

JACKSON CITY COUNCIL  
Regular Session  
February 9, 2009  
7:00 p.m.

Call to Order..... President Speakman  
Pledge of Allegiance..... Mr. Eric Brown  
Opening Prayer..... Mr. Wiggins

Roll Call

Approval of Minutes

January 26, 2009, regular session  
February 3, 2009 special session

VISITORS

COMMITTEE REPORTS:

- Utility
- Budget & Finance
- Police, Fire & Traffic
- Service
- Railroad
- Building/Recreation
- Council Rules Committee
- City Auditor
- Law Director
- Mayor
- Service/Safety Director

ORDINANCES AND RESOLUTIONS

CORRESPONDENCE

OLD BUSINESS

NEW BUSINESS

ADJOURN

**JACKSON CITY COUNCIL**

*Minutes from*  
January 26, 2009  
7:00 p.m.  
Regular Session

Jackson City Council met in regular session on Monday, January 26, 2009 at 7:00 p.m. at the Jackson City Council chambers. President Ron Speakman called the meeting to order. The Pledge of Allegiance was given, led by Mr. Adams. The Prayer was given, led by Mr. Wiggins.

A roll call was taken as follows:

- Mr. Evans – present
- Mr. Adams – present
- Mr. Eric Brown – present
- Mr. Smith – present
- Mr. Cary Brown – present
- Mr. Elliott - present
- Mr. Wiggins – present

Mr. Smith made a motion to approve the minutes from January 12, 2009, seconded by Mr. Cary Brown. In a voice vote, all Council agreed.

**VISITORS**

**COMMITTEE REPORTS**

UTILITY – No Report

BUDGET & FINANCE - No Report

POLICE, FIRE & TRAFFIC – No Report

SERVICE – No Report

RAILROAD – No Report

BUILDING/RECREATION – No Report

COUNCIL RULES – No Report

**CITY AUDITOR**

Mr. Humphreys highlighted areas of the report he passed out to each Council member. Mrs. Sexton explained that we had met AMP Ohio bond requirements, waiting on financial statement to receive final approval. Mr. Wiggins asked if the large sums of money in different banks were protected. Mr. Humphreys stated all city funds are insured.

**LAW DIRECTOR**

Mr. Detty highlighted his report that he passed out to each member (see attached). There will be a jail contract to be addressed at a future date, still in process. Mr. Wiggins complimented Mr. Detty stating written reports are excellent.

Mr. Humphreys did remind Council that the bill will be due on the Berridge Property in May.

**MAYOR**

Mayor Heath gave his State of the City Address, see attached.

SAFETY/SERVICE DIRECTOR

Mr. Sheward stated a special meeting will be required for the Ohio Public Works Grant. Within the next few weeks the Building/Grounds committee will need to meet to discuss elevator for the Memorial Building. Did meet with the Fire Department to discuss the proposed storage building, have met with the engineers. The utility committee will need to meet to discuss the energy savings; there are three or four vendors to review. Mr. Eric Brown stated the information will then be passed on to the service committee or there could be a joint meeting.

**ORINANCES AND RESOLUTIONS**

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ORDINANCE NO. 06-09

AN ORDINANCE FINDING THE LOWEST RESPONSIBLE AND RESPONSIVE BID, PENDING APPROVAL OF THE OPWC REQUIREMENTS, AWARDDING THE CONTRACT FOR THE ROUTE 93 WATERLINE PROJECT TO MIKE ENYART & SONS, INC., 408 SOLIDA ROAD, SOUTH POINT, OHIO 45680, AND DECLARING AN EMERGENCY.

Second Reading

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ORDINANCE NO. 08-09

AN ORDINANCE TO ALLOW ONLY THE CITY OF JACKSON, OHIO TO AGGREGATE DEMAND RESPONSE OF RETAIL CUSTOMERS IN ACCORDANCE WITH FERC ORDER 719 AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH, AND DECLARING AN EMERGENCY.

Second Reading

Mr. Smith made a motion to suspend the rules, seconded by Mr. Eric Brown. In a roll call vote, Council voted as follows:

- Mr. Evans – yes
- Mr. Adams –yes
- Mr. Eric Brown – yes
- Mr. Smith – yes
- Mr. Cary Brown – yes
- Mr. Elliott – yes
- Mr. Wiggins – yes

In a roll vote to adopt the ordinance, Council voted as follows:

- Mr. Evans – yes
- Mr. Adams –yes
- Mr. Eric Brown – yes
- Mr. Smith – yes
- Mr. Cary Brown – yes
- Mr. Elliott – yes
- Mr. Wiggins – yes

ORDINANCE NO. 08-09 DULY ADOPTED

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ORDINANCE NO. 10-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE ELECTRIC FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Smith made a motion to adopt the ordinance, seconded by Mr. Elliott. In a voice vote, all Council agreed.

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ORDINANCE NO. 11-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE STORM WATER UTILITY FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Evans made a motion to adopt the ordinance, seconded by Mr. Elliott. In a voice vote, all Council agreed.

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ORDINANCE NO. 12-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE RAILROAD FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Wiggins made a motion to adopt the ordinance, seconded by Mr. Smith. In a voice vote, all Council agreed.

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ORDINANCE NO. 13-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE PROGRAM INCOME FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Eric Brown made a motion to adopt the ordinance, seconded by Mr. Evans. In a voice vote all Council agreed.

Mr. Smith made a motion to amend account numbers, seconded by Mr. Elliott. In a voice vote, all Council agreed.

Mr. Evans made a motion to suspend the rules, seconded by Mr. Wiggins. In a roll call vote, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

ORDINANCE NO. 13-09 DULY ADOPTED

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ORDINANCE NO. 14-09

AN ORDINANCE APPROVING THE ADVANCEMENT OF FUNDS, AND DECLARING AN EMERGENCY.

First Reading

Mr. Wiggins made a motion to adopt the ordinance, seconded by Mr. Elliott. In a voice vote, all Council agreed.

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ORDINANCE NO. 15-09

AN ORDINANCE TRANSFERRING APPROPRIATIONS, AND DECLARING AN EMERGENCY.

First Reading

Mr. Wiggins made a motion to adopt the ordinance, seconded by Mr. Smith. In a voice vote, all Council agreed.

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ORDINANCE NO. 16-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE PROGRAM (HOME) INCOME FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Adams made a motion to adopt the ordinance, seconded by Mr. Evans. In a voice vote, all Council agreed.

Mr. Wiggins made a motion to correct the account numbers, seconded by Mr. Elliott. In a voice vote, all Council agreed.

Mr. Evans made a motion to suspend the rules, seconded by Mr. Elliott. In a roll call vote, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

ORDINANCE NO. 16-09 DULY ADOPTED

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ORDINANCE NO. 17-09

AN ORDINANCE APPROVING THE ADVANCEMENT OF FUNDS, AND DECLARING AN EMERGENCY.

First Reading

Mr. Adams made a motion to adopt the ordinance, seconded by Mr. Eric Brown. In a voice vote, all Council agreed.

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ORDINANCE NO. 18-09

AN ORDINANCE APPROVING ADDITIONAL APPROPRIATIONS IN THE LILLIAN JONES MUSEUM OPERATING FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Eric Brown made a motion to adopt the ordinance, seconded by Mr. Smith. In a voice vote, all Council agreed.

Mr. Smith made a motion to correct the account numbers, seconded by Mr. Elliott. In a voice vote, all Council agreed.

Mr. Eric Brown made a motion to suspend the rules, seconded by Mr. Smith. In a roll call vote, Council voted as follows:

Mr. Evans -- yes  
Mr. Adams --yes  
Mr. Eric Brown -- yes  
Mr. Smith -- yes  
Mr. Cary Brown -- yes  
Mr. Elliott -- yes  
Mr. Wiggins -- yes

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Evans -- yes  
Mr. Adams --yes  
Mr. Eric Brown -- yes  
Mr. Smith -- yes  
Mr. Cary Brown -- yes  
Mr. Elliott -- yes  
Mr. Wiggins -- yes

ORDINANCE NO. 18-09 DULY ADOPTED

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ORDINANCE NO. 19-09

AN ORDINANCE FINDING GOOD CAUSE FOR NARROWING AN ALLEY, AND NARROWING THE ALLEY RUNNING IN A GENERAL NORTH AND SOUTH DIRECTION, EXTENDING FROM BROADWAY STREET IN A SOUTHERLY DIRECTION TO TRIUMPH STREET, AND BEING ALONG THE EAST PROPERTY LINE OF THE JAMES CEMETARY, IN THE CITY OF JACKSON, OHIO AND DECLARING AN EMERGENCY.

First Reading

Mr. Elliott made a motion to adopt the ordinance, seconded by Mr. Wiggins. In a voice vote, all Council agreed.

Mr. Detty stated this ordinance was lacking the legal description.

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ORDINANCE NO. 20-09

AN ORDINANCE TO AUTHORIZE THE LAW DIRECTOR TO TAKE NECESSARY LEGAL ACTION TO CLEAR TITLE TO THE JAMES CEMETARY PROPERTY, AND DECLARING AN EMERGENCY.

First Reading

Mr. Elliott made a motion to adopt the ordinance, seconded by Mr. Wiggins. In a voice vote, all Council agreed.

Mr. Evans made a motion to suspend the rules, seconded by Mr. Smith. In a roll call vote, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

ORDINANCE NO. 20-09 DULY ADOPTED

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RESOLUTION NO. 01-09

A RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR.

First Reading

Mr. Adams made a motion to adopt the resolution, seconded by Mr. Evans. In a voice vote, all Council agreed.

Mrs. Sexton explained this is levy information.

Mr. Smith made a motion to suspend the rules, seconded by Mr. Elliott. In a roll call vote, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Evans – yes  
Mr. Adams –yes  
Mr. Eric Brown – yes  
Mr. Smith – yes  
Mr. Cary Brown – yes  
Mr. Elliott – yes  
Mr. Wiggins – yes

RESOLUTION NO. 1-09 DULY ADOPTED

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**CORRESPONDENCE**

**OLD BUSINESS**

**NEW BUSINESS**

**ADJOURN**

Mr. Evans made a motion to adjourn, seconded by Mr. Smith. In a voice vote, all Council agreed.  
Council adjourned at 8:10 p.m.

Tera Brown  
Tera Brown  
Clerk  
Date 2-9-09

Ron Speakman  
Ron Speakman  
Council President  
Date 2-9-09



# JOHN L. "JACK" DETTY

Jackson City Law Director

145 Broadway Street

Jackson, Ohio 45640

Phone: 740-286-2201

Fax: 740-286-3492

[jdetty@jacksonohio.us](mailto:jdetty@jacksonohio.us)

*Jackson City Council*

*January 26, 2009*

## *REPORT OF THE LAW DIRECTOR*

The following is the Report of the Law Director:

- **PROPOSED JAIL AGREEMENT FOR 2009**
  - I am still awaiting the proposed agreement between the Jackson County Sheriff and the City. Until this is received we cannot review the matter to make any decisions.
  - As more information becomes available I will keep you advised.
  
- **COLLECTIONS OF OLD UTILITY ACCOUNTS**
  - At the last meeting I reported on the collection efforts on past due utility accounts. At that time there were several additional questions.
  - At this time we are trying to collect through Ohio Valley Recovery Services (OVRs) a total of \$190,520. Of course, these are the bottom accounts, the most difficult ones to collect.
  - At this time the individuals have not been reported to the credit bureau, but OVRs will look into this as a possibility. I will report back when they advise me further.
  - Judgments we have so far total \$6,027.55. This is money the Court has awarded a judgment on, and we can proceed with collection measures that may be available.
  - I will periodically report any updates on this matter.
  
- **JAMES CEMETERY**
  - On Friday, January 23, 2009, I met with Councilman Jeff Elliott, Anthony Cohan, and Dana Exline concerning the James Cemetery.

- The cemetery is owned by the City of Jackson. As you may be aware, the historical society has received a grant for improvements to the cemetery.
- There are some property line problems with the property, and it was decided at the meeting that two actions will need to occur:
  - On the west side of the property the 16.5 alley needs to be reduced by 4.5 feet, making the alley 12 feet in width. This should not in any way affect the adjoining property owners, as the alley will remain in existence as it currently stand. In accordance with Councilman Elliott's request there is a late ordinance for tonight's meeting to narrow the alley.
  - There is a small triangular strip on the east side of the property that apparently has no owners of record. The triangular strip is used for cemetery purposes. In order to clear up this issue it may be necessary to proceed with a quiet title action. Per Councilman Elliott's directive I have included a late ordinance authorizing the law director to take necessary legal action to settle title issues concerning this property.
- As this matter proceeds I will keep you updated.

## • **APPLE TOWER LEASE**

- For several months the administration, Tom Woltz, and myself have been working on a possible lease of space on the downtown Apple Water Tower with a telecommunication company.
- We may have finally come to a possible agreement.
- Hopefully at the next meeting a lease agreement will be presented for your consideration, and approval or rejection.

## • **FERC ORDER 719 – ORDINANCE 8-09**

- At the last meeting we had first reading on Ordinance 8-09, concerning FERC Order 719. At that time I informed you I would talk with John Bentine, legal counsel for AMP-OHIO concerning this ordinance.
- I have spoken with Mr. Bentine. Attached you will find an email from Mr. Bentine's firm concerning this issue, as well as a power point presentation which addresses the issue.
- The short version as to why we should pass this ordinance is it will allow the City to maintain control over issues concerning the electric system, and prevent some third party from coming in making decisions for us.
- It is the recommendation of Mr. Bentine that we adopt this ordinance as soon as possible.

- **OPINION RE COMPUTER RECORDS**

- I will hopefully have a written opinion on this issue by the second meeting in February.

*If at any time you have any questions or would like to discuss any issues with me please feel free to stop by my office, or call me at 710-1214.*

*John L. "Jack" Detty*

## John "Jack" Detty

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**From:** Kristine E. Marsh [kmarsh@cwslaw.com] on behalf of Matthew White [mwhite@cwslaw.com]  
**Sent:** Thursday, January 22, 2009 4:50 PM  
**Subject:** FW: Model ARC Ordinance/Regulation for Use by Public Power Systems

**Attachments:** \_AVG certification\_.txt



\_AVG  
certification\_.txt (282 KB)

Dear AMP-Ohio Members and Legal Counsel, As a follow up to the previous information we sent you regarding FERC Order 719, attached is an email from the American Public Power Association ("APPA") about the importance of passing an ordinance in response to FERC Order 719 as soon as possible. Please contact John Bentine (jbentine@cwslaw.com, 614-334-6121), Pam Sullivan (psullivan@amp-ohio.org, 614-337-6222) or I if you have any questions.

If you have already received this information from the APPA list serve, we apologize for the redundancy.

Matt White  
Chester Willcox & Saxbe  
614-334-6172  
mwhite@cwslaw.com

-----Original Message-----

**From:** Kelly, Sue [SKelly@APPANET.ORG]  
**Sent:** Wednesday, January 21, 2009 3:43 PM  
**To:** LEGAL-L@LIST.APPANET.ORG  
**Subject:** FW: Model ARC Ordinance/Regulation for Use by Public Power Systems

Dear Members of the APPA FERC and Legal Listserves:

On January 9, 2009, I sent out to the FERC and Legal Listserves the final work product of the ARC Ordinance Working Group. (I have included the email I sent below to jog your memory, although I have omitted the attachments due to their length.) I am writing this follow-up email for two purposes. First, we are urging public power systems in RTO regions to consider this issue sooner rather than later. We have been hearing reports that ARCs are already out signing up the demand response of large end use customers served by some public power systems. If this happens, then the system in question has to face the additional legal issue of whether its ordinance/law/regulation would have retroactive effect. Second, I am asking that as APPA members act in response to this issue, that you send me a copy of whatever ordinance/law/regulation your system develops and passes. Similarly, if you consider this issue but decide on balance not to take any affirmative action, I would like to know that too. This way, I can assemble a library of ordinances/analyses that can be of benefit to other members.

Thanks for your cooperation, and let me know if you have questions.

Best Regards,  
Sue Kelly  
202-467-2933

**From:** Kelly, Sue  
**Sent:** Friday, January 09, 2009 3:59 PM  
**To:** 'Legal Issues list'  
**Subject:** Model ARC Ordinance/Regulation for Use by Public Power Systems Dear Members of the APPA FERC and Legal Listserves:

As discussed in the email chain set out below (for purposes of context), I am enclosing the package of documents developed by the volunteer attorneys that participated in the Aggregator of Retail Customers (ARC) Ordinance Working Group. I first want to thank from the bottom of my heart the members of the group:

Tony Braun, Braun and Blaising/CMUA

Mike Curtis, AZ Municipal Power Users' Association  
Bob Lynch, Robert Lynch and Associates  
Richard Heinemann, Boardman Law Firm  
John Ferriter, Ferriter and Ferriter  
Tom Rudebush, Duncan Weinberg  
John Adragna, Miller, Balis and O'Neil  
Kevin Conoscenti, Miller, Balis and O'Neil  
Freddi Greenberg, Esq.

Mark Yurick, Chester, Willcox and Saxbe  
Matt White, Chester, Willcox and Saxbe  
Will Huang, Spiegel and McDiarmid

Special kudos go to our primary drafters: John Adragna/Kevin Conoscenti, Will Huang and Tony Braun. The next time you see them, give them a big thank you. This project would not have gotten done without their yeoman's work.

There are five documents in the package: (1) an explanatory memo for local utility officials and legal counsel; (2) an executive summary for higher level policy makers, such as city council members; (3) a checklist for those drafting the ordinance/regulation; (4) a model ordinance/regulation; and (5) a model cover letter to the relevant RTO enclosing the ordinance/regulation.

This matter is most pressing for APPA members located in RTO regions, given that their RTOs are now developing procedures for aggregation of retail customers by third party ARCs, which the RTOs will have to file with FERC. But given the general direction of FERC policy, and the renewed emphasis now being put on demand response, it makes sense for all public power systems to review their demand response policies and programs, and consider whether they need to make changes to them.

If you have any questions regarding these materials, please let me know, or consult your own FERC counsel/guru. I want to once again remind you that if you hit reply to this email, it will go to everyone on the list serve; if you want to respond only to me, forward to [skelly@appanet.org](mailto:skelly@appanet.org).

There will no doubt be innumerable local, state and RTO-specific wrinkles that will require accommodation and language adjustments; therefore, these documents are NOT to be considered legal advice, and are provided for your education only.

Best regards to all...  
Sue Kelly  
202-467-2933

FERC Order 719

Aggregators of Retail  
Customers

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January 2009



# Order 719

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- FERC Order 719 issued October 17, 2008
- Rule affecting wholesale electric markets operated by RTOs (PJM and MISO)
- One issue from order is demand response participation in RTO markets

# Demand Response

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- For this discussion Demand Response means:
  - Interruptible load
  - Behind the meter generator (generator behind retail commercial and industrial meter and not monitored by the RTO)
  - Energy efficiency



# ARC

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- FERC created new term: Aggregator of Retail Customers (ARC)
- ARC is a third-party entity that combines the loads of individual retail customers (i.e., including retail customers of a municipal utility) to bid into the wholesale demand response program of an RTO
- ARC would be paid by RTO for demand response
- ARC will likely share a portion of RTO payment with aggregated customers and keep the rest

# Considerations

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- Municipal can offer commercial customers similar program and keep entire payment from RTO in the community

ARC will keep higher percentage of RTO payments

- Possibility municipals could be in middle of ARC vs. retail customer contract disputes
- ARC “cherry picking” of larger customers may make municipal demand response programs uneconomical
- Market scheduling issues: ARC may not cooperate with AMP-Ohio or municipal resulting in cost to municipals
- Potential for increased costs to municipalities that allow such aggregation (i.e., detailed in APPA memo)

# Inhibiting ARCs

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- FERC order established opt-out option
- ▬ If a municipal does not want ARCs to have access to customers, must take affirmative action
- To disallow ARCs, regulatory authority must adopt an ordinance or regulation prohibiting ARCs in its service territory, without permission from the municipal utility
- Council adoption of ordinance should happen sooner rather than later to avoid any possible disputes



# Draft Ordinance/Regulation

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- APPA task force drafted an ordinance/resolution for member use
- AMP-Ohio legal counsel participated in APPA task force but has modified the APPA document for AMP-Ohio member use
- Document along with explanation of issue was sent to member legal advisors on January 6, 2009



# AMMP-Ohio/Municipal Programs

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- AMMP-Ohio has been working with members to develop programs that municipal members can offer to retail customers. Elements include interruptible load and behind the meter generation. Two contracts required:
  - Contract between AMMP-Ohio and Municipal Member
  - Sample contract between Municipal and commercial customer with interruptible load or behind-the-meter generation
- AMMP-Ohio implementing energy efficiency program for members



## More information...

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- Contact Mike Migliore at AMP-Ohio for information on Demand Response contracts
- Contact Bob DeWitt at AMP-Ohio for information on Energy Efficiency Programs

# STATE OF THE CITY – 2009

Council president Speakman, members of city council, those present in this room, citizens of the city of Jackson,

Just as I opened my State Of The City Address one year ago, I reiterate there can be no greater honor than to stand before you, my fellow citizens, and portray to you what I believe to be the state of our city as we move forward now into 2009 and just as importantly, beyond.

Each one of us at this table has an awesome responsibility. We have accepted the call of our friends, neighbors and each and every one of our residents to bring about a quality of life that makes us all proud to call Jackson our home.

We have taken a special journey together these past 12 months. We have all experienced the great joys, obligations and burdens being a public servant brings. I am sure each of you, as have I, has searched your soul on many occasions to ensure you were making the right decisions for all the right reasons. Responsibility can be an awesome and many times difficult charge.

When I was elected mayor, I felt my number one mandate for 2008 was to bring responsibility and stability to our city government. Whether it be in the overall financial structure of our city government, in the financing of our utility systems or in the daily decisions we make for the betterment of our community and our citizens both for today and tomorrow, I felt these principles had to be established before any other successes could be realized.

The citizens had to be informed of the truth regarding our city, the whole truth and nothing but the truth. All of us had to responsibly outline the challenges we faced and the tough decisions that would have to be made to successfully overcome them.

Unfortunately, it is possible this information contained facts and figures some members of the public did not want to hear, because the actions needed to resolve those situations would not be easy or inexpensive, but such was our responsibility.

Of course, the most critical of these areas was the funding of our utility systems. Many had been led to believe utility funds were secure and the balances were sound, there was credence to the allegations citizens should be paying less for utilities rather than more and there was justification for reducing utility rates rather than having them increase.

But it wasn't long before we all found out just telling the citizens what they wanted to hear rather than what they responsibly needed to know had become very costly.

From 2004 through 2007, our sewer, water and electric funds had expenditures over revenues of \$5,776,383, or 44 percent of the city's surplus in those funds, and the constant manipulation of fund numbers concealed the real dangers in these funds.

The water fund was losing an estimated \$28,000 a month and faced potential bankruptcy sometime this year. But because we had based water rate decisions in 2004 on questionable political insinuations and elected to tell people only what they desired to hear, rather than following independent, professional recommendations and informing our citizens of what they needed to hear, a 2008 study recommended the city might now need as much as a 31 percent increase in its base fee for water service to reconcile those previous decisions. The increase we did institute was fortunately much lower and hopefully, we can continue to avoid such a drastic measure.

Then in May, we learned that in late 2007 a billing miscommunication between our electric supplier and the city resulted in an under collection of more than an additional \$2 million for an electric system and its customers that were already burdened with having to ultimately pay \$5.9 million for an electric sub-station the customers had already paid for once before.

The result was most likely the closest scrutiny of our utility system funding in the history of our city. These issues were debated and re-debated. City administration and council members alike learned more than we thought we could in regards to these issues. Each member found out how incredibly complex these issues were and why it took lengthy explanations for the citizens to be apprised of the entire scenario. There simply were no simple explanations.

As a result, this city council was summoned to courageously make some of the toughest decisions any city council, especially one with five newly elected members, will ever have to make. In the toughest of times, for the benefit of all of our citizens, all personal considerations were placed aside to do what was in the best interest of our city.

As human beings, we all have emotions, reactions, opinions, and we all have reacted with spur of the moment decisions. In the end, though, during our 12 months together, we have come to our conclusions, I believe, with forethought and insightfulness, knowledge and vigilance, and finalized outcomes that were truly the ones in the best interest of our citizens, regardless of any personal or political implications to ourselves, for which we can be most proud.

This is why I have thoroughly enjoyed, cherished and been proud to work with this city council. I know at times it has been stressful, overwhelming and frustrating for all, but the future of city's utility system was at stake and each one of you can be very proud you had the courage to step forth on behalf of all of our citizens and make the decisions necessary to help return financial stability to these vital operations.



Another mandate I felt essential was to have stability in our workforce, that our employees understood what was expected of them. I wanted to make sure they understood our mission was to serve the citizens, not one over another or one less than another, put in a good day's work every day and leave feeling they had positively impacted the life of another human being.

And our workforce is more than stable; they are dedicated and very knowledgeable as to their tasks. A good number of our employees have many years of invaluable experience and many have specialized training with the required licenses and certificates needed to perform their duties.

I am very proud of our city's workforce and very confident of their ability to fulfill those duties. I truly believe whatever situation might present itself to our city can be handled by our employees. They are well compensated for their duties, but also have performed their duties well. And if there was an emergency in our city, no matter how catastrophic, I can't think of another city workforce I would rather have dealing with it and protecting our citizens than the workforce we have.

This year, we will begin negotiations with the first of our three unions to come to an agreement on new contracts. It will be the mission of this administration, this council and our employees to come to terms with what we can all agree are acceptable terms and compensation for their employment within the city of Jackson.

Of course, several city departments are not working with a full compliment of employees as our administration has tried to cut the costs of operating our city.

For example, the street and alley department is working two full-time employees under their full compliment of workers, yet when the grass needs mowed in the summer or the streets need cleared here in the winter, they still respond with a most credible effort.

By not filling an upcoming vacancy in our police department, we will have four less patrolmen than we did when I became a city council member in 2000. The city was utilizing a couple of grants to help a portion of some salaries then, but still we are fewer now than we were then.

Of course, the image of our police department will always be tarnished as a result of those police grants when Mr. Petro questioned how the \$340,000 of the police grants were allocated, insinuating potentially none of the police grants were spent properly. What Mr. Petro failed to come back and tell us or the state of Ohio, though, was the only amount spent that could **not** be justified was \$105.44, meaning \$339,894.56 was not questioned by the federal granting agency. It is a terrible shame our officers will always have to live with this blackened image from such a horrible misrepresentation.

But we are overcoming the misrepresentations of the past and continue to effectively cut our costs while serving the needs of our citizens. As I pointed out last October at that time, 18 of our city's primary funds for the year were under budget in their operation and maintenance line items from what was budgeted for.

Hopefully we will be able to reflect this with lower budgetary requests this year.

The only two new employees hired this year by the city were a police dispatcher and an employee for the garbage department, positions that were already at minimum staffing. We did not replace an operator in the water department, and will use some overtime to cover and save money.

We cut one position out of our utility office and re-established our recycling program, which had been abandoned by the previous administration. This was very good. Trying to figure out when your recycling is to be collected, not so good. We are working diligently to set up a schedule that is simplified and understandable and will work with the local newspapers to better publicize when recycling is to be collected by having them print a list in their weekend editions listing what streets will be collected in the upcoming week.

While many, many employees deserve special praise, there are two employees, though, I want to mention specifically for their work this year.

When it was discovered we were not collecting enough for our electrical service, but did not know why, Tom Woltz jumped in and spearheaded the effort to determine where the problem was. With his extra effort and diligence, we were able to quickly pinpoint the problem and begin to remedy the situation.

As a result, we now have a number of new checks and balances in place that were not there before, checks and balances that most likely would have recognized this problem very early on if in place. These new checks and balances have already caught some minor discrepancies.

Of course, once again, the past practice prior to my becoming mayor of placing more credence on political consideration than professional recommendations helped to bring about this crippling situation in our electric fund. In 2005, a professional study of our electric billing system recommended that we readjust our base electric rate to reflect the current market average, and not be so dependent on our fuel surcharge. Again, I stress this readjusting of the base rate is not an increase in what we charge, but just reduces the fuel surcharge by moving that amount into the base rate.

I believe this is an issue our council's utility committee should review closely this year.

The second is Bill Sheward, the service-safety director for our city. Bill has done yeoman's work this year and I am so very grateful.

One of the ways to gain better stability in our city government this year, I felt, was to restore the practice of one centralized person for all superintendents and employees to go through. All financial requests must go through Bill so a better overall accounting of funds being spent can be monitored. To do this, I basically consolidated the two and one-half positions consisting of the full-time engineer-service director, the full-time chief of staff and the part-time safety director's position back into one position.

And I believe my administration has been just as efficient, if not more so, in overseeing the operation of this city as the previous set-up, even with the less manpower. And although this administrative set-up has served the city well since before World War II, I am sure the city administrations of the 1940s did not have to deal with the Environmental Protection Agency (EPA) for both the water and sewer plants, three employee unions, owning a railroad, mounting state and federal regulations that increase by the day as well as economic development and other issues.

I have tried to absorb several duties as mayor to allow Bill as much time as possible to deal with the items he is most responsible for, and although we might not have agreed on every subject, he has been a faithful servant to the people of Jackson and I thank him for his leadership and foresight into our city's operation this year.

One of the areas I directly assumed oversight of when becoming mayor was the improvement of the quality of life within our community. For both the benefit of our residents on a daily basis, as well as an invaluable tool to enhance the appearance of our community to prospective industries who might want to utilize the former Meridian building, I felt advancement in this area was critical.

If we expect someone to invest millions of dollars in us, we must show that we are willing to invest in ourselves. No one will invest in us unless we believe in ourselves to the extent we are willing to invest in ourselves as well.

Unfortunately, there were setbacks in this area almost from the beginning.

The proposed bike path project was forced to come to a standstill when it was learned the previous administration did not do the necessary engineering required for the project to move forward, and the additional projected engineering costs of nearly \$150,000 could not be justified as a result.

I am still very much committed, though, to responsibly improving and lengthening the bike path in our community, as I was the first person to propose a bike path for Jackson in 1993 as city recreation director.

I know the current trail in Eddie Jones Park in Harding Avenue is used and is popular with many people. Logistically, trying to connect Westview and Southview Elementary Schools as was initially proposed was never really a viable and cost effective idea, but I truly believe there are other more cost effective and responsible alternatives that can be utilized and we are exploring those now.

About the same time, we found out the Jackson City School System wished to terminate the agreement which allowed the city recreation department to monitor the high school's field house in the evening. This led to the elimination of the full-time city recreation director's position.

This year, I will assume these duties as both a way to further save our community money and better utilize the vast experience and knowledge I have gained in my 38-year association with municipal recreation programs. With these cost savings, I want to begin upgrading some of our summer facilities and most definitely elevate the number of participants in our summer programs.

I have full confidence this year our summer program will be the best it has been in many years. I want to again see if we can coordinate efforts with Oak Hill, Wellston and Vinton County, and soon I will be announcing the program coordinators for this summer's baseball and softball programs, as this year we will use a different coordinator for both the youth baseball and youth softball programs to give more dedicated leadership.

One area of improving our community's quality of life I did not envision working on this year ultimately became one of my primary focuses.

This summer, I disappointedly learned the proposed move of the Jackson Senior Citizen Center to the former Parkview School appeared to have died and we could soon be a community without a senior citizen's center or even potentially without our Meals On Wheels program for seniors.

I felt, as the representative of our community, I owed it to our senior citizens who have given so much for so long to find out if there was a way our city government could responsibly assist and bring the project back to life.

This has been a most complicated process. While I believe it is still possible this move could take place, there are still several hurdles I am trying to overcome in the next couple of weeks to make this happen. It is my hope to make a presentation to the Jackson City School Board at its February meeting that either moves the project forward, or sadly report that after looking at all the alternatives, this move is just not possible.

But whether we are successful in this endeavor or come up short, I believe the effort we have put forth in exploring this possibility has hopefully set a tone which will be imperative for this community to follow in the coming months if our community is to truly move forward economically in the years to come.

These are the most dubious of times both here at home and across our nation. Our country has a new leader who has inspired a unique type of exhilaration. Conversely, it is tempered by the financial commentary across our nation speaking of numbers that are incomprehensible, yet knowing they will have to affect us some way, some how.

As a result, the competition for success between individuals, businesses, industries and communities will be greater than ever. It could truly be an atmosphere of the survival of the fittest, and those who are fit, prepared and ready to move forward will reap the prosperity of the good times in the future while those who take a reactionary approach and keep waiting for someone else to do something good for them will probably still be waiting and waiting and waiting.

Those who invest in the future, believe in the future and proactively make the necessary sacrifices to ignite the future to happen for them will harvest the dreams and rewards for their faith in their fellow man, community and country.

Unfortunately, for those who chose to be reactive and not proactive and try to capitalize only on the sacrifices of others, who do not have faith, and are not forward thinking and not willing to invest, they will not gain the rewards of the future and will watch while others thrive, only hoping and wishing for what others have gained.

If we want to grow and thrive as individuals and as a community, if we want to prosper economically, if we want to find a long-term tenant for the Meridian building to bring financial prosperity to our community, we not only have to want it, we have to show it. We have to send a clear, proactive message to the industrial world that we want you and we are ready for you, that when the economy is ready to move, and business and industry does seriously invest in the future again, we have made the investments necessary to assure them it will happen for them in Jackson as well.

When the world economically begins to move a break-neck speed once more, and it will happen, there will be those who can keep up and those who will be left behind. And if we truly want to find a tenant for the Meridian building and re-establish ourselves economically, then the time has come and that time is now. The time for opportunity has arrived.

While we know it will not be easy, we must have faith in the more difficult the sacrifice, the greater the reward. And our sacrifices and challenges still remain many.

While we have encountered enough challenges this past year to advance a first year college student into a master's degree program, the challenges ahead are seemingly just as challenging and the future of this community still lies very much in our hands today.

Maybe no community in the history of Ohio has had their financial status more manipulated, scrutinized, potentially misrepresented and jumbled over the past seven years than the city of Jackson. Hopefully we have learned that just taking a 30-second snapshot with little or no perspective, without examining all of the numbers and how they compare to each other only leads to more financial travails later on. There are no easy or simple answers now or in the future.

The costs we incur as a government are not arbitrary. In many instances, what we don't pay today, we will have to pay tomorrow, and as most of our citizens know from managing their personal finances, it is not easy to pay for both yesterday and today at the same time. As we witness the struggles others have had by leading people to believe they are helping them by putting off the costs of today, we must avoid being penny-wise, and ultimately as a result pound-foolish.

Hopefully we learned from our experiences with the funding of our utilities of what happens when you lead people to believe we are saving them money when actually we are only putting off the inevitable and compounding the situation for the future. The financing of a city is ultimately a very transparent process as the facts, the true numbers will always come to the top. There is no place to hide. You can push the numbers aside temporarily, but they will never stay hidden forever.

While this administration and this city council faced the awesome task of coming to terms with the true picture of the funding of our utility system in 2008, we now face the same challenges in dealing with the funding of an equally important fund, our city's general fund.

Unlike utilities, though, where immediate adjustments can be made to bring stability to the funds, the funding for the general fund must be met with long term solutions.

As is known, one income supplementing the general fund in past years has been through rents and right-of-ways from the utilities, although the state auditor's office now concedes it has no set regulations determining what makes these payments proper or not.

Conversely, in 2008, because of the tremendous shortfalls in the utility funds, no cost allocations or rent and right-of-way payments were made to the general fund, meaning the general fund in actuality was used to help support the utilities through their financial crisis.

Last year, we took the very difficult first step in bringing financial stability to our utility funds, and this year we must begin to explore the process of taking the difficult next step in determining how we are going to financially supplement our general fund both in the present, and in the future so we don't face the financial crisis situations others have faced by delaying these critical actions.

Despite our efforts to continue to cut every unnecessary cost we can, it is possible we will not be able to balance our general fund simply through budgetary cuts, and if it is this council's desire to continue to not provide support to the general fund through rents and right-of-way payments from the utility funds, other sources of funding will possibly need to be found.

Our costs are not arbitrary, they are very real, and they do not disappear just because we wish they would. We know now we must be honest with the costs we incur, and must be honest with our citizens as to what it takes to properly finance our city.

And if we are to succeed at this, the words I spoke 12 months ago in my state of the city address still hold true today in how we arrive at these arduous decisions.

If there is a concern, it must be voiced; every opinion must be heard and responsibly weighed for the best results to be realized. I do not have all the answers, and I never will on my own. You don't have all the answers, but I am sure you have some I don't.

But ultimately the answers we arrive at are not for you or for me. They are for our citizens, the people I so proudly serve as their mayor, and you so proudly serve as their representatives on this city council.

We will be judged by their success, not ours. We will be judged by future generations not by our names, but by our deeds.

We can not let Jackson down. If it meant this much to our forefathers to make the sacrifices they did, then it must mean that much to us to do the same for our children and beyond.

If we all share in the responsibility, then we will all share in the success. This must be our direction, this must be our goal, to make Jackson the city those on the outside envy, but most of all, the place our citizens will always love to call home.

May God bless our community, and may God bless each and every one of our citizens. I thank you with all of my heart.