
|--|-----------------------|------------------------------|-----------------------|------------------------------|
| <b>Direct costs</b>                        |                       |                              |                       |                              |
| Direct labor                               | \$ 1,572,319          | 13.29 %                      | \$ 1,558,009          | 12.15 %                      |
| Materials and supplies                     | 2,545,655             | 21.52                        | 3,604,082             | 28.09                        |
| Subcontracting                             | 2,584,871             | 21.85                        | 2,823,581             | 22.01                        |
| Fuels                                      | 382,826               | 3.24                         | 260,549               | 2.03                         |
| Fringe benefits and payroll taxes          | 792,520               | 6.70                         | 771,488               | 6.01                         |
| Trucking                                   | 483,366               | 4.09                         | 498,555               | 3.89                         |
| Equipment rental                           | 217,492               | 1.84                         | 203,958               | 1.59                         |
| Other direct costs                         | 110,493               | 0.93                         | 246,154               | 1.92                         |
| Bonds                                      | 200                   | -                            | 410                   | -                            |
| <b>Total direct costs</b>                  | <u>8,689,742</u>      | <u>73.46</u>                 | <u>9,966,786</u>      | <u>77.69</u>                 |
| <b>Indirect costs</b>                      |                       |                              |                       |                              |
| Maintenance                                | 206,699               | 1.75                         | 178,606               | 1.39                         |
| Miscellaneous equipment rental             | 151,889               | 1.28                         | 196,329               | 1.53                         |
| Depreciation                               | 475,178               | 4.02                         | 568,767               | 4.43                         |
| Indirect labor                             | 325,080               | 2.75                         | 348,685               | 2.71                         |
| Insurance expense                          | 74,830                | 0.63                         | 138,909               | 1.08                         |
| Shop supplies                              | 51,770                | 0.44                         | 106,955               | 0.83                         |
| Miscellaneous materials                    | 26                    | -                            | -                     | -                            |
| Job tools and supplies                     | 23,166                | 0.20                         | 22,807                | 0.18                         |
| Licenses and permits                       | 18,585                | 0.16                         | 14,198                | 0.11                         |
| Tires                                      | 21,072                | 0.18                         | 26,671                | 0.22                         |
| Welding                                    | 3,559                 | 0.03                         | 5,313                 | 0.04                         |
| Freight                                    | 533                   | -                            | 2,055                 | 0.02                         |
| Vehicle use - employees                    | 480                   | -                            | 832                   | 0.01                         |
| Miscellaneous                              | 27,572                | 0.23                         | 1,000                 | 0.01                         |
| Laundry and uniforms                       | 3,761                 | 0.03                         | 11,061                | 0.09                         |
| Plans                                      | 4,210                 | 0.04                         | 4,911                 | 0.04                         |
| Small tools                                | 1,078                 | 0.01                         | 1,817                 | 0.01                         |
| Provision for loss on contracts in process | 24,077                | 0.20                         | -                     | -                            |
| <b>Total indirect costs</b>                | <u>1,413,565</u>      | <u>11.95</u>                 | <u>1,628,916</u>      | <u>12.70</u>                 |
| <b>Total contract costs</b>                | <u>\$ 10,103,307</u>  | <u>85.41 %</u>               | <u>\$ 11,595,702</u>  | <u>90.39 %</u>               |

See independent auditors' report on supplementary information.

**VERNON NAGEL, INC.**  
**SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES**  
**Years ended October 31, 2011 and 2010**

|  | 2011<br>Amount      | Percent to<br>Revenue | 2010<br>Amount      | Percent to<br>Revenue |
|--|---------------------|-----------------------|---------------------|-----------------------|
| Salaries                                     | \$ 632,674          | 5.35 %                | \$ 580,533          | 4.53 %                |
| Payroll related taxes                        | 61,423              | 0.52                  | 89,716              | 0.70                  |
| Benefits                                     | 176,984             | 1.50                  | 173,050             | 1.35                  |
| Medical insurance                            | 4,625               | 0.04                  | 7,558               | 0.06                  |
| Lease expense                                | 48,000              | 0.41                  | 42,000              | 0.33                  |
| Legal and professional                       | 16,974              | 0.14                  | 53,305              | 0.41                  |
| Other taxes                                  | 52,791              | 0.45                  | 18,520              | 0.14                  |
| Telephone and radios                         | 20,895              | 0.18                  | 22,900              | 0.18                  |
| State CAT tax                                | 27,628              | 0.23                  | 31,453              | 0.25                  |
| Advertising and promotion                    | 20,754              | 0.18                  | 14,955              | 0.12                  |
| Utilities                                    | 13,219              | 0.11                  | 11,099              | 0.09                  |
| General and office                           | 12,993              | 0.11                  | 14,525              | 0.11                  |
| Depreciation                                 | 12,159              | 0.10                  | 11,399              | 0.09                  |
| Computer and office equipment                | 18,084              | 0.15                  | 21,294              | 0.17                  |
| Donations                                    | 2,829               | 0.02                  | 530                 | -                     |
| Dues and subscriptions                       | 6,197               | 0.04                  | 2,986               | 0.02                  |
| Bank fees                                    | 1,973               | 0.02                  | 2,338               | 0.02                  |
| Bad debts                                    | 1,922               | 0.02                  | -                   | -                     |
| Other  | 47,605              | 0.40                  | 29,252              | 0.22                  |
| Total general and<br>administrative expenses | <u>\$ 1,179,729</u> | <u>9.97 %</u>         | <u>\$ 1,127,413</u> | <u>8.79 %</u>         |

See independent auditors' report on supplementary information.

# Vernon Nagel Inc

## Recent Completed Public Contracts

|         |    |              |   |
|---------|----|--------------|---|
| 3/17/12 | \$ | 1,481,709.50 | Melbern Area Sanitary Sewer Improvements Melbern OH |
| 4/28/12 | \$ | 569,349.98   | ODOT 110249 Wood County Slide Repair Wood County    |
| 6/28/12 | \$ | 163,421.00   | W Barnes Ave & First St Waterline Imp Napoleon OH   |
| 7/14/12 | \$ | 400,382.00   | Greensburg Pike Bridge Rehab Wood County            |
| 7/25/12 | \$ | 280,283.00   | Henry County Bridge G-16.50                         |
| 8/26/12 | \$ | 159,110.00   | Oxford Drive Waterline Replacement Bryan OH         |
| 8/26/12 | \$ | 125,695.00   | Meuse-Argonne Waterline Improvements Hicksville OH  |
| 8/26/12 | \$ | 193,869.00   | Parkway Street Improvements West Unity OH           |
| 9/8/12  | \$ | 258,087.00   | Stevenson Street Improvements Napoleon OH           |



## CITY OF NAPOLEON, OHIO

255 West Riverview Avenue • PO 151 • Napoleon, Ohio 43545-0151  
Gregory J. Heath, Director of Finance/Clerk of Council  
phone (419) 599-1235 fax (419)-599-8393  
Web Page: [www.napoleonohio.com](http://www.napoleonohio.com)  
E-mail: [gheath@napoleonohio.com](mailto:gheath@napoleonohio.com)

June 26, 2012

FAX # 614-644-3166

Ohio Division of Liquor Control  
6606 Tussing Road  
P.O. Box 4005  
Reynoldsburg, Ohio 43068-9005

RE: Liquor Permit Approval for City Golf Course, Permit # 1514162, New D-1

To Whom It May Concern:

Attached hereto, are the signed “**Notice to Legislative Authority**” and the “**Institution Notice for Liquor Permit**” (specifically on public playgrounds and parks) for the requested New D-1 Liquor Permit at the City of Napoleon, Ohio (City), Municipal Golf Course. To assist in expediting this process, I am Faxing the information to the FAX # listed above, and will Fed-X the Original Documents for your review and processing.

Information attached:

- Liquor Permit Application, Permit Number Assigned # 1514162
- Date Received by Liquor Control - April 25, 2012
- Permit Type Requested – D-1
- Appeal Order before the Liquor Control Commission – Case No. 59A-12  
Docket No. 2689
- Letter from the Division of Liquor Control on New D1 Permit# 1514162
- Signed Notice to Legislative Authority
- Signed Institution Notice for Liquor Permit (City Playgrounds and Parks)

The City is interested in obtaining this permit for use prior to July 4, 2012, and is requesting any possible expedition of the request and process to meet this timeframe.  
Should you have any questions regarding this request, I can be reached at 419-599-1235.

Thank you for your assistance in this matter.

Sincerely,

Gregory J. Heath  
Finance Director/Clerk of Council

Attachments

Cc: Members of City Council  
Ronald A. Behm, Mayor  
Dr. Jon A. Bisher, City Manager  
Trevor M. Hayberger, City Law Director  
Tony Cotter, Recreation Director

|                            |          |
|----------------------------|----------|
| <b>FOR OFFICE USE ONLY</b> |          |
| NEW                        | TRANSFER |
| PERMIT # <u>1514162</u>    |          |

**OHIO DEPARTMENT OF COMMERCE  
DIVISION OF LIQUOR CONTROL**

6606 Tussing Road, P.O. Box 4005,  
Reynoldsburg, Ohio 43068-9005

Telephone: (614) 644-2431 - <http://www.com.gov/liqr>

OHIO DIV. LIQUOR CONTROL  
SUPERINTENDENT'S OFFICE

**NON PROFIT ENTITY DISCLOSURE FORM**  
(This form should be used by all non profit businesses, municipal corporations and educational institutions organized not for profit.)

2012 APR 25 AM 9:18

**Section A**

|   |   |                          |
|---|---|--------------------------|
| Name of Non Profit Entity<br><b>City of Napoleon</b>  | DBA Name<br><b>City of Napoleon - Municipal Golf Course</b> |                          |
| Permit Premises Address<br><b>521 Glenwood Avenue</b> | City, State<br><b>Napoleon, Ohio</b>                        | Zip Code<br><b>43545</b> |
| Township, if in Unincorporated Area                   | Tax Identification No (TIN) <b>34-6400941</b>               |                          |

Please be advised that any social security numbers provided to the Division of Liquor Control in this application may be released to the Ohio Department of Public Safety, the Ohio Department of Taxation, the Ohio Attorney General, or to any other state or local law enforcement agency if the agency requests the social security number to conduct an investigation, implement an enforcement action, or collect taxes.

**SECTION B. If the non profit entity has officers, indicate the top five individuals. If there are no officers, please indicate by writing NONE.**

|                   | NAME OF OFFICER | SOCIAL SECURITY NUMBER | DATE OF BIRTH |
|-------------------|-----------------|------------------------|---------------|
| 1) CEO            | NONE            |                        |               |
| 2) President      | NONE            |                        |               |
| 3) Vice-President | NONE            |                        |               |
| 4) Secretary      | NONE            |                        |               |
| 5) Treasurer      | NONE            |                        |               |

**SECTION C. Indicate the officer or individual who is responsible for overseeing the food and beverage service operations of the business/organization.**

➔ THE INDIVIDUAL LISTED BELOW MUST HAVE A BACKGROUND CHECK PERFORMED BY BCI&I AND SUBMIT A PERSONAL HISTORY BACKGROUND FORM. PLEASE READ "BACKGROUND CHECK INFORMATION" DLC4191.

|                   |                              |                                    |                   |
|-------------------|------------------------------|------------------------------------|-------------------|
| Name              | <b>Diane Ressler</b>         | Social Security No (if individual) |                   |
| Residence Address | <b>1124 Clairmont Avenue</b> |                                    |                   |
| City and State    | <b>Napoleon, Ohio</b>        | Zip Code                           | <b>43545</b>      |
| Telephone No      | <b>419-592-8821</b>          | Date of Birth                      | <b>08/07/1951</b> |

State of Ohio, Henry County, ss

I, Tony Cotter being first duly sworn, according to law, deposes and says that he/she is (Title) Clubhouse Mgr

of the City of Napoleon - Municipal Golf Course, a business duly authorized by law to do business in the State of Ohio, and that the

statements made in the foregoing affidavit are true

(Signature) [Signature] (Print Name and Title) Tony Cotter Director of Parks & Recreation

Sworn to and subscribed in my presence this 18th day of April, 2012



**OFFICIAL SEAL  
ROXANNE DIETRICH  
NOTARY PUBLIC, STATE OF OHIO  
COMMISSION EXPIRES 6-23-2012**

Roxanne Dietrich  
(Notary Public) (Notary Expiration)

BEFORE THE LIQUOR CONTROL COMMISSION  
STATE OF OHIO

IN THE MATTER OF –

City of Napoleon  
dba Napoleon Municipal Golf Course  
521 Glenwood Avenue  
Napoleon, Ohio 43545

Case No. 59A-12  
Docket No. 2689

Re: New Permit Application  
Permit No. 1514162, D-1  
City of Napoleon  
dba Napoleon Municipal Golf Course  
521 Glenwood Avenue  
Napoleon, Ohio 43545

**ORDER**

This appeal came for hearing before the Liquor Control Commission on June 5, 2012, from the notice of the Division of Liquor Control, advising appellant that it was unable to process the New Permit Application.

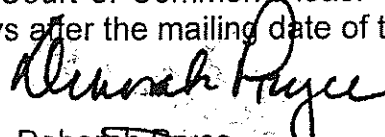
After consideration of the evidence and arguments of the parties, the Commission finds the appeal well taken. The Commission finds that appellant is exempt from the population quota restrictions pursuant to Section 4303.31 of the Ohio Revised Code.

NOW THEREFORE, the Commission orders the Division of Liquor Control to continue to process appellant's New Permit Application.

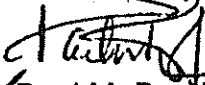
**NOTICE OF APPEAL RIGHTS**

This Order may be appealed pursuant to Ohio Revised Code Section 119.12 by filing a Notice of Appeal with the Liquor Control Commission, setting forth the Order appealed from and stating that the Commission's Order is not supported by reliable, probative, and substantial evidence and is not in accordance with law. The notice of appeal shall also be filed with the Franklin County Court of Common Pleas. The notices of appeal shall be filed within twenty-one (21) days after the mailing date of this Order.

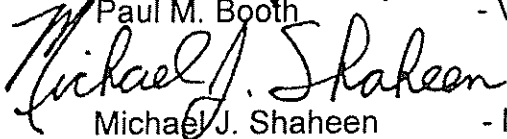
LIQUOR CONTROL COMMISSION  
77 South High Street, 18th Floor  
Columbus, Ohio 43215



Deborah Pryce - Chairman



Paul M. Booth - Vice Chairman



Michael J. Shaheen - Member

**CERTIFICATION**  
I, the undersigned for the Liquor Control Commission, hereby certify that the foregoing is a true and exact reproduction of the original Order of the Commission, a copy of which has been forwarded to the parties this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

 Cheryl Johnson Title APP

Mailing Date: June 15, 2012  
Certified Mail No. 6554

cc: Assistant Attorney General, Charitable Law-Liquor Unit  
Permit/Legal Section, Division of Liquor Control  
Trevor M. Hayberger, Esq., 255 W. Riverview Ave., Napoleon, Oh 43545



## Department of Commerce

Division of Liquor Control  
John R. Kasich, Governor  
David Goodman, Director

June 21, 2012

CITY OF NAPOLEON  
TREVOR HAYBERGER  
255 W RIVERVIEW AV  
NAPOLEON OH 43545

**SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Re: **NEW D1 PERMIT #1514162**  
CITY OF NAPOLEON  
DBA NAPOLEON MUNICIPAL GOLF  
COURSE  
521 GLENWOOD AVE  
NAPOLEON OH 43545

Dear Applicant:

The purpose of this letter is to advise you that your application now qualifies for processing. In order to commence processing your application, it will be necessary to submit the required permit fee.

Pursuant to Ohio Revised Code Section 4303.24, the Division prior to the granting of a permit applied for shall notify, by certified mail, the applicant or the applicant's authorized agent. The applicant or the authorized agent, within 30 days after mailing of that notice, shall pay to the Division the entire fee. If such applicant fails to pay the applicable amount of that requisite permit fee within those 30 days, the Division shall cancel the applicant's application. Therefore, please submit the fee of \$376 no later than 30 days from the mailing date of this letter or your application will be canceled.

If you should have any questions concerning this matter, please feel free to contact this office at the below address or phone number.

Licensing Processing Section

It

Rev. 1-07

NOTICE TO LEGISLATIVE  
AUTHORITY

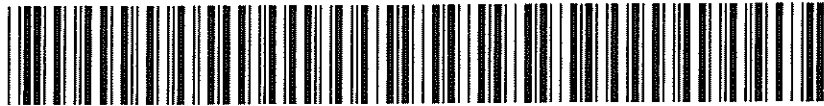
OHIO DIVISION OF LIQUOR CONTROL  
6606 TUSSING ROAD, P.O. BOX 4005  
REYNOLDSBURG, OHIO 43068-9005  
(614)644-2360 FAX(614)644-3166

TO

|  |                                      |                                    |  |  |
|--|--------------------------------------|------------------------------------|--|--|
| 1514162<br><small>PERMIT NUMBER</small>  |                                      | NEW<br><small>TYPE</small>         | CITY OF NAPOLEON<br>DBA NAPOLEON MUNICIPAL GOLF<br>COURSE<br>521 GLENWOOD AVE<br>NAPOLEON OH 43545 |  |
| 04 25 2012<br><small>ISSUE DATE</small>  |                                      |                                    |  |  |
| 04 25 2012<br><small>FILING DATE</small> |                                      |                                    |  |  |
| D1<br><small>PERMIT CLASSES</small>      |                                      |                                    |  |  |
| 35<br><small>TAX DISTRICT</small>        | 088<br><small>PERMIT CLASSES</small> | A<br><small>PERMIT CLASSES</small> | Z68824<br><small>RECEIPT NO.</small>   |  |

FROM 06/25/2012

|                |                |                |             |  |
|----------------|----------------|----------------|-------------|--|
| PERMIT NUMBER  |                | TYPE           |             |  |
| ISSUE DATE     |                |                |             |  |
| FILING DATE    |                |                |             |  |
| PERMIT CLASSES |                |                |             |  |
| TAX DISTRICT   | PERMIT CLASSES | PERMIT CLASSES | RECEIPT NO. |  |



MAILED 06/25/2012

RESPONSES MUST BE POSTMARKED NO LATER THAN. 07/26/2012

**IMPORTANT NOTICE**

PLEASE COMPLETE AND RETURN THIS FORM TO THE DIVISION OF LIQUOR CONTROL  
WHETHER OR NOT THERE IS A REQUEST FOR A HEARING.  
REFER TO THIS NUMBER IN ALL INQUIRIES A NEW 1514162

(TRANSACTION & NUMBER)

(MUST MARK ONE OF THE FOLLOWING)

WE REQUEST A HEARING ON THE ADVISABILITY OF ISSUING THE PERMIT AND REQUEST THAT  
THE HEARING BE HELD  IN OUR COUNTY SEAT.  IN COLUMBUS.

WE DO NOT REQUEST A HEARING.

DID YOU MARK A BOX? IF NOT, THIS WILL BE CONSIDERED A LATE RESPONSE.

PLEASE SIGN BELOW AND MARK THE APPROPRIATE BOX INDICATING YOUR TITLE:

*Gregory J. Heath*  
(Signature)

Gregory J. Heath, Finance Director/Clerk  
City of Napoleon, Ohio

06/26/2012

(Title)-  Clerk of County Commissioner

(Date)

Clerk of City Council

Township Fiscal Officer

CLERK OF NAPOLEON CITY COUNCIL  
255 W RIVERVIEW AV  
NAPOLEON OHIO 43545



OHIO DEPARTMENT OF COMMERCE-DIVISION OF LIQUOR CONTROL

6606 Tussing Road, P.O. Box 4005,  
Reynoldsburg, Ohio 43068-9005 Ph (614) 644-2431

INSTITUTION NOTICE FOR LIQUOR PERMIT

Name of Institution  
To:

**GLENWOOD PARK**

**GLENWOOD AVE**

**NAPOLEON, OHIO**

**43545**

Type of Application  
**Re: NEW D1**

Application Number  
**1514162**

Applicant Name  
**CITY OF NAPOLEON**

DBA  
**NAPOLEON MUNICIPAL GOLF COURSE**

Address  
**521 GLENWOOD AVE**

Address  
**NAPOLEON, OHIO 43545**

Dear Institution Representative:

Approx. Distance 1 Feet

A liquor permit has been applied for at the above captioned location. The Division of Liquor Control is required to notify any church, school, library, public playground, or township park that is located within 500 feet of a proposed permit premises. Your institution, as well as the local legislative authority, is being given the opportunity to object to the issuance of this permit. This is your opportunity to object to the above referenced permit application.

Please complete and return this form no later than 30 days from the date of this notice. Include the name, title, address and telephone number of the representative of the institution who is to attend the hearing. If an objection is filed and a hearing is scheduled, your representative should appear and testify in support of the objection. Otherwise the objection will be overruled. Objections based solely upon philosophical opposition to alcohol consumption are not sufficient grounds for sustaining an objection. You may wish to retain legal counsel to represent your interests, as the hearing is a legal proceeding.

PLEASE CHECK THE APPLICABLE BOX AND RETURN THIS FORM WITHIN 30 DAYS

- We do not object to this Permit.
- We request the Division of Liquor Control document our objection to the issuance of this permit but we do not request a hearing. In choosing this option I understand that it is only an objection for the record and will not adversely impact the issuance of this permit.
- We object and request a hearing on the advisability of issuing of this permit. Please hold the hearing in Columbus.
- We object and request a hearing on the advisability of issuing of this permit. Please hold the hearing in the county seat of the premises.

|  |   |  |
|--|---|--|
| (Signature of Authority in Control of Institution)                   | (Telephone Number)  | (Date)                                 |
|  | 419-592-4010  | 06/26/2012                             |
| (Name, Title of person to Attend Hearing)                            | (Address)   |  |
| Ronald A. Behm, Mayor  | City of Napoleon, Ohio<br>255 W. River View Ave., P.O. Box 151, Napoleon, Ohio 43545-0151 |  |
| <b>CERTIFICATE OF SERVICE</b>  |   |  |
| The above notice was served to                                       |   |  |
| 4191 592-1235  | (Name)  | 6/26/12 (Address)                      |
| , the authority in control of subject institution on                 |   | by                                     |
| (Telephone)  | (Time)  | (Date)                                 |
| <input type="checkbox"/> CERTIFIED MAIL, RETURN RECEIPT REQUESTED or | <input type="checkbox"/> PERSONAL SERVICE or  | <input type="checkbox"/> STOREFRONT    |
| (Signature and Title of Recipient)                                   | (Time)  | (Compliance Officer's Initials & Date) |
|  | Gregory J. Heath, Finance Director/Clerk<br>City of Napoleon, Ohio                        |  |
| (Print Name and Title of Recipient)                                  | <b>CERTIFIED MAIL #</b>   |  |
| Gregory J. Heath, Finance Director/Clerk<br>City of Napoleon, Ohio   |   |  |



# City of Napoleon, Ohio

## Department of Public Works

255 West Riverview Avenue, P.O. Box 151

Napoleon, OH 43545

Chad E. Lulfs, P.E., P.S., Director of Public Works

Telephone: (419) 592-4010 Fax: (419) 599-8393

www.napoleonohio.com

## Memorandum

**To:** Greg Heath, Finance Director/Clerk of Council  
**From:** Chad E. Lulfs, P.E., P.S., Director of Public Works  
**cc:** Dr. Jon A. Bisher, City Manager  
Mayor & City Council  
**Date:** July 2, 2012  
**Subject:** 735 Cripple Creek Court Combined Sewer Tap Appeal Information

While constructing a new home at 735 Cripple Creek Court, Greg Beck contacted our office regarding the sewer tap. When the subdivision was built, the developer provided a sanitary sewer tap for this lot that was combined with the sanitary sewer tap for an adjacent lot. This used to be common practice.

Section 10.1 (E) of the City of Napoleon Rules for Water and Sewer Service states "A separate and independent building sewer shall be provided for every building..." Based on this rule, I denied Mr. Beck's request to use the existing sanitary sewer tap. I informed Mr. Beck that he would need to install a new sanitary sewer tap from the main.

Mr. Beck felt that since the subdivision was built prior to the adoption of this rule that the rule should not apply. However, this rule was adopted because of the problems encountered when the combined tap fails and only one (1) owner is willing to pay to repair/replace the tap. Also, if a sanitary sewer tap fails, we are sometimes required to shut off the water to every house that is tied into this failed tap. This has caused major issues in the past.

I informed Mr. Beck of my decision. He then appealed my decision to Dr. Jon Bisher, the City Manager. Dr. Bisher reviewed the information and upheld my decision. Mr. Beck requested information on how to appeal the decision of the City Manager. I informed Mr. Beck that Section 25.3 (B) of the City of Napoleon Rules for Water and Sewer Service states "An appeal from a decision of the City Manager, after hearing, may be taken to the water, sewer, refuse, recycling and litter committee of Council, so long as notice of appeal is filed in writing with the Finance Director within thirty (30) business days after mailing of the decision or order of the City Manager or thirty (30) business days after rendering the decision or order by personal service to the person who filed the appeal." Mr. Beck has filed a written appeal within that timeframe. **Therefore, I request that this matter be forwarded to the Water, Sewer, Refuse, Recycling and Litter Committee of Council.**


CEL



RECEIVED

JUN 19 2012

Per

  
Gregory J. Heath, Finance Director/Clerk  
City of Napoleon, Ohio

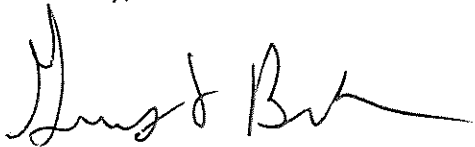
City of Napoleon  
Water, Sewer, Refuse, Recycling, & Litter  
Committee of Council

June 18, 2012

Subject: Sewer Lateral Decision  
Ref: 725 Cripple Creek  
Napoleon, OH 43545

Beck's Construction Co would like to file an appeal with the City of Napoleon Finance Director concerning the sewer lateral decision at the property located At 725 Cripple Creek Crt Napoleon, OH. The city of Napoleon dictated to us how and where to place this sewer line . After installation, the line was inspected and approved by the city of Napoleon. We were never notified at any time of any changes after this acceptance. Therefore, do to these circumstances, we would like to appeal your decision on this sewer line. If you have any questions, please feel free to call our office at (419)592-8307. Thank you for your time.

Sincerely,



Gregory L. Beck  
Beck's Construction Co

BECK'S CONSTRUCTION CO.

018021

Date: 06/18/2012 Check No.: 18021 Amount: \$35.00  
Paid To: City of Napoleon - Permits

Invoice Number      Amount  
Filing Fee - Appeal      \$35.00

Invoice Number      Amount



P.O. Box 583 Ph. 419-592-8307 Napoleon, OH 43545-0583

FIRST FEDERAL BANK  
OF THE MIDWEST  
625 SCOTT ST.  
NAPOLEON, OH 43545  
56-7085 / 2412

018021

CHECK NO.

18021

THIRTY FIVE DOLLARS AND 00 CENTS

DATE

AMOUNT

06/18/2012

\$35.00

PAY  
TO THE  
ORDER  
OF

City of Napoleon - Permits

255 West Riverview

P.O. Box 151

Napoleon, OH 43545

## ***CITY OF NAPOLEON RULES FOR WATER AND SEWER SERVICE***

- (D) No water shall be diverted from a fire service line without the City's knowledge and consent, such diversion can constitute theft of a utility and be charged under the applicable section of law.
- (E) No charge will be made for any measured water flow through said fire line resulting from use of water for fire fighting or flushing purposes.
- (F) Under no condition will new fire service line extensions or connections be made, after the effective date of these Rules, unless customer purchases one hundred (100%) percent of his/her water requirements from the City. Where customer purchases one hundred (100%) percent of customer's water requirements from City and where all of customer's water requirements, including fire protection service, are taken through a single metered service line, no additional charge will be made for any fire lines or sprinkler systems connected to the regular metered service line.

### ***Rule 5.3 Temporary Service***

Whenever the service requested by the property owner/customer is temporary, special short term or emergency, the written application or contract for such service shall specify the period of service and the character of service. The property owner/customer shall pay for all extra charges, including deposits, if any, as determined by the Utility Department, involved in connection, installation and removal of the service together with all material, labor and other expenses incidental thereto.

### ***Rule 5.4 Special Watering***

For summer watering of grass or the like, hose meters will be issued for a maximum period of thirty (30) days upon payment of a deposit as determined by the City Utility Department. Meters are limited; therefor, meters will only be issued to people watering a new yard, or newly planted trees, shrubs or the like, and will be distributed on a first come first serve basis.

### ***Rule 5.5 Hydrant Meter Use***

- (A) Any request for a hydrant meter will need to be made a minimum of twenty-four (24) hours in advance. At the time of the request, the City shall be notified as to how many feet of hose is required. The City will bring out the meter, upon payment of a deposit as determined by the City Utility Department, attach it to the fire hydrant, turn the hydrant on and place the hose beside the hydrant. When the customer is finished, the hose is required to be rolled back up and placed beside the hydrant. Any hoses left unrolled will result in additional charges for labor at the City's current hourly rate. Upon completion the customer is required to contact the City Utility Department to have the hoses picked up and the hydrant closed and

# *CITY OF NAPOLEON RULES FOR WATER AND SEWER SERVICE*

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## **RULE 10 BUILDING SEWERS**

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### *Rule 10.1 Building Sewers And Construction*

- (A) Every person desiring a permit to make a connection with, open, or tap any public sewer or drain shall first make application to the City Engineer, who shall consult his/her records with regard to the sewer or drain desired to be connected with, opened, or tapped. If such connection, opening, or tap can be made, the City Engineer shall give such applicant the exact location with which the connection, opening, or tap is to be made, or if necessary shall cause a stake to be set on the premises at which the connection, opening, or tap is to be made. The City Manager shall issue to the applicant a permit stating that permission is granted to connect with, open, or tap such sewer or drain and also state in such permit the name of the street and the abutting lot number. All permits shall be issued by the City Manager; however, permits will not be issued unless the City Engineer determines that there is or will be capacity available in all downstream sewers, lift stations, force mains, and the sewage treatment plant including capacity for BOD and suspended solids.
- (B) For each permit issued by the City Manager, a charge shall be made as established by the City and as may be amended from time to time. A connection charge shall be made for all new buildings, major additions, or alterations; to buildings causing increased sewage discharge; any land use causing the discharge of sewage into the sewage system; and any change in sewage flow distribution ordered by the City Manager when the redistribution of sewage flow requires the construction of a new trunk line sewer and a new service connection thereto. The connection charge shall be an amount as established for each connection inside the corporation and an amount as established for each connection outside the corporation. The connection charge provided herein shall also be made where any dwelling or building is connected to the sewage disposal system. Before the permit can be used, evidence that the connection charge has been paid shall be filed with the City Manager.
- (C) The City Manager shall devise and procure the permit forms. The City Finance Director shall collect all funds as a result of connection charges which will be credited to the sewer fund of the City.
- (D) All costs and expenses incidental to the installation and connection of the building sewer shall be borne by the owner.
- (E) A separate and independent building sewer shall be provided for every building; except where one (1) building stands at the rear of another on an interior lot and no private sewer is available or can be constructed to the rear building through an adjoining alley, court, yard, or driveway, the front building may be extended to the rear building and the whole considered as

## ***CITY OF NAPOLEON RULES FOR WATER AND SEWER SERVICE***

- one (1) building sewer, but the City shall not be liable for damage caused by or resulting from any such single connection aforementioned.
- (F) Old building sewers may be used in connection with new buildings only when they are found, upon examination and test by the City's Engineering Department, to meet all requirements of these Rules.
  - (G) The building sewer shall be of the best quality PVC sewer pipe and having a standard dimension ration (SDR) of not greater than thirty-five (35). The pipe shall have an integral bell, and joints shall be gasketed. The pipe shall be colored green for in-ground identification as sanitary drainage pipe. Connections to unlike types and sizes of pipe shall be accomplished using the proper adapter and/or connector as manufactured by Fernco, Inc., or an approved equal.
  - (H) Whenever possible, the building sewer shall be brought to the building at an elevation below the basement floor. In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such building drain shall be lifted by an approved means and discharged to the building sewer.
  - (I) Residential sanitary service connections shall be six (6") inches in diameter, or greater, as required to serve the structure and shall be laid at no less than 1.00% slope.
  - (J) Connections or lateral extending to private property from a public sewer or drain shall be in accordance with specifications issued by the City Engineer (see *VIOLATION* section).
  - (K) All connections, tapplings, or openings shall be only in the presence and upon the approval of the City Engineering Department. The applicant for the building sewer permit shall notify the City Engineering Department when the building sewer is ready for inspection and connection to the public sewer (see *VIOLATION* section).
  - (L) All excavations for building sewer installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the City. All refilling of the excavation made for such connection shall be in the presence and upon the approval of the City's Engineering Department. Any excavation done within the right-of-way shall not commence until a bond or its equivalent in an amount equal to the total cost of the work performed is posted with the City (see *VIOLATION* section).
  - (M) An applicant shall be given a hearing in front of the City Manager related to the non-issuance of a permit as found in this Rule. Any decision of the City Manager in regard to this permit may be appealed, after hearing, to the water, sewer, refuse, recycling and litter committee of Council in the

## ***CITY OF NAPOLEON RULES FOR WATER AND SEWER SERVICE***

same manner as other appeals are taken under these Rules. No application for a building sewer permit which has been denied by the City Manager shall be resubmitted to the City for a period of sixty (60) days from the date of such denial, except upon the grounds of new and material evidence or proof of changed conditions. The committee's order shall be a final order.

### ***Rule 10.2 Digging And/Or Marking Excavation Site For Sewers***

When any sewer service locating is desired, persons desiring the same shall physically mark the proposed excavation site with white paint, flags, or other acceptable marking methods utilized by the industry and approved by the City. Excavation, the applicant, or property owner must call the utility department forty-eight (48) hours prior to commencement of digging. Damages resulting from failure to contact the utility forty-eight (48) hours prior to digging will be at the expense of the person digging or causing the same to be done. When the City locates service at the excavation site, all cost associated therewith, including time and material, shall be at the expense of the person proposing the excavation if they fail to properly mark the excavation site. *(Amended October 15, 2001 - Ordinance No. 107-01)*



# *CITY OF NAPOLEON RULES FOR WATER AND SEWER SERVICE*

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## **RULE 25 APPEAL PROCESS**

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### ***Rule 25.1 Appeals In General***

All decisions made by those other than the Finance Director or City Manager may be taken to the employees applicable appointing authority for review and decision.

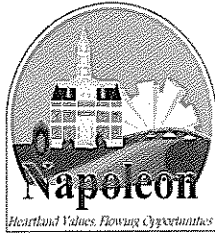
*(Amended June 19, 2000 - Ordinance No. 53-00)*

### ***Rule 25.2 Appeals From Decision Of Finance Director***

- (A) After hearing by the Finance Director, a decision shall be rendered and either personally delivered or mailed to the person who filed the appeal at the last known address by regular U.S. mail.
- (B) An appeal from a decision of the Finance Director, after hearing, may be taken to the Water, Sewer, Refuse, Recycling and Litter Committee of Council, so long as notice of appeal is filed in writing with the Finance Director within ten (10) business days after mailing of the decision or order of the Finance Director by regular U.S. mail or five (5) business days after rendering the decision or order by personal service, to the person who filed the appeal.
- (C) Appeals will not stay the finding or order of the Finance Director as a result of his/her decision, after hearing, unless a bond (in cash or other acceptable method) is posted in an amount necessary to guarantee payment of any unpaid charges and any future charges that may incur during the appeal process.
- (D) A filing fee, as established by the City and as may be amended from time to time, will be charged for all appeals to the water, sewer, refuse, recycling and litter committee; however, this fee may be waived by the Finance Director in cases of indigence; further, such filing fee will be returned if the appealing party prevails.
- (E) Appeals to the above Committee will be held within a reasonable time and will be informal in nature. Such order of the Committee will be considered a final order.

### ***Rule 25.3 Appeals From Decision Of City Manager***

- (A) After a hearing by the City Manager, a decision or order shall be rendered and either delivered by personal service or mailed to the person who filed the appeal at the last known address by regular U.S. mail.
- (B) An appeal from a decision of the City Manager, after hearing, may be taken to the water, sewer, refuse, recycling and litter committee of Council, so long as notice of appeal is filed in writing with the Finance Director within thirty (30) business days after mailing of the decision or



# CITY OF NAPOLEON, OHIO

255 West Riverview Avenue • PO 151 • Napoleon, Ohio 43545-0151  
Gregory J. Heath, Director of Finance/Clerk of Council  
phone (419) 599-1235 fax (419)-599-8393  
Web Page: www.napoleonohio.com  
E-mail: gheath@napoleonohio.com

DATE: June 25, 2012

TO: Members of Finance Committee  
Members of City Council  
Ronald A. Behm, Mayor  
Jon A. Bisher, City Manager  
Trevor M. Hayberger, City Law Director

FROM: Gregory J. Heath, Finance Director/Clerk of Council *G. H.*

SUBJECT: Review of City's Investment Policy and Proposed Changes

Attached is a copy of the current City of Napoleon, Ohio (City), Investment Policy (See Attached PDF File (INVESTMENT-POLICY-MASTER-10-06-2008). This Policy was last modified on October 6, 2008. Based on a review of the current policy with the City's Financial Advisor, Productive Capital Management, Inc., we recommend the following changes as marked through with change bolded:

## **POLICY 5.0 DELEGATION OF AUTHORITY AND INVESTMENT PROCEDURES:**

### **5.1 Management Responsibility:**

... in the absence of the DIRECTOR, the ~~Assistant Finance Director~~ **Acting Finance Director** is authorized to take those actions on behalf of the City that are delegated to the DIRECTOR. ...

### **5.2 Investment Procedures:**

... The ~~Assistant Finance Director~~ **Acting Finance Director** is authorized to execute investment transactions or delegate such authority in the absence of the DIRECTOR. ...

## **POLICY 6.0 ETHICS AND CONFLICTS OF INTEREST:**

### **6.1 Ethics:**

All State of Ohio ORC Ethics Laws and related statutes, see attached "**APPENDIX E**", shall apply to those with the responsibility and authority of investment transactions.

**Add-> This appendix shall be updated from time-to-time as changes occur.**

(Investment Policy Review – Continued Next Page)

**POLICY 8.0 AUTHORIZED & SUITABLE INVESTMENTS:**

**8.3 Commercial Paper:**

Commercial Paper issued by any corporation incorporated under the laws of the United States or any state if both of the following conditions apply:

- \_\_\_\_\_ 1.) Two nationally recognized rating agencies rank the commercial paper in the highest category;
- \_\_\_\_\_ 2.) The total amount invested in commercial paper at the time of investment does not exceed 10% of the total portfolio.

**8.4 Banker's Acceptances Under the Following Conditions:**

- \_\_\_\_\_ 1.) The BA's mature in 270 days or less;
- \_\_\_\_\_ 2.) The BA's are eligible for purchase by the Federal Reserve System;
- \_\_\_\_\_ 3.) The total amount invested in BA's does not exceed 15% of the total portfolio at the time of purchase.

*Combine to say:*

**8.3 Commercial Paper (CP) and Banker's Acceptances (BA):**

*Commercial Paper issued by any corporation incorporated under the laws of the United States or any state if the following condition applies:*

- 1.) Two nationally recognized rating agencies rank the CP paper in the highest category;*

***Banker's Acceptances Under the Following Conditions:***

- 1.) The BA's mature in 270 days or less;*
- 2.) The BA's are eligible for purchase by the Federal Reserve System;*

*The total amount invested in both CP plus BA's does not exceed 25% of the total portfolio at the time of purchase.*

**8.5 Master Repurchase Agreements:**

Renumber to: 8.4

**8.6 Other Suitable Investments:**

- 1.) The Ohio State Treasurer's Asset Reserve Fund (Star Ohio).
- 2.) Bank certificates of deposit with eligible institutions.
- 3.) Bonds and other obligations of the State of Ohio.

**8.6 Other Suitable Investments:**

Renumber to: 8.5

- 1.) Bonds and other obligations of the State of Ohio, *Add-> including any political subdivision of the State of Ohio.*

*Add-> 4.) Certificate of Deposit Account Registry (CDAR's).*

**POLICY 12.0 DIVERSIFICATION:**

The CITY will diversify its investments by security type and institution. With the exception of U.S. Treasury Securities and Authorized Pools, no more than 60% of the CITY's total investment portfolio will be invested in a single security type by issuer (actual agency), or with a single financial institution. Portfolio allocations by percentage of total funds available at time of investment are:

- \_\_\_\_\_ 1.) U.S. Government Guaranteed Obligations \_\_\_\_\_ 100%
- \_\_\_\_\_ 2.) Obligations of Federal Instrumentality's \_\_\_\_\_ 75%

(Investment Policy Review – Continued)

|                                 |      |
|---------------------------------|------|
| 3.) Certificates of Deposits    | 60%  |
| 4.) Repurchase Agreements       | 25%  |
| 5.) Star Ohio (Authorized Pool) | 100% |
| 6.) Banker's Acceptances        | 15%  |
| 7.) Commercial Paper            | 10%  |

POLICY 13.0 MAXIMUM MATURITIES:

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements.

13.1 Maximum Maturity:

The maximum maturity of any investment will be five (5) years from the date of purchase with an average weighted maturity not to exceed two (2) years.

Change to say:

**POLICY 12.0 DIVERSIFICATION:**

*The CITY will consider diversification in its investments by security type and institution. Portfolio allocations by percentage of total funds available at time of investment are:*

|  |      |
|--|------|
| 1.) U.S. Government Guaranteed Obligations         | 100% |
| 2.) Obligations of Federal Instrumentality's       | 100% |
| 3.) Certificates of Deposits                       | 100% |
| 4.) Repurchase Agreements                          | 100% |
| 5.) Star Ohio (Authorized Pool)                    | 100% |
| 6.) Commercial Paper & Banker's Acceptances, Total | 25%  |

**POLICY 13.0 MAXIMUM MATURITIES:**

*To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements.*

**13.1 Maximum Maturity:**

*The maximum maturity of any investment will be five (5) years from the date of purchase with an average weighted maturity not to exceed three (3) years.*

The above are the recommended changes I have to the Investment Policy, I am requesting a motion to that effect. If you have any questions regarding this information, please let me know.

Thank you.

**APPENDIX B**  
Attachment to Investment Policy

*SUPPLEMENTAL  
INFORMATION*

**ORDINANCE NO. 116-97**

**AN ORDINANCE PROVIDING FOR THE CREDITING OF INTEREST  
FROM INVESTED FUNDS AND REPEALING ORDINANCE 11-96**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:**

**Section 1.** That, the City Finance Director is authorized and directed to credit all interest from investments in certain specific funds as contained in attached Exhibit "A" made a part of this Ordinance back to the specific funds.

**Section 2.** That, the Finance Director is authorized and directed to credit all interest from investments in certain specific funds as contained in Exhibit "B" made a part of this Ordinance to the General Fund.

**Section 3.** That, any new funds added that earn interest other than those found in attached Exhibits "A" & "B" be automatically designated to the 100<sup>th</sup> General Fund unless otherwise authorized by Council or prohibited by law.

**Section 4.** That, for the purpose of this Ordinance, interest earnings shall be determined by a percentage of the beginning of the month fund balances against any actual interest earned for the month being credited.

**Section 5.** That, Ordinance Number 11-96 is repealed.

**Section 6.** That, the crediting, placement and adjustment of interest shall be retroactively applied to January 1, 1998 in accordance with the provisions of this Ordinance.

**Section 7.** That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of the City of Napoleon, Ohio.


**Section 8.** That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of this Ordinance is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof.

**Section 9.** That, upon passage, this Ordinance shall take effect at the earliest time permitted by law.

Passed: 12/29/97

  
Michael J. DeWit, Council President

Approved: 12/29/97

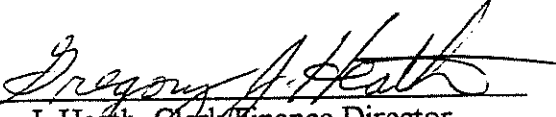
  
Donald M. Stange, Mayor

VOTE ON PASSAGE 7 Yea 0 Nay 0 Abstain

**APPENDIX B**  
Attachment to Investment Policy

SUPPLEMENTAL  
INFORMATION

Attest:

  
\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Ordinance No. 116-97 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 9<sup>th</sup> day of January, 19 98; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

  
\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

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EXHIBIT "A" - ATTACHMENT TO ORDINANCE No. 116-97

**INTEREST EARNINGS - CREDITED DIRECTLY TO LISTED FUNDS**

| <u>FUND NO.</u> | <u>FUND DESCRIPTION</u>              |
|-----------------|--------------------------------------|
| 200             | Street (SCM&R) Fund                  |
| 201             | State Highway Fund Imp. Fund         |
| 202             | Mun. (50%) MV License Tax Fund       |
| 203             | Mun. (100%) MV License Tax Fund      |
| 204             | County MV License Per. Tax Fund      |
| 220             | Recreation Fund                      |
| 230             | Economic Development Fund            |
| 242             | Fire Equipment Fund (420)            |
| 270             | Indigent Drivers Alcohol Treat. Fund |
| 271             | Law Enforcement & Education Fund     |
| 272             | Court Computerization Fund           |
| 273             | Law Enforcement Trust Fund           |
| 274             | Mandatory Drug Fine Fund             |
| 275             | Municipal Probation Service Fund     |
| 276             | Law Enforcement Block Grant Fund     |
| 310             | S.A. Bond Retirement Fund            |
| 458             | Park, Tyler Street Improvement Fund  |
| 459             | Hobson/Reynolds Street Imp. Fund     |
| 501             | Electric Depreciation Reserve Fund   |
| 502             | Electric Replacement & Imp. Fund     |
| 505             | 2nd Interconnect Improvement Fund    |
| 510             | Water Revenue Fund                   |
| 511             | Water Depreciation Reserve Fund      |
| 512             | Water Debt Reserve Fund              |
| 520             | Sewer (WWT) Revenue Fund             |
| 521             | Sewer (WWT) Dep. Res. Fund           |
| 522             | Sewer (WWT) Debt Reserve Fund        |
| 523             | OWDA S.A. Debt Ret. Sewer Fund (320) |
| 525             | WWT (97) Expansion Imp. Fund         |
| 526             | Scott St. Sanitary Sewer Imp. Fund   |
| 560             | Sanitation (Refuse) Revenue Fund     |
| 561             | Sanitation (Refuse) Dep. Res. Fund   |

New Funds added as Needed, per Ordinance.

EXHIBIT "B" - ATTACHMENT TO ORDINANCE No. 116-97

**INTEREST EARNINGS - CREDITED DIRECTLY 100 GENERAL FUND**

| <u>FUND NO.</u> | <u>FUND DESCRIPTION</u>                |
|-----------------|--|
| 100             | General Fund                           |
| 147             | Unclaimed Monies Fund (740)            |
| 157             | Parking Facility Expansion Fund (570)  |
| 170             | Municipal Income Tax Fund (700)        |
| 210             | EMS Transport Service Fund             |
| 221             | Oakwood Park Development Fund          |
| 227             | Napoleon Cemetery Trust Fund (720)     |
| 240             | Hotel/Motel Tax Fund                   |
| 277             | Probation Officer Grant Fund           |
| 290             | Police Pension Fund (290)              |
| 291             | Fire Pension Fund (291)                |
| 300             | General Bond Retirement Fund           |
| 400             | Capital Improvement Fund               |
| 456             | German Mutual Improvement Fund         |
| 473             | Fillmore/Canal St. Storm Sewer Fund    |
| 500             | Electric Operating Revenue Fund        |
| 527             | Palmer Ditch Sanitary Sewer Fund (472) |
| 530             | E. Riverdowns Sanitary Sewer Fund      |
| 580             | Meter Dep. (Electric & Water) Fund     |
| 581             | Unapplied Cash (Utility Bills) Fund    |
| 600             | Central Garage Rotary Fund             |
| 800             | Forest Hill Cemetery Trust Fund        |
| 950             | Law Library Fund (250)                 |

New Funds added as Needed, per Ordinance.



| 2012 - FISCAL POSTING YEAR ->                           |  | MAY                                  |  |                                  |                                  |
|---|--|--------------------------------------|--|----------------------------------|----------------------------------|
| FUND NO.  | INTEREST ALLOCATION - BY FUND<br>Ordinance 116-97, Passed 12/29/97<br>FUND DESCRIPTION<br>INTEREST EARNED FOR MONTH LISTED --> | BOOK BALANCE BY FUND<br>1ST OF MONTH | PERCENT (%) OF FUND BALANCE "+"<br>GREATER > "0" | TOTAL INTEREST RECEIVED IN MONTH | TOTAL YTD INTEREST RECEIVED 2012 |
|   |  |                                      |  | \$8,454.21                       | \$147,310.32                     |
| <b>FUNDS ALLOCATING INTEREST TO - 100 GENERAL FUND:</b> |  |                                      |  |                                  |                                  |
| 100   | General Fund   | \$1,272,322.20                       | 6.5748%  | \$555.85                         | \$8,410.45                       |
| 147   | Unclaimed Monies Fund  | \$4,775.37                           | 0.0247%  | \$2.09                           | \$32.60                          |
| 170   | Municipal Income Tax Fund  | \$26,780.82                          | 0.1383%  | \$11.69                          | \$202.25                         |
| 180   | KWH Tax Collection Fund  | \$3,715.24                           | 0.0192%  | \$1.62                           | \$125.15                         |
| 195   | Law Library Fund   | \$0.00                               | 0.0000%  | \$0.00                           | \$0.00                           |
| 210   | EMS Transport Service Fund   | \$203,462.73                         | 1.0514%  | \$88.89                          | \$1,334.62                       |
| 223   | Special Events Fund  | \$4,872.08                           | 0.0252%  | \$2.13                           | \$37.94                          |
| 227   | Napoleon Cemetery Trust Fund   | \$69,906.38                          | 0.3612%  | \$30.54                          | \$543.03                         |
| 240   | Hotel/Motel (Lodge) Tax Fund   | \$20,200.22                          | 0.1044%  | \$8.83                           | \$94.33                          |
| 243   | Fire Loss Claims Fund  | \$0.00                               | 0.0000%  | \$0.00                           | \$29.06                          |
| 261   | CDBG Program Income Fund   | \$30,546.20                          | 0.1579%  | \$13.35                          | \$238.09                         |
| 277   | Probation Officer Grant Fund   | \$12,412.32                          | 0.0641%  | \$5.42                           | \$44.41                          |
| 278   | Court Special Projects Fund  | \$224,638.72                         | 1.1608%  | \$98.14                          | \$1,687.54                       |
| 279   | Handicap Parking Fines Fund  | \$1,100.00                           | 0.0057%  | \$0.48                           | \$8.59                           |
| 280   | Certified Police Training Fund   | \$3,280.00                           | 0.0169%  | \$1.43                           | \$25.49                          |
| 281   | Indigent Drivers Interlock/Alcohol Rehab. Fund   | \$18,522.56                          | 0.0957%  | \$8.09                           | \$136.35                         |
| 290   | Police Pension Fund  | \$49,417.90                          | 0.2554%  | \$21.59                          | \$299.18                         |
| 291   | Fire Pension Fund  | \$24,769.08                          | 0.1280%  | \$10.82                          | \$149.98                         |
| 300   | General Bond Retirement Fund   | \$11,463.24                          | 0.0592%  | \$5.00                           | \$88.16                          |
| 400   | Capital Improvement Fund   | \$1,007,057.43                       | 5.2041%  | \$439.97                         | \$7,054.26                       |
| 401   | Capital Improvement Funding Reserve Fund   | \$86,250.00                          | 0.4457%  | \$37.68                          | \$671.02                         |
| 435   | Clairmont Avenue Improvement Project Fund  | \$35,345.50                          | 0.1827%  | \$15.45                          | \$15.45                          |
| 438   | Scott Street Improvement Project Fund  | \$10,223.78                          | 0.0528%  | \$4.46                           | \$83.47                          |
| 439   | Haley Ave I & I Reduction Project Fund   | \$50,513.55                          | 0.2610%  | \$22.07                          | \$22.07                          |
| 440   | Stevenson Street Improvement Project Fund  | \$15,448.06                          | 0.0798%  | \$6.75                           | \$120.18                         |
| 500   | Electric Revenue Fund  | \$2,360,768.31                       | 12.1995%   | \$1,031.37                       | \$18,813.26                      |
| 580   | Meter Deposit Fund   | \$378,956.67                         | 1.9583%  | \$165.56                         | \$2,907.84                       |
| 600   | Central Garage Rotary Fund   | -\$28,196.95                         | 0.0000%  | \$0.00                           | \$4.21                           |
|   | <b>Sub Total - Funds - Interest to 100 General Fd.</b>   | \$5,898,531.41                       | 30.6268%   | \$2,589.27                       | \$43,178.98                      |
| <b>ALLOCATING INTEREST DIRECTLY TO FUNDS AS LISTED:</b> |  |                                      |  |                                  |                                  |
| 200   | Street (SCM&R) Fund  | \$139,054.48                         | 0.7186%  | \$60.75                          | \$968.91                         |
| 201   | State Highway Fund   | \$33,211.11                          | 0.1716%  | \$14.51                          | \$227.51                         |
| 202   | Municipal (50%) MV License Tax Fund  | \$39,010.05                          | 0.2016%  | \$17.04                          | \$281.49                         |
| 203   | Municipal(100%) MV License Tax Fund  | \$439,376.06                         | 2.2705%  | \$191.95                         | \$3,368.18                       |
| 204   | County MV License Tax Permissive Tax Fund  | \$31,046.80                          | 0.1604%  | \$13.56                          | \$249.45                         |
| 220   | Recreation Fund  | \$164,844.62                         | 0.8518%  | \$72.01                          | \$1,029.88                       |
| 230   | Economic Development Fund  | \$67,128.15                          | 0.3469%  | \$29.33                          | \$624.86                         |
| 242   | Fire Equipment Fund  | \$372,381.62                         | 1.9243%  | \$162.68                         | \$2,883.20                       |
| 270   | Indigent Drivers Alcohol Treatment Fund  | \$46,683.72                          | 0.2412%  | \$20.39                          | \$344.03                         |
| 271   | Law Enforcement & Education Fund   | \$5,173.09                           | 0.0267%  | \$2.26                           | \$39.33                          |
| 272   | Court Computerization Fund   | \$33,610.83                          | 0.1737%  | \$14.68                          | \$252.10                         |
| 273   | Law Enforcement Trust Fund   | \$1,690.21                           | 0.0087%  | \$0.74                           | \$13.05                          |
| 274   | Mandatory Drug Fine Fund   | \$17,315.85                          | 0.0895%  | \$7.57                           | \$132.54                         |
| 275   | Municipal Probation Service Fund   | \$10,803.28                          | 0.0558%  | \$4.72                           | \$68.93                          |
| 310   | SA Bond Retirement Fund  | \$696,122.69                         | 3.5973%  | \$304.12                         | \$5,239.62                       |
| 501   | Electric Depreciation and Reserve Fund   | \$488,264.71                         | 2.5232%  | \$213.32                         | \$3,775.80                       |
| 502   | Electric Replacement & Improvement Fund  | \$418,158.15                         | 2.1609%  | \$182.69                         | \$3,233.70                       |
| 503   | Electric Development Fund  | \$3,524,333.04                       | 18.2123%   | \$1,539.71                       | \$28,004.19                      |
| 510   | Water Revenue Fund   | \$418,358.39                         | 2.1619%  | \$182.77                         | \$3,767.10                       |
| 511   | Water Depreciation and Reserve Fund  | \$204,335.48                         | 1.0559%  | \$89.27                          | \$1,579.56                       |
| 512   | Water Debt Reserve Fund  | \$116,316.28                         | 0.6011%  | \$50.82                          | \$899.47                         |
| 513   | Water OWDA Bond Retirement Fund  | \$13,424.26                          | 0.0694%  | \$5.87                           | \$102.38                         |
| 514   | Water Tower Painting & Maintenance Fund  | \$70,745.81                          | 0.3656%  | \$30.91                          | \$547.12                         |
| 519   | Water Plant Improvement & Renovation Fund  | \$0.00                               | 0.0000%  | \$0.00                           | \$0.00                           |
| 520   | Sewer (WWT) Revenue Fund   | \$3,583,218.17                       | 18.5166%   | \$1,565.43                       | \$27,088.52                      |
| 521   | Sewer (WWT) Depreciation and Reserve Fund  | \$1,028,826.64                       | 5.3166%  | \$449.48                         | \$8,151.40                       |
| 522   | Sewer (WWT) Debt Reserve Fund  | \$826,655.33                         | 4.2718%  | \$361.15                         | \$6,392.69                       |
| 523   | OWDA SA Debt Retirement Fund   | \$47,982.25                          | 0.2480%  | \$20.97                          | \$363.85                         |
| 530   | WWT EQ Basin Project Fund  | \$0.00                               | 0.0000%  | \$0.00                           | \$0.00                           |
| 560   | Sanitation (Refuse) Revenue Fund   | \$526,628.38                         | 2.7214%  | \$230.07                         | \$3,899.29                       |
| 561   | Sanitation (Refuse) Depreciation and Reserve Fund  | \$59,954.19                          | 0.3099%  | \$26.17                          | \$603.19                         |
|   | <b>Sub Total - Funds - Interest Credited to Listed Funds</b>   | \$13,424,653.62                      | 69.3732%   | \$5,864.94                       | \$104,131.34                     |
|   | <b>NET TOTAL - ALL INCLUDED FUNDS</b>  | \$19,323,185.03                      | 100.0000%  | \$8,454.21                       | \$147,310.32                     |
|   | FUND BALANCE > "0"   | \$19,351,381.98                      |  |                                  |                                  |
|   | FUND BALANCE < "0"   | -\$28,196.95                         |  |                                  |                                  |

| 2012 - FISCAL POSTING YEAR ->                   |  | MAY                                  |   |                                  |                                  |
|---|--|--------------------------------------|---|----------------------------------|----------------------------------|
| FUND NO.  | INTEREST ALLOCATION - BY FUND<br>Ordinance 116-97, Passed 12/29/97<br>FUND DESCRIPTION<br>INTEREST EARNED FOR MONTH LISTED --> | BOOK BALANCE BY FUND<br>1ST OF MONTH | PERCENT (%) OF FUND<br>BALANCE "+"<br>GREATER > "0" | TOTAL INTEREST RECEIVED IN MONTH | TOTAL YTD INTEREST RECEIVED 2012 |
|   |  |                                      |   | \$8,454.21                       | \$147,310.32                     |
| <b>FUNDS EXCLUDED FROM INTEREST ALLOCATION:</b> |  |                                      |   |                                  |                                  |
| 231   | CDBG ED Downtown Revitalization Grant Fund   | \$2,546.00                           |   |                                  |                                  |
| 260   | CDBG Chis & Chip Grants Program Fund   | \$6,691.30                           |   |                                  |                                  |
| 276   | Law Enforcement OT Grant Fund  | \$15,670.25                          |   |                                  |                                  |
| 295   | IRS 125 Employee Benefits Fund   | \$7,872.45                           |   |                                  |                                  |
|   | <b>NET TOTAL - ALL EXCLUDED FUNDS</b>  | \$32,780.00                          |   |                                  |                                  |
|   | <b>GRAND TOTAL - ALL FUNDS</b>   | \$19,355,965.03                      |   |                                  |                                  |
|   | Verification Total - Fund Balance->  | \$19,355,965.03                      |   | \$8,454.21                       |                                  |
|   | Difference ->  | \$0.00                               |   | \$0.00                           |                                  |

June 27, 2012

City of Napoleon  
255 West Riverview Avenue  
P.O. Box 51  
Napoleon, OH 43545  
Attention: Mr. Gregory Heath, Clerk /Finance Director

Re: *US\$1,800,000 City of Napoleon City, Ohio, Capital Facilities Note Issue, Series 2012  
General Obligation Limited Tax Notes, Series 2012, dated: July 24, 2012, due: July 24, 2013*

Dear Mr. Heath:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "SP-1+". Standard & Poor's views the outlook for this rating as not meaningful. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

Page | 2

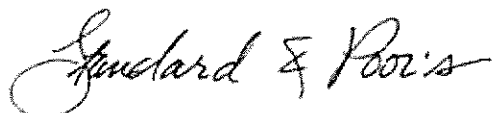
facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services  
Public Finance Department  
55 Water Street  
New York, NY 10041-0003

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Sincerely yours,

The logo for Standard & Poor's, featuring the company name in a stylized, cursive script font.

Standard & Poor's Ratings Services  
a Standard & Poor's Financial Services LLC business.

th  
enclosures

cc: Chris Franzmann, Esq.  
Mr. Stephen Szanto

**Standard & Poor's Ratings Services  
Terms and Conditions Applicable To Public Finance Ratings**

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.



# RatingsDirect®

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## Summary:

# Napoleon, Ohio; General Obligation; Note

### Primary Credit Analyst:

Steffanie Dyer, Chicago (1) 312-233-7007; steffanie\_dyer@standardandpoors.com

### Secondary Contact:

Corey Friedman, Chicago (1) 312-233-7010; corey\_friedman@standardandpoors.com

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## Summary:

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### Credit Profile

US\$1.8 mil cap facs (GO ltd tax) BANs ser 2012B dtd 07/24/2012 due 07/24/2013

|                          |            |          |
|--------------------------|------------|----------|
| <i>Short Term Rating</i> | SP-1+      | New      |
| Napoleon GO              |            |          |
| <i>Long Term Rating</i>  | AA-/Stable | Affirmed |
| Napoleon ICR             |            |          |
| <i>Long Term Rating</i>  | AA-/Stable | Affirmed |

## Rationale

Standard & Poor's Ratings Services has assigned its 'SP-1+' short-term rating to Napoleon, Ohio's general obligation (GO) limited-tax capital facilities bond anticipation notes (BANs), series 2012B. At the same time, Standard & Poor's affirmed its 'AA-' issuer credit rating (ICR) on the city and its 'AA-' long-term rating on the city's previously rated GO debt. The outlook on the long-term debt ratings is stable.

The 'SP-1+' short-term rating reflects our view of the city's:

- Long-term investment-grade GO rating (AA-/Stable);
- GO security for the BANs; and
- Low market risk profile, indicating strong legal authority to take out the notes with bonds before maturity, adequate market access, and strong information availability.

The city's limited-tax GO pledge secures the notes. Officials are planning to use BAN proceeds to finance improvements to the city's water plant. The BANs mature in July 2013, and it is our understanding that the city intends to roll over the notes for a few years and then refund them with long-term debt. It is also our understanding that the BANs will likely be issued as long-term debt (when the BANs are refunded) secured by water revenues and not the city's limited-tax GO pledge. However, we have not factored the credit quality of the water system into the credit analysis of the BANs.

The 'AA-' ICR on the city and the 'AA-' long-term rating on the city's previously rated GO debt reflect our view of the city's:

- Manufacturing-based economy with access to employment in the Toledo area,
- Steady financial performance with a general fund balance that we consider to be very strong, and
- Low debt levels.

The city's reliance on income tax revenues that can potentially be volatile and adequate but below average income levels are limiting rating factors.

Napoleon is located in Henry County about 40 miles southwest of Toledo. The city's 2010 population was 8,749 (U.S.

# Memorandum

**To:** Technology and Communication Committee, Council, Mayor, City Manager, City Law Director, City Finance Director, Department Supervisors, Media

**From:** Gregory J. Heath, Finance Director/Clerk of Council

**Date:** 6/19/2012

**Re:** Technology and Communication Committee Meeting Cancellation

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The July 2, 2012 meeting of the Technology and Communication Committee has been CANCELED due to lack of agenda items.



# UPdate

A weekly newsletter presented by AMP President/CEO Marc Gerken

June 22, 2012

## AMP and members active at APPA National Conference in Seattle

By Jolene Thompson, AMP Senior VP/OMEA Executive Director

The American Public Power Association held its annual conference in Seattle, Washington, last week. The event featured meetings of various APPA committees, general sessions with national speakers, breakout sessions covering topics of interest to electric system leaders, business meetings, and the association's annual awards presentations. Notably from the AMP contingent in attendance:

- Marc Gerken, AMP President/CEO, was the recipient of the top award given in public power – the Alex Radin Distinguished Service Award. The award recognizes exceptional leadership and dedication to public power, and includes a lifetime membership in APPA. The award is named after Alex Radin, a key leader in APPA and public power history. In his acceptance remarks, Marc spoke about having the opportunity to meet with Radin, who is now in his 90s, and discussing the many things that have changed in our industry, as well as those challenges that have remained the same over the past decades. Marc was a member of the APPA Board of Directors for several years, serving most of those on the executive committee and chairing the Board in 2009-2010.
- Kevin Cornish, Clinton Village Manager, was one of the recipients of the Larry Hobart Seven Hats Award presented to recognize leaders of smaller public power systems nationally who must wear a number of different hats to be successful. Kevin was the winner of AMP's Seven Hats Award in October 2011.

*Continued on page 2*



Marc Gerken, right, receives the Alex Radin Distinguished Service Award from Bill Carroll, APPA's 2011-2012 board chair.

## Perry and Palmer promoted

By Marc Gerken, President/CEO

I'm pleased to announce that Mike Perry and Michelle Palmer were recently promoted. Mike, who was formerly vice president of generation operations, is now senior vice president of generation operations. In this capacity, he will join the Executive Management Team. Mike's responsibilities include operational oversight of all existing and future AMP owned and/or managed generating assets. His area also oversees our hydropower projects under construction on the Ohio River. Mike had more than 25 years of public power experience when he joined AMP in 2009 as vice president of generation operations. Before joining AMP, he serving 10 years as director of electric for the City of Hamilton and prior to that, he held various positions with AMP and the City of Columbus.



Michelle, who was formerly director of technical services, is now assistant vice president of technical services. Michelle's duties -- which include engineering guidance for members, engineering project management, serving as liaison to APPA on technical programs and managing a variety of technical service offerings for members -- have been expanded to include overseeing AMP's safety and OSHA services. Michelle, who holds a professional engineering license in Ohio, worked for Dayton Power & Light before joining AMP in 1999 as a T&D distribution engineer. She was a senior T&D distribution engineer when she was promoted to director of technical services in 2006.

Congratulations to Mike and Michelle.



Above: Kevin Cornish, right, Clinton Village Manager, receives his Larry Hobart Seven Hats Award. Far left: Paul Beckhusen. Left: Andy Boatright.

- Paul Beckhusen, Coldwater Board of Public Utilities Director, was elected to a three-year term on the APPA Board of Directors representing Region 2.
- Andy Boatright, Westerville Electric Division Director, was selected by the incoming APPA Board Chairman Phyllis Currie of Pasadena, California, to serve a one-year term on the APPA Board Executive Committee. Andy is a member of the APPA Board representing Region 2.
- Wyandotte Municipal Utilities was recognized with an Energy Innovator Award for its Geothermal Energy Service program. The award recognizes innovative programs from members of APPA's Demonstration of Energy-Efficient Developments (DEED) program.
- Marc presented remarks at a breakout session dealing with the conversion from coal to natural gas generation. The well-attended session discussed both challenges and strategies.
- The APPA Legislative and Resolutions Committee took final action on three policy resolutions sponsored by either AMP or the OMEA. Two dealt with concerns regarding USEPA actions and one discussed the benefits of hydropower.

## AFEC Weekly Update

By Craig Kleinhenz – manager of power supply planning

Hot temperatures this week led to large amounts of generation from AFEC, with Tuesday through Thursday seeing load factors for the plant around 89 percent. The plant dispatched offline only one time this week (Saturday night into Sunday) as warmer weather increased overnight prices. With power prices up and natural gas prices down, this led to an \$18/MWh savings on base generation and \$12 savings on duct fire generation dispatch cost compared to the Day Ahead 5x16 price. Next week, high temperatures are expected to be in the mid 80s, resulting in lower loads. This will most likely result in the plant dispatching offline during the overnight hours this weekend and possibly some nights next week.

## On Peak (16 hour) prices into AEP/Dayton Hub

### Week ending June 22

| MON     | TUE     | WED     | THU     | FRI     |
|---------|---------|---------|---------|---------|
| \$34.50 | \$40.75 | \$61.00 | \$91.00 | \$37.75 |

### Week ending June 15

| MON     | TUE     | WED     | THU     | FRI     |
|---------|---------|---------|---------|---------|
| \$39.25 | \$30.50 | \$27.75 | \$28.50 | \$32.00 |

AEP/Dayton 2012 5x16 price as of June 22 — \$41.53

AEP/Dayton 2012 5x16 price as of June 15 — \$39.50

## Heat moves prices upward

By Craig Kleinhenz

Hot weather this week did little to affect natural gas prices, even though Midwest and East Coast saw temperatures in the mid 90s for several days this week. Those temperatures were fairly short-lived as the next couple of weeks are expected to bring milder weather. July gas prices rose slightly this week to close yesterday up \$0.09 / MMBtu to end at \$2.58 / MMBtu. Electric prices finally caught up to the last two weeks of natural gas price increases. 2013 on-peak electric prices at AD Hub finished yesterday up \$2.03 / MWh from last week closing yesterday at \$41.53 / MWh.

## Lineworker class graduates

By Bob Rumbaugh—energy services consultant

Seven employees from five member communities graduated from AMP's Intermediate Lineworker Training course on Friday, June 22. The weeklong program consisted of classroom work including safety, metering and transformer training. The program also featured hands-on sessions including double-circuit pole replacement, re-conductoring and pole-top and bucket rescue. Participants included (from left, in the photo below) Bob Rumbaugh, instructor; Gary Shultz, instructor; Nathan Schnarr and John Jones of Wapakoneta; Scott Hicks of Waynesfield; Justin Rupp of Bryan; Daniel Tucker and Steven Barone of Coldwater; Tom Terek of Grove City; and Roger Dean, instructor.

AMP originally scheduled the remaining Advanced and Basic 2 sessions for the fall, but due to higher levels of member interest, a second Advanced course was added for the week of August 6. There are six spots still available for this course and four spots open in the Basic 2 course set for the week of Sept. 10. More information on upcoming lineworker training sessions is available by calling Michelle Palmer at 614.540.0924 or sending an email to mpalmer@amppartners.org.



## Efficiency Smart provides value-added services to its participants

By Carrie Hoover – public affairs and communications manager, Efficiency Smart

Many AMP members may be aware of the incentives Efficiency Smart regularly provides to your customers, such as rebates for both residential and business energy consumers, but did you know Efficiency Smart's services extend well beyond incentives?

Efficiency Smart helps participants become more energy-efficient and offers technical knowledge and analyses on potential projects.

Tim Stearns, a senior energy consultant for Efficiency Smart, and Efficiency Smart Key Account Manager Mike Jackson recently worked with the Cuyahoga Falls Fire Department to choose a new rooftop packaged HVAC unit (RTU) for their firehouse. After reviewing the proposal from the city's current HVAC maintenance contractor, Efficiency Smart recommended the fire department solicit multiple bids for the project, specifying a high-efficiency RTU with dual enthalpy economizers on their Request for Proposal (RFP) to maximize energy savings potential.

At the request of the fire chief, Efficiency Smart developed the language and specifications for the RFP and enlisted the help



of a local HVAC contractor to conduct an energy load study

of the building. This resulted in the "right-sizing" of the new RTU down to 15 tons of cooling to save on costs and maximize efficiency.

Stearns also recently assisted one of Cleveland Public Power's (CPP) industrial customers in making a solid business case for implementing a compressed air project. Taking several factors into consideration, Stearns analyzed six different system configurations to determine which option would provide the greatest energy savings and cost the least to operate. The system he recommended is expected to cost less than half the average hourly cost to operate as the existing system, save \$153,702 annually, and have a simple payback (the time it takes to recoup project costs) of 4.9 years. As a result of the project, CPP will avoid generating approximately 1,802,000 kWh of electricity annually.

Efficiency Smart's other energy consultants have also found ways to add value to customers. Energy Consultant Justin Kale has conducted a post-installation inspection and found that several energy efficiency measures listed in the contractor scope of work were not actually installed. While customers manage their regular business activities and contractors move between jobs, some oversights may occur. In these situations, Efficiency Smart's energy consultants provide the customer an independent review of project installation and are able to work with them to rectify the issues.

When conducting post-installation visits, Efficiency Smart's energy consultants try to offer additional guidance on no-cost and low-cost ways for the business to gain efficiency and save money, as well as advice on which energy efficiency projects would be most beneficial for the company to take on next. Kale once saved a company more than \$7,000 a year in less than five minutes by closing an open valve.

Whether assisting industrial customers in process engineering, providing information and assistance on tax credits, or educating customers on new lighting legislation, our staff regularly looks for ways to add value through routine engagement and detailed support. Efficiency Smart is committed to helping you and your customers become more energy-efficient.

For more information on Efficiency Smart, please email me at [choover@veic.org](mailto:choover@veic.org).

## 'Playful City' of Williamstown in AMP's Member Web Spotlight

By Greg Grant – director of publications

Williamstown, Kentucky, the city where you can "experience southern hospitality where it all begins," is the latest AMP member community to find itself in the AMP Member Web Spotlight on the [amp-partners.org](http://amp-partners.org) home page.

This northern Kentucky city of 3,500, which celebrated the Kentucky Derby last month with its own Derby Day Festival and Derby Dash Run/Walk, was recently designated as a 2012 Playful City USA community by KABOOM! The Spotlight highlights the recreational and historical attractions that helped Williamstown earn that honor and make it a popular recreational destination.

While you're visiting Member Spotlight, take a little time to get to know some of the other AMP member communities better, such as Bedford, Virginia, home of the National D-Day Memorial; or Coldwater, Michigan, a growing community in a county boasting 101 lakes. The archives include profiles of 18 member communities across the AMP footprint.

If your community would like to be featured, please contact me at [ggrant@amppartners.org](mailto:ggrant@amppartners.org) or Bethany Kiser at [bkiser@amppartners.org](mailto:bkiser@amppartners.org).



The City of Williamstown, which has been a member of AMP since 2008, provides services including high-speed wireless Internet, cable, water, sewer and electric to its residents.



## News or Ads?

Call Krista Selvage at 614.540.6407 or email to [kbselvage@amppartners.org](mailto:kbselvage@amppartners.org) if you would like to pass along news or ads.



### American Municipal Power seeks deputy general counsel

American Municipal Power, Inc., (AMP) is seeking a deputy general counsel to help build an in-house legal group to support our organizational growth.

AMP is a service provider and wholesale electric power supplier for 129 members – 128 member municipal electric communities in Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia, as well as the Delaware Municipal Electric Corporation.

The deputy general counsel will assist the general counsel in addressing legal matters for AMP and its Affiliates including, but not limited to: records policies and practices; contract administration; advising staff on drafting and negotiating contracts and purchase orders; and maintaining communication with member municipalities and their counsel as well as with national and industry organizations' counsels on legal matters.

The candidate must possess excellent strategic planning, leadership, organizational, communication, and analytical skills and demonstrate the ability to meet multiple deadlines. Must have superior educational credentials and be admitted to the practice of law in the State of Ohio or eligible for such admittance in a reasonable time.

Experience and knowledge in one or more of the following areas of the law is required: complex commercial contracts and transactions; energy/utilities; public/municipal; regulatory; asset sale and purchase; nonprofit law; taxation; and construction.

We offer a liberal benefit package including participation in the OPERS retirement system.

For the complete description of this position, please visit our website at [www.amppartners.org](http://www.amppartners.org) or contact us by email at [jpawlak@amppartners.org](mailto:jpawlak@amppartners.org) EOE.

### Danville seeks assistant city manager of utilities candidates

The City of Danville (45,000) seeks an energetic, proactive, creative leader to manage Danville Utilities, a municipal provider of electric, gas, water, wastewater, and telecommunications services in a 500-square mile territory.

Appointed by and reporting directly to the City Manager, the Assistant City Manager of Utilities is responsible for leading a progressive organization that delivers exceptional customer service, operates effectively and efficiently, maintains a world class workforce, contributes to developing Danville's new economy, and meets environmental and community responsibilities.

Danville Utilities serves 42,000 electric meters, 16,000 gas meters, and 18,000 water meters. Its open access fiber optic telecommunications system serves 200 municipal, school, and business locations. Fiber-to-the-neighborhood deployments are now under way. The Utilities Department employs 174 and operates on a \$166 million annual budget. A City Council-appointed Utility Commission provides policy oversight.

Position requires a bachelor's degree in engineering, public administration, business, or related field; masters degree in public or business administration is preferred. Extensive experience in utilities, public works, or local government management is required.

Salary range: \$90,429 - \$120,000, DOQ, plus generous fringe benefits package. Visit our website to apply online [www.danville-va.gov](http://www.danville-va.gov) Attach cover letter, detailed resume, credentials, and salary history. Position will remain open until filled. City Residency is required. All submissions are confidential. For additional information on Danville Utilities, please visit [www.danvilleutilities.com](http://www.danvilleutilities.com). Equal Opportunity Employer.

### Village administrator position available in Edgerton, Ohio

The Village of Edgerton, Ohio, is seeking candidates for the position of Village Administrator. The person appointed will report to the Mayor and will provide general administrative direction; supervise personnel; advise employees on proper procedures; direct the operation for all utility, street, park, zoning activities; and perform economic development and grant writing activities. A complete job description is available by contacting the Village of Edgerton, Fiscal Officer, at 419/298-2722.

The candidate should have a high school diploma or GED, college level course work in public or business administration (or other course work that may be relevant to the position), management experience, and some experience with municipal government and/or public utility operations. A valid driver's license required. Salary commensurate with qualifications and experience. Please submit resume to Fiscal Officer, Village of Edgerton, P O Box 609, 217 East River Street, Edgerton OH 43517. Interested individuals are asked to submit a cover letter and resume by 4 p.m. on Friday, July 13th, 2012. The Village of Edgerton is an Equal Opportunity Employer.

### Applications for broadband technician are being sought

The Princeton Electric Plant Board in Princeton, K.Y. is currently seeking applicants for broadband technician. The primary goal of the broadband technician is to provide and maintain high quality and reliable service to all PEPB wireless and fiber internet customers. The position is responsible for all aspects of the operation and maintenance of the wireless and fiber internet, AMI (TWACS), and SCADA system.

Qualifications of the successful applicant will include an associate degree (AA) from a college or technical school or equivalent, completion of a certified program is preferred, a minimum of five years experience, a valid KY driver's license, and have the ability to become certified by wireless and fiber broadband equipment providers.

This position requires 24 hour standby rotation and relocation to within an 8 mile radius of the Caldwell County Courthouse. The position requires frequent travel to customer's homes and businesses, exposure to heights, and exposure to extreme weather conditions.

Candidates for this position must be physically, mentally, and psychologically able to perform all of the required duties. Position requires physical strength, finger and limb dexterity, and mobility. Candidates must have the ability to work off of a ladder or other structures at various elevations, or work in confined locations such as a crawl space for extended periods of time. Candidates must also be able to lift and relocate materials weighing up to 90 pounds.

The Princeton Electric Plant Board is an EEO/mf employer that offers a competitive compensation and benefits package including paid vacation, sick leave, and participation in the Kentucky County Employees Retirement system. This is a full time 40 hour per week position.

Pre-employment testing will be required of the successful applicant. Applications will be filed with John Humphries, Princeton Electric Plant Board, P.O. Box 608, Princeton, Kentucky 42445. Deadline for filing of application is June 30, 2012.