

# HAMILTON TOWNSHIP TRUSTEES

## February 5, 2014

Mr. Weber made a motion and Mr. Duvelius seconded the motion to open the meeting at 6:04 p.m.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes

Boy Scout Troop #81 presented the colors and the Pledge of Allegiance to the Flag was recited by all in attendance.

Mr. Duvelius made a motion and Mr. Weber seconded the motion to dispense with the public reading of the minutes and approve as written for the January 15, 2014 meeting.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Mr. Duvelius made a motion to pay the bills before the Board. Mr. Wallace stated he had a question about the bills first. Mr. Wallace stated he thinks the township has lost the trust of the residents, particularly the elected officials. He believes the township has great workers and great directors; it is a shame that elected officials have failed them. Our mission is to restore the trust and it begins with transparency. This past year Mr. Wallace spoke to thousands of residents and promised he would restore fiscal accountability. The residents sent a strong message in November and he is honored to serve the tax payers as a watch dog. Mr. Wallace asked when the last time that the board went over the bills and posted them so that the residents can see what they are paying for? He would like to make a motion that the bills be approved by the board and spreadsheets of the bills are included with the minutes each month.

Mr. Duvelius made a motion and Mr. Weber seconded the motion pay the bills before the Board.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Mr. Wallace made a motion and Mr. Duvelius seconded the motion that the approved bills by the board and spreadsheets of the bills are included with the minutes each month and put online.

Roll call as follows:	David Wallace	Yes
	Gene Duvelius	Yes
	Kurt Weber	Yes

Ms. Jackie Terwilleger, Fiscal Officer, presented an update regarding the Townships financial position. Ms. Terwilleger stated the Township is going through a much needed audit covering several years, and she was happy that they are able to cover through the year 2013, so it is all up to date. She was asked to give an update as to how it was that we got to the issues surrounding the audits. Over the past years there were several issues that took place and one (1) was that when appropriations were approved each year there was money moved from the General Fund into the Cemetery, Zoning, Parks and Bond Retirement Funds, which are funded by money from the General Fund. These were moved in order to have money for these funds to carry for the year. This should have been done by Trustees passing a Resolution to move the money by each fund and not as a general budget approval. This issue has been corrected and whenever there is need for money to be moved from one (1) fund to another, there will be a separate Resolution

stating from what account or fund it is coming from, how much is being transferred, and the reason there is need for a transfer, and what fund it is going to.

Another issue was the language of a couple of levies. The first was a Police Levy not having been worded to allow half of the annual payment being allowed to come from the Police Budget and the other half being paid from the General Fund. The Police and Administration share the building equally. This caused the entire amount to be taken out of the General Fund and caused the other to be shorted for the year. The trustees felt that this was an important issue since the other departments pay their utilities and repairs as well as any other costs for their buildings. The Levy currently allows for half the utilities, annual payment of office space and other charges to run the department.

The next issue was a Fire and EMS Levy, which was a replacement Levy. The language that was placed on the ballot was without the inclusion of EMS in the working and was approved to be placed as Fire/EMS Levy. This is how the previous Levy has read. Without the working EMS being a part of the Levy it caused the EMS portion of the Levy money to be dropped leaving the entire Levy to be place into the Fire Fund. This caused a long research process conducted by the State and County Auditor's Offices and the Secretary of the State to correct and have it working as it was intended to. When this issue occurred it caused the funds received to be posted in the wrong accounts due to the classification from the settlement sheets twice per year. These issues have been reviewed and researched through the State and County Auditor's as well as the Secretary of the State's Office for ballot language. There has been a new Fund set up to receive money generated from the new replacement Levy.

Again, she thanked all involved through the State and County to correct this issue.

The third issue was the things that she did without realizing at the time that she had done them. First she apologized for the mistakes she made during this time and stated the mistakes have and are being cleared out and back to what they should be. She had posted several bills into some wrong accounts and those had to be adjusted in order to make the Funds balance the way they should. This has been done. The Fiscal Office has been reorganized and another person has been added in order to divide some of the duties. Ms. Ellen Horman, Finance Coordinator, works with purchasing and accounts receivable. Ms. Melissa Brock, Human Resources, handles payroll. Previously there was just herself as Fiscal Officer and Ms. Horman. With the third person it will help in being able to check each other and keep better track for correcting any possible mistakes so they can be corrected and not linger so long. Throughout the township there has been changes made in the various departments to have the department heads know where their budgets stand and alert them as to what they are spending. This will help them know where their money is being used and to monitor it more closely. We have changed to the State UAN Accounting System, which in itself is going to make for better tracking and a more accurate accountability and reporting. She has requested that the trustees allow her to have a CPA review the books on a quarterly basis for a period of one (1) year or possibly longer. By changing to the new UAN system all the account names and numbers have changed. This will be a training time for the three (3) ladies to become more familiar with. If a mistake has been made it should be caught and corrected more quickly. Now that we are on a totally different computer program, with new account definitions and numbers there is a need for training through the State Program which is provided by the State Auditor's Office throughout the year. These trainings will be utilized by all that are a part of the Fiscal Department. She has also asked the Auditors for an annual audit instead of every two (2) or three (3) years. This will allow for any problems to be corrected before they get out of hand and have lengthy audits to contend with. Once everything is on the new computer system and it is up and running, then residents will be able to view the quarterly finance report from the website. This time frame would be close to the middle of March or possibly sooner.

Mr. Wallace stated he appreciates Ms. Terwilleger presenting the report as requested. He stated he was dumbfounded that an update was given and there was not one mention of how much money was in any of the funds. The issues he wants to find out about was like in July she stated \$1,453,000.00 was in the General Fund and the Auditor today says there is actually \$835,000.00. Ms. Terwilleger showed him the total on the sheet as of the end of 2013. Mr. Wallace stated there is almost a half a million dollars difference in the

General Fund totals. She reported in the Road and Bridge Fund there was a couple hundred thousand dollars and to date it is \$-328,000.00. There are roads that are being destroyed right now in this weather that we have to tell the taxpayers we can't fix your roads. We talk about fixes and maybe he wasn't clear, Mr. Wallace thinks one of the problems that has put us in this position is there has never been discussion of dollar amounts. He thought a brief from the Fiscal Officer would at least include dollars and that is why he is dumbfounded.

Mr. Duvelius stated his understanding of Mr. Wallace's request was exactly what Ms. Terwilleger presented which was what the problems were and how they were fixed. He doesn't recall him asking for any dollar figures. Mr. Duvelius stated dollar figures yes are part of the fix, but he asked what the problems were and how can they be fixed and that is what Ms. Terwilleger has presented. We have had problems in the past, yes. We are moving forward to correct those problems and see that those problems don't occur again. He thinks it is beating a dead horse to say that we have differences in numbers. We know we have differences in numbers, which is why we have been working closely with the State Auditor to resolve this. That is why we have Mr. Mark Hurst, CPA, on board to help us with our internal audits. That is why we the Bastin Company to help us with our audits. We have complied with what the state has suggested and requested we do by having our oversight people put into place. He thinks possibly another oversight control that would help us would be to have a citizen's review committee. That would compose of a trustee, our financial person, our CPA and a few residents that meet on a quarterly basis before the reports are posted and can look at them and make sure they are what they are supposed to be. Mr. Duvelius doesn't like to sit here month after month and beat a dead horse. We have a problem, we are working on it, were trying to get it fixed as quickly as we can and Mr. Wallace of all people should understand how the state operates. They do not operation on a timely manner. We have tried and tried. They are working with us faster now than they have ever worked with us before, but let's leave the horse alone. We have a problem and we are trying to find the answers and he thinks we are on the right course for the answers. What we had back in July and what we have now are different, he doesn't argue that at all, but we need to move forward with what corrections we have in place so that the people can see what the real numbers are. He believes that is what the people want is the real numbers and that is what he wants too.

Mr. Wallace stated no one is disagreeing with him about wanting real numbers. His thing is we talk about fixes that are in place and the problem is identified and we are fixing it. In the 2006 and 2007 audit we identified the problem and we were going to fix it. In 2008 and 2009, same problem, we identified the problem and we were going to fix it. Mr. Wallace wants to make sure we understand where we came from, how we got there, and where we are going to move to. How business has been done in the past, can't continue the same way. Mr. Duvelius stated he agrees. Mr. Wallace stated he has some fixes he would like to bring up. We have some issues that were mentioned that are concerns of his. We talk about a CPA coming in to review, for how much money, how many hours are we going to give them? Mr. Duvelius stated that is for the Board to determine and the oversight committee. Mr. Wallace asked if that would be in the minutes when it is determined how many hours the CPA can do. Ms. Terwilleger stated when the CPA gives them a quote on the job it will state the hours. Mr. Wallace stated he would like to find out where the minutes are on the 4<sup>th</sup> of September, we said 'Ms. Ehling made a motion and Mr. Duvelius seconded the motion to keep Mr. Wayne Bastin on board to help with transition of the audits.' Ms. Ehling had voted yes, Mr. Duvelius voted yes and Mr. Weber voted yes. On the 8<sup>th</sup> of November, a letter sent from Mr. Bastin to Ms. Terwilleger stating he will do 200 hours at \$60.00 per hour. They will not exceed 200 hours and they proposed they will only bill for hours incurred and will not bill over the 200 hours. To date Mr. Bastin is up to 360 hours. So Ms. Terwilleger went ahead, he assumes, and got the 360 hours approved. His question is that is not how we should do business. He wants to know who approved the additional 160 hours at \$60.00 an hour and who had the authority for that. That is why he doesn't want to do a blanket one. Mr. Weber stated he remembers the \$12,000.00 figure. It may not have been in the minutes, but he does remember that. He wasn't aware that it was more than that though. Mr. Wallace said to correct him if he is wrong, but on where they stand right now, it is at 360 hours. Ms. Terwilleger stated he did all the hours and the reason he was extended was because he was finished with the 2008 and 2009 audit. It was discussed by the board and verbally said that in order to not change the CPA doing the audit to let them proceed

since they have already gone back and checked all the levy information and bring a new auditor in, they would have to go back and redo all that. Mr. Weber asked if that was for the original 200 hours. Mr. Weber stated he remembers the fact that they wanted to keep Mr. Bastin on board such that we didn't want to change an accountant midstream. Mr. Wallace stated he wanted to know who gave the authorization for 160 additional hours. Ms. Terwilleger stated she did not. The board discussed it and it was discussed that they would let him go ahead and finish up through 2013. Mr. Wallace stated up to the 200 hours that was agreed upon. Mr. Duvelius stated to do the original closure. Mr. Weber stated he does not remember the additional 160 hours. Mr. Duvelius stated he remembers just authorizing Mr. Bastin to continue on after he did the initial 200 hours to get the back audits pulled up to presentable status for the state. Mr. Wallace stated this should be part of the minutes then. Mr. Duvelius noted it should be and it was discussed keeping Mr. Bastin on board to continue forward with the audits since he was aware of our situation and how it is. He doesn't recall an exact hour number though, just to continue on with him to get it done. Ms. Terwilleger stated it was discussed. Mr. Duvelius stated the additional time was to bring to current for 2013 audit. Mr. Weber stated Mr. Wallace's point is that it needs to be in the minutes and it needs to be reflected that the trustees made a decision. Mr. Wallace stated we are significantly doubling the original agreement. There needs to be a back stop on a lot of this stuff we are doing. Mr. Wallace apologized and stated he should give others a turn to speak. Mr. Weber stated lets go through the rest of the agenda then open the floor up at one time.

Ms. Melissa Brock, Human Resources, asked the board to make a motion to remove Firefighter/Paramedic Dustin McCleese and Firefighter/Paramedic Matthew Shelton from the career probationary status.

Mr. Duvelius made a motion and Mr. Weber seconded the motion as stated above.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Ms. Brock asked the board to make a motion to approve a one-time carryover of vacation hours for Mr. Mark Bedwell of which 50.5 hours will be utilized before the end of the calendar year 2014.

Mr. Duvelius made a motion and Mr. Weber seconded the motion as stated above.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Ms. Brock asked the board to make a motion to approve a federal medical leave of absence to Mr. Tracy Shane Brandenburg for a qualify event beginning around March 22, 2014 for a maximum of 12 calendar weeks.

Mr. Duvelius made a motion and Mr. Weber seconded the motion as stated above.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Ms. Brock stated from May 21, 2014 through May 24, 2014, Mr. Brandenburg is the SRO Officer and has already requested to be a chaperone at the 8<sup>th</sup> grade Washington D.C. trip that was pre-approved through Chief Wheeler.

Ms. Brock requested an Executive Session for employee discipline.

Mr. Weber asked if the Executive Session request for employee discipline under Mr. Boeres agenda items was the same. Mr. Boeres stated yes.

President Weber opened the floor to the public.

Mr. Ray Warrick, 5466 Grand Legacy Drive, appreciates that the board has been struggling with the audits and the slowness of the state for a long time, which can be frustrating, but think about how frustrating it is for residents, tax payers, citizens. He doesn't agree with Mr. Duvelius that the issue is a dead horse. He believes the horse is still out running in the fields. Whatever information Ms. Terwilleger has this evening that everything is okay through 2013 has not been verified by the audit of the four (4) years that haven't been done. Some of the residents met with Mr. Dave Yost, State Auditor, a few weeks ago and he explained that they were going to do the four (4) audits together and Mr. Warrick hopes that happens because then maybe the horse will be dead, but he doesn't think that is until then. He also doesn't know if he followed Ms. Terwilleger's report completely, but we have six (6) violations of the Ohio Revised Code (ORC) in the 2006-2007 Audits and six (6) more in the 2008-2009 Audits. They may have indeed addressed some of that, but not all of it. From a citizens standpoint, if we have had violations of the ORC, he wants to be certain that they get a report from whoever, the auditor, the state or both, that those violations indeed have been taken care of and that any penalties or anything to go along with that have been enforced. Part of the problem from where the citizens stand is, this thing has gone on for years and it is not okay with him that the state also is hard to work with and took some years to address this. He told Mr. Yost that as far as he was concerned, the State was complicit in the cover up of these infractions. That is the way he personally feels about it. Obviously, Mr. Yost's message was, he just got here in 2011, which he did. He was pressed at the meeting by several citizens about how this could happen, how could we be so far behind on audits and getting to the bottom of this. Mr. Yost didn't have an answer or didn't offer it. Mr. Warrick hopes it all gets cleaned up in short order. He stated he didn't know how to get numbers, maybe some of what Mr. Wallace is suggesting of putting things on the website or with the minutes. Extra costs have been run up because of these problems. We have a new fiscal office employee, increased use of the CPA quarterly visits. He is not saying that any of this shouldn't be done. We have the cost of a financial consultant, the cost of the UAN system and training. The UAN was brought us as a remedy measure back in 2006 and 2007 audit, but nothing was done about it until this year. From a citizens stand point that is ridiculous. He doesn't know how we can just keep going on like this. When he looks at government entities at all levels, it is ridiculous the way business is conducted and kept secret from the people who pay for it all. There are some citizens like him and many more that will get involved. It has to start here at the local level. He doesn't want to declare that the horse is dead yet because there is more discovery that is going to happen, good or bad, whatever it is going to be has to happen. Then we have to be assured that whatever is happened, that the remedy has been undertaken in a proper, transparent manner. The business of the extra 160 hours getting added on to the 200 approved hours, he is not sure which fund pays for that. He doesn't know if there is a fund that we can take money from that for the extra 160 hours without an appropriation. His understanding is when money is spent it has to be properly appropriated. There are complications running this thing he understands, but there are fundamental things like appropriating funds and then taking the funds out of the right account and not using funds from accounts to pay for thing in other accounts. Those three (3) fundamental things we have to get a handle on and an understanding. The township was cited for those violations in both of those prior audits. He suspects we will see those problems again in the remaining four (4) years of audits. The other thing he would ask for one more time, he would like to know from the board about what it would take to report the township financials in accordance with GAAP. At least find out the cost and have some discussion about it, but he thinks if the number could be reported in a way that normal business people and citizens who run their lives with common check books, it would be a lot better and it would save a lot of time and questions.

Mr. Warren Ritchie, Law Director, stated he wanted to make a response to Mr. Warrick's remarks. Mr. Ritchie noted at a previous meeting Mr. Warrick made his position known and referenced the audits, the findings of the audits, the revised code references in the audits and used the word that it was criminal activity. No one on the board responded and then he read on a blog a week later that since the board didn't respond to the word criminal that the board was not accepting that type of charge. Mr. Ritchie wanted to say that those are serious matters, but they are not criminal statutes that are violated. The reason he says this tonight is because you used the word cover up and the board can respond or not, but he doesn't want anyone to think he accepts the word cover up because he has never seen any evidence of anyone trying to cover up. He doesn't mean this to be

confrontational because everyone is entitled to their own opinion, but he has never seen any criminal activity or a cover up. Mr. Ritchie added by looking at the audits that are posted online, it is not a problem that is centered in the four (4) year period for the two (2) year audits ending in 2009 and 2007. Those same issues were present in the audits ending in 2005 and 2003. The problem can be identified as not getting good financial data to make informed decisions that to him the Fiscal Officer was addressing about how in the future the board will get good financial data, but also the problem can be defined as okay because there is now a financial problem because funds are out of order so the real problem is how do we all pitch in and work together to fix the problem.

Mr. Wallace stated Mr. Ritchie was right, the board doesn't know what the board doesn't know until the audits come back. The audits will let us know the truth and he will let them speak when they are done this spring. Mr. Weber added as a follow up to Mr. Ritchie and Mr. Wallace, the board did meet on January 22, 2014 with the Auditor of States Office as a pre-audit conference as they get ready for the 2010 through 2013 audits. The auditor discussed how it would go, how they would get started. Ultimately it would take approximately three (3) months. They hope to be done sometime in the spring. Ms. Terwilleger stated the financial portion of the audit is complete. The compliance section is what the auditors are coming in to do. Mr. Wallace stated the finances aren't done. Mr. Weber stated the balances were just updated. Ms. Terwilleger stated yes, to bring it up to where it should be now so the carry over figures are correct for 2014. Mr. Wallace stated they are unaudited numbers. Ms. Terwilleger stated that is right, it is unaudited, but they are brought up to where they will be going as carry over for 2014. The next portion is the State Auditors will come in and checking the compliance. The compliance covers Resolutions, legal papers and things like that you must comply with for the State Auditor. That is what the last section is and is what Mr. Weber was stating they were coming in to finish up. Mr. Weber noted since the 2008 and 2009 audit was done, Bastin and Company is taking that audited balance at the end of 2009 and gone ahead and gone through 2010, 2011, 2012, and 2013. Those balances have been looked at and advanced to the end of 2013. Mr. Wallace stated Mr. Bastin is only telling us for discussion purposes only, he is not saying to buy any more properties or build any more roadways because we don't know 100% where we are at right now. Ms. Terwilleger stated we do not have our annual appropriations finalized through the Warren County Auditor's Office to be able to include the audited and unaudited figures to find out what a final figure is. Mr. Weber stated ultimately the balances that were advanced by Bastin and Company give the State Auditors what they need in order to do their audit of everything. Ms. Terwilleger stated that would be through 2013. Mr. Wallace stated this was to make sure we could get audited, because we couldn't get audited before he came aboard. He said he would agree to disagree on what the definition of the audit is. Mr. Weber stated the bottom line is the audit process will begin here in the next few weeks to few months. Ms. Terwilleger stated they will be here in the next couple of weeks.

Mr. David Craig, 1222 Durbin Terrace, wanted to request clarification about the spreadsheet everyone last saw publicly, if that was where we stand currently. Mr. Weber stated yes, the one that is on the website. Mr. Craig stated he knows it is for discussion purposes only, but asked the board if that is where the board feels the funds will be. Mr. Wallace stated yes, that is the truth as of right now. Mr. Craig stated there is a huge negative in the building fund, regardless of all the fixes and the past monies being moved and removed back to where it was. At some time in the near future, he would assume the trustees will be discussing this and come up with a solution on what to do with the negative accounts. Mr. Wallace stated yes. Mr. Weber stated in fact, this may be brought up by Mr. Gary Boeres, Administrator, a little later on this evening or at least the idea of cost allocation moving forward from here. Mr. Craig asked if there was any way to move funds from one place to another or do the levies restrict that so much. Mr. Weber stated he is not for sure, but what he has heard is only money can be moved from the General Fund. Mr. Craig suggested that sometime in the very near future, it should be explained to the public on how the board plans to deal with the negatives and at the same time what he thinks are possibly too heavy of cash balances. Maybe some reduction in existing levies.

Mr. Craig also wanted to suggest at some point in the near future, the board put together some type of explanation of what the total cost for all this happening is. As a tax payer

we have a little bit better grip of what the last 10 years of screw ups have cost this township.

Mr. Craig wanted to make a point about the focus on levies making the issue with the book keeping. He asked who wrote the levies. Mr. Richie stated he had drafted a few of them. Mr. Craig asked if there would be similar problems with this in the future. Mr. Ritchie stated he wrote the Police levies. Mr. Craig asked who wrote the levies that created problems. Ms. Terwilleger stated the levies are presented by us to the Board of Elections who presents them to the State to see that the wording is correct for the ballot. Mr. Craig stated they are written by us. Mr. Ritchie stated yes, if the trustees determine they want to consider putting a levy on the ballot, at least in recent times, he has drafted it; the trustees review the language and vote on it. Then a certified copy is taken to the Board of Elections who reviews the language and sends it to the Secretary of State. The Secretary of State approves it or fixes it and sends it back to the Board of Elections and that is what the voters see.

Mr. Craig stated he would like to agree with Mr. Warrick that in looking in the financial process we go through in government is like reading Greek. At the very least, there are many people who would like to see at least an annual GAAP accounting sheet. That would at least give them something they can understand. By the time they figure out how much this has cost us over 10 years versus what it would cost us for annual GAAP accounting, it would be worth it.

Mr. Duvelius wanted to address the GAAP issue. Mr. Duvelius stated he remembers addressing this when Mr. Warrick first brought it up. Mr. Duvelius stated there is currently not enough data in the data base yet with the new UAN network and the cost to convert to the GAAP program at this point would be a large amount. It is not out of the question once there is enough material to make the GAAP program work. Mr. Mark Hurst, Fiscal Consultant, stated there are two (2) items relevant to the GAAP reporting that we would have to aware of. One would be the cost and the other is the feasibility. In order to do GAAP financial statements, it contemplates taking revenues and expenses of the same period and matching them together so there is some basis to evaluate the financial condition of a particular entity. Governmental GAAP is different than private company GAAP, but it does provide a relatively refined and thorough basis for financial reporting. In order to come up with an initial GAAP you have to have a starting point of an opening balance sheet because at the end of a period you do a balance sheet and the change between the two is what the income statement becomes. In order to even be able to do that it needs to be feasible. With what we have now as far as January 1, 2014 being the beginning of the UAN, probably at the end of 2014 puts together a balance sheet with some assurance that everything is tied down. From a feasibility standpoint 2015 would be the first year that it would be best to report on a GAAP basis. In general, an initial GAAP costs more than a follow up GAAP. He would estimate a consultant would charge them in the range of \$15,000.00 to \$25,000.00 for the first year and the audit fee would be impacted by and estimated additional \$10,000.00 to \$12,000.00. On an annual basis the cost would estimate at \$25,000.00 to \$30,000.00. Mr. Hurst stated in the initial year you have to bring on your books capital assets. The first year you do GAAP you need to have some sort of process for inventory of your assets and put together a list of fair market values at the opening balance sheet to give you starting point. This is an additional cost that is usually a onetime cost. Mr. Craig stated he didn't want the board to misunderstand his recommendation to do GAAP which isn't based on transparencies. It is based on the fact of managing the money better. It will help make the trustees jobs easier and keep the books and records straight. Mr. Duvelius stated he doesn't disagree with that at all.

Mr. Warrick stated in respect to Mr. Hurst, that a balance sheet can be constructed at any time. The cost he is sure Mr. Hurst's estimates are better than his would be, but feels his question still hasn't been answered. Mr. Duvelius stated he believes himself and Mr. Warrick is on the same page, but talking a different language. When Mr. Duvelius referred to a dead horse, he is right the horse is not dead. There is a problem that the board needs to fix, but he refers to the dead horse as the confrontational arguments that are occurring over numbers that are not known yet. There is a problem and they are working to fix it. Mr. Duvelius noted he thinks a citizens review committee would be a very excellent proposal from what he has been hearing so far, he thinks that is the direction he would like to go. With the knowledge of Mr. Warrick's GAAP programs it

could come into play to help guide them. Mr. Duvelius stated everyone wants the same thing; our phrases are what are holding us up. Everyone wants the right numbers and to do the right thing, we want to make it happen. Mr. Weber agreed with Mr. Duvelius on the idea of forming a citizens committee. This is a way to provide the transparency and is interested in looking into that. Mr. Boeres stated at the next meeting he could provide a frame work of how the committee would work and the things the committee could look into moving forward. Mr. Wallace stated there is knowledge in the township and we need to tap into it. Mr. Duvelius stated we need to work together. Mr. Wallace stated the trustees can't sit up there and solve the problems, experience is needed.

President Weber closed the floor to the public.

Mr. Gary Boeres, Administrator, stated the Waste Collection/Recycling discussion has been postponed indefinitely.

Mr. Boeres prompted discussion about a Resolution authorizing the township Administrator to place on auction surplus items through GovDeals.com. This is equipment no longer used by the departments. There is an a/c battery charger and several flashlights. These are given to Major Scott Carlton who handles the process. They are sold online and Ms. Terwilleger receives a check.

Mr. Weber made a motion and Mr. Duvelius seconded the motion to approve Resolution #14-0205 authorizing the township Administrator to place items on GovDeals.com.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes

Mr. Boeres stated during the meeting with the Auditor's Office, there was some discussion about the trustees placing time limits on deposits of funds received by the township. Mr. Boeres suggested making deposits after three (3) days and asked the trustees if they wanted to set a policy as to when those funds needed to be deposited. Mr. Weber stated it was a good idea. Mr. Duvelius liked the three (3) day cap. Mr. Wallace asked after the funds are deposited, did they want to add anything about when it gets posted to the accounts. Ms. Terwilleger stated it gets posted right away usually as after the deposit is made she gives the list to Ms. Horman to post. Mr. Duvelius asked if it was within 24 hours and Ms. Terwilleger stated yes, it is usually the same day. Mr. Wallace asked about the receipt detail for the UAN is going to fix our problems, shows a receipt for Phipps Auto Parts for \$361.00 with a receipt date of January 8, 2014 and deposited on January 9, 2014 (in 3 days), but didn't post until January 22, 2014. Ms. Terwilleger stated there was still some information that was needed before they could start posting. Mr. Wallace wanted a limit on how soon it would be posted. Mr. Duvelius stated a three (3) day deposit and posting within a 24 hour limit. Mr. Wallace stated he liked that. Ms. Terwilleger stated that is fine and we were in temporary mode and it took time for the first deposit to make into the computer. Mr. Wallace asked Ms. Ellen Horman, Finance Coordinator, if that would give her enough time to make the posts. Ms. Horman stated as soon as Ms. Terwilleger gives her the book of receipts she does it.

Mr. Duvelius made a motion and Mr. Wallace seconded the motion to make deposits within three (3) days and then one (1) business day to post from then.

Roll call as follows:	Gene Duvelius	Yes
	David Wallace	Yes
	Kurt Weber	Yes

Mr. Boeres stated at the same Auditor's meeting there was a discussion regarding the elimination of two (2) funds labeled Helping Hands Fund and the Fire House Fund. Mr. Boeres stated he talked to the Fire Chief and the others who handle the House Fund and they do consider that a benefit to the employees that the township collect the monies and turn it over to them. The Firefighters would very much like to keep that fund instead of having to track guys down to pay. The State Auditor recommended the township discontinue that collection. Mr. Weber appreciates the fact it is convenient for the guys, but if the Auditor's office recommends we don't do it, he thinks we shouldn't do it. Mr.



Wallace asked, for the audiences' sake, for an explanation of what the House Fund is. Mr. Boeres stated the House Fund is monies collected by the township from the Firefighters paycheck to pay for food at the Fire House and other items they use on a daily basis during their 24 hour shift. The township collects the monies and they can make purchases against that money and the township pays the bill. Ms. Terwilleger stated usually a purchase order is made out and she makes a check out to the store and they go get the items. It covers food for holidays while on shift. It is voluntarily taken out of the paychecks. There are other townships that do it and do it the same way with using purchase orders and have never had any issues with it. When she talked to Ruth Anne at the Auditor's office she stated it could be done that way, but it would be cleaner if the township didn't do it. Mr. Wallace stated he didn't think the township needs to be in the business of that. It is obvious right now that we have some fiscal challenges that we don't need to be deterred from getting our books in order. It is something that could be handled at the Chief's level. Mr. Boeres stated there is a group of employees now that are in charge of the House Fund and they would have to track down each employee and make sure they make their payments monthly. The issue is having to track them down not getting them to pay in a timely fashion. They can still do this; it just has to be collected outside the township collecting. Mr. Boeres suggested once the books are straightened out here it can be revisited.

Mr. Duvelius made a motion and Mr. Wallace seconded the motion to suspend the Fire House Fund and the Helping Hands Fund until such time as financials are in order.

Roll call as follows:	Gene Duvelius	Yes
	David Wallace	Yes
	Kurt Weber	Yes

Ms. Terwilleger stated in regards to the Helping Hands Fund, it is not a fund carried through our books; it is a separate banking account that is handled through one of the Park Board members. The reason it has to report on our books is because of our Federal ID number. Mr. Wallace asked what the Helping Hands Fund was. Ms. Terwilleger stated it is totally donated monies from residents that goes towards helping residents in need. Mr. Wallace stated it is a private charity using our tax code. Ms. Terwilleger stated it is labeled as Hamilton Township Helping Hands. Mr. Wallace stated we do not have control of that fund. Ms. Terwilleger stated no, they are just using our Federal ID number because they had to have one to do that. Mr. Wallace was concerned with this being legal with a private person using our tax code to do charity work. Mr. Duvelius stated that is why the Auditor recommended this Fund be suspended and the group opens their own separate account. Ms. Terwilleger stated at the time they could not get their own account unless they had a 501c3 license. Mr. Ritchie stated we have to get out of that business. Mr. Duvelius stated it is a correction of a problem. Mr. Weber stated it is a good thing the group is doing, it just can't be done through the township.

Mr. Boeres stated the House Fund would discontinue on the next payroll to keep things cleaner. Ms. Terwilleger stated it would be out of our books anyway. Mr. Boeres stated the monies from the Helping Hands and the Fire House Fund would be returned to those parties.

Mr. Boeres presented Resolution #14-0205A authorizing the amendment of the 2014 temporary appropriations. The UAN is new and there are some things in there we didn't account for including the inclement weather. The health insurance for the Maintenance Department and the people in the General Fund was not included. The first two (2) increases are for health insurance. The third increase out of the General Fund would be for the Community Center furnace which has had some issues with the furnace freezing up and keeping the building heated. The fourth item is an increase of \$13,000.00 to the Road and Bridge Fund primarily for the fuel for the vehicles that are needed to plow and salt the roads. The last item is \$31,000.00 for salt as the supply is low and this new purchase amount should be enough to get us through the rest of this season and into the next. This is the bare basics to get us by. Mr. Boeres did compliment the Road Department for all their hard work this season with the resources they have. Mr. Duvelius and Mr. Weber complimented the Road Department on their hard work. Mr. Boeres asked if there were any questions about the appropriations. Mr. Duvelius asked if there was an alternative fuel source they could look into for the Community Center furnace.

Mr. Boeres stated it is oil currently and stated he would ask Mr. Kenny Hickey, Maintenance Foreman, to do some research and look into other options.

Mr. Weber made a motion and Mr. Duvelius seconded the motion to pass Resolution #14-0205A authorizing an amendment of the 2014 Temporary Appropriations with an increase to the General Fund of \$31,500.00 for Health Insurance, \$51,615.00 to the Road and Bridge Fund, 3,400.00 for the Community Center Furnace fuel oil, an increase of \$13,000.00 for fuel to the Road and Bridge Fund for road department vehicles and an increase of \$31,000.00 for salt to the Permissive Vehicle License Tax Fund.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes

Mr. Boeres has an amendment to the township's Standard Operating Procedures for Snow Removal. In the past years there have been split shifts for the road department during really bad events. It has been done on a year to year basis and it was recommended to be part of the policy permanently.

Mr. Duvelius made a motion and Mr. Weber seconded the motion to approve the change in the Snow Removal Section of the Standard Operating Procedure permanently.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Mr. Boeres stated the Hamilton Township Electric Aggregation program is coming to a close for our locked in price in April 2014. Mr. Boeres has called several companies to get a price. The problem he is having is getting a price with a certain time period and they price changing when you call back. We use Mr. Mark Burns, IEC, to do the gas and he did the last electric bid. Mr. Boeres would like to use Mr. Burns again, at no cost to the township, to ask for the bids for the township's electric aggregation program. Mr. Boeres would get the bids and bring them back to the trustees and they can look and see if they want to move forward with any of them.

Mr. Duvelius made a motion and Mr. Weber seconded the motion to allow Mr. Boeres to use Mr. Mark Burns, IEC, for the electrical aggregation bidding process at no cost to the township.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Mr. Boeres asked the trustees if they would like to set a work session or special meeting to discuss the permanent appropriations. He would like them to look at the numbers that Mr. Hurst and Mr. Bastin have provided as well as from Warren County. There was a motion back in January to try and have the permanent appropriations approved at the last meeting in February. Some other discussion at the meeting should be splitting the salaries of some employees such as him, Mechanic Chris Walker, Foreman Kenny Hickey. This can come back to regular meeting and a formal decision can be made then. He wanted to discuss if they had a plan in place for correcting some of the deficit balances with this works session being a first step for this. All the trustees agreed to meet for this. Ms. Terwilleger stated she hasn't yet received her appropriations from the county yet and hoped to have them by the end of the week or first of next week. When she has those numbers back, the board will then know the balances that they can appropriate. Ms. Terwilleger stated the bottom line figures of what Mr. Bastin finished up has to be put with the appropriations that come from Warren County. The two (2) figures together are what make up the appropriations for the year. Mr. Hurst suggested that although we may not have the official amended certificate of estimated resources back from Warren County, he thinks given Mr. Bastin's recent version of fund balances in conjunction with the budgeting work Mr. Boeres had done prior to the adoption of the temporary appropriations, he thinks there is plenty of information to put permanent appropriations in place. It might not be 100% exact, but they can certainly be 99.9% of the way there. His

position would be he wouldn't allow the non-receipt of the amended certificate delay them as his opinion. Mr. Duvelius proposed that Mr. Boeres, Ms. Terwilleger, Ms. Horman and Mr. Hurst work together to get the numbers ready to present to the trustees prior to the next meeting on February 19, 2014. Mr. Ritchie asked if the meeting time was being changed. Mr. Weber stated the meeting will begin at 5:00 p.m. with a work session for the permanent appropriations and discuss the cost allocations moving forward. Regular session will begin close to 6:00 p.m. Mr. Ritchie stated this board doesn't have many work sessions and some townships have a meeting month that is a work session. A work session is a public meeting, but it is a work session of those invited, but isn't open for public discussion. Mr. Weber stated his personal opinion was it was okay to receive public comment. Mr. Ritchie stated he doesn't have a preference, just wanted to see it made clear. Ms. Terwilleger stated they use to have work sessions a lot, but they were during the day so overtime wouldn't have to be paid for employees to come back for a meeting. She asked about having day time work sessions again as they worked well back then. Mr. Weber stated it is better for him to have them in the evening. Mr. Duvelius agreed.

Mr. Boeres stated Mr. Wallace has asked for a date change to the first meeting in March. He would like to move the March 5, 2014 meeting. The board agreed to meet March 12, 2014 at 6:00 pm. instead and it will be posted on the website.

Mr. Boeres requested an Executive Session for Employee Discipline and for a possible Employee Promotion.

Mr. Warren Ritchie, Law Director, asked the trustees to discuss and provide him some guidance. He stated in the fall of 2013, was the first time the board had allocated the building debt service, half to be paid by the police department and half to be paid out of the General Fund because it houses half of each. The question is does the board want to have him prepare any type of Resolution authorizing any retro-active allocation to help address the deficit in the building fund and if so how far back would they want to do it. The 2010 voted levy which was first collected in 2011 is very clear that the police levy proceeds on the one (1) mill levy can be used for building and building site. He has spoken with Mr. Dave Thompson of the local government services of the State Auditor's Office and legal counsel at the State Auditor's Office and there isn't any question that for 2011 and 2012 a retro-active adjustment could be made assuming there are funds in the Police Department to do this. It would offset some of the small negative in the debt service. The larger question he would like some guidance on is when talking with the legal counsel from the Auditor's Office is whether the continuing levy that passed in 2003 is broad enough to encompass building expenses and building debt service. It was decided there is some work to do in formulating an opinion one way or the other as to if it was broad enough. If the board isn't inclined to do any retro-active adjustment or they aren't prepared to do the adjustment past 2011, then they wouldn't authorize him to go and spend the time trying to develop an opinion for applying the 2003 levy.

Mr. Wallace stated he was trying to weigh the risk and reward. He asked how much time Mr. Ritchie would need to take for this. Mr. Ritchie stated he doesn't believe the fees he would charge would be over \$1,000.00 to generate an opinion. There was some discussion about the process to do this with the Auditor's Office. Mr. Weber stated his opinion is it would be worth the time and money to look into it. This seems to be the most accessible way to eat into the negative fund balance and make it less negative. He is for going back as far as they can within reason to not put the police fund in a bad way. Mr. Ritchie stated the opinion would only be yes or no whether the ballot language from the 2003 levy would permit that type of allocation. The trustees would then determine how far back. Mr. Wallace asked Mr. Ritchie if he could let the board know if he sees the monies exceeding \$1,000.00. Mr. Ritchie said absolutely. Ms. Terwilleger stated it would be beneficial to do a replacement levy on the 2003 language and bring the millage up to what it should be bringing in. Mr. Ritchie stated the board would have to consider that. Mr. Wallace stated it be tabled until a later date. Mr. Weber agreed, but said it was a good point.

Mr. Weber made a motion and Mr. Wallace seconded the motion to authorize Mr. Warren Ritchie, Law Director, to look back at the continuing police levy from 2003 for an amount not to exceed \$1,000.00.

Roll call as follows:	Kurt Weber	Yes
	David Wallace	Yes
	Gene Duvelius	Yes

Mr. Wallace stated there are a few issues he wanted to discuss. He didn't want to come to the meetings every Wednesday and be confrontational. His thing is that he was put here to implement change. Some of the things he sees are quick fixes and others are going to take some time. We have talked about the budget and there is a lot of information that he feels people need to be aware about decisions in the past. The trustees sit there and say they are good to go. The past is the past and we are going forward. Mr. Wallace stated he gets that, but there is a lot of baggage they are taking with them. He reads that at Marr Park the soccer fields in 2010 we spent \$397,000.00 to get graded. He previously asked about the house at Marr Park only to find out the township is landlords to two (2) buildings. The rent is only \$450.00, but they receive a \$50.00 credit and the other is renting for \$500.00 and they receive \$250.00 for maintenance and care. The next thing is Nunner Road getting widened. We have a round-about to nowhere. There are fields graded and ready to play. We can't get the kids from the round-about to the park. These are issues made based on the information at the time. Now there is discussion about how much GAAP is going to cost and accountants. Right now to date between the two (2) accountants brought on hand were up to a little over \$40,000.00 not counting what we pay Ms. Horman and Ms. Terwilleger. There has been a lot of money put in to get the books right and he thinks the residents need to understand, this is why some of the decisions were making are being made. Mr. Wallace stated he for one is not against the parks, he just thinks we need to prioritize and let the people understand that some situations are being worked through and they understand the seriousness when we talk about going back to look at levies trying to get money into the General Fund. He was disappointed on the first day when he looked at the duties and descriptions and he thought a no brainer would be getting rid of the Secretary to the Board position. It was talked about looking at it again in March, but why do we keep kicking the can down the road. It is a quick win, we can get some structure. Right now he thinks people are confused about who is in charge. People are confused about what duties and responsibilities they have. He wants to reconsider looking at removing the position. Mr. Wallace stated Ms. Terwilleger mentioned she does not do those duties anymore.

Ms. Terwilleger stated she has not done those jobs in four (4) years. Mr. Wallace stated if that position was eliminated he thinks that would eliminate some of the confusion. Ms. Terwilleger stated that job is not utilized by anyone at this point. The job description for a Secretary was put in place three (3) or four (4) years ago when the Attorney General came down with an opinion of the Secretary's position. Ms. Terwilleger stated her duties as Fiscal Officer allows her to do the Secretary to the Board position if they want that done. If she decides to do those requests, she does not get paid for that. Mr. Wallace stated because she is doing her Fiscal Officer duties and she gets paid for that. Ms. Terwilleger stated her salary is based the same way as the trustees by legislation. Ms. Terwilleger noted that job description is only on there in case the trustees decide they want to put a Secretary in that position so we have a job description already there. There is no one in there and there is nothing coming in or going out for that. Mr. Weber stated he has looked at the job description and has spoken personally with Ms. Terwilleger about it, because it was noted she does not do those duties anymore. Mr. Weber thinks Ms. Terwilleger and Mr. Wallace are both right that the duties are either not done by Ms. Terwilleger now or she may do them as requested. Mr. Weber stated it was pointed out at the last meeting the Mr. Boeres does most of the duties anyway. Mr. Weber stated he is okay with getting rid of the position and taking it off the organizational chart. Mr. Wallace stated they should get rid of the position right now. It clouds some of the full timers as far as who is in charge here. It would be like him coming in working 40 hours a week and start telling people what to do. He thinks it confuses people.

Mr. Wallace made a motion and Mr. Weber seconded the motion to do away with the Secretary to the Board position.

Roll call as follows:	David Wallace	Yes
	Kurt Weber	Yes
	Gene Duvelius	No

Mr. Weber asked Mr. Boeres to look at the organizational chart and keep track of updates to modify the chart all at once at a later date.

Mr. Wallace wanted to clarify something from the January 8, 2014 meeting in regards to the Ohio Township Winter Conference. Mr. Wallace stated he made a motion to spend our personal funds for professional development. He wanted to clarify that. He wasn't thinking that the training was also for the full time employees. He encourages the full time employees to attend and the township can pay. He was looking at the elected officials because he believes they are compensated and they should be the first ones to lead from the front. He wants to show them from his own pocket the importance. He asked who is planning on going. Mr. Weber stated he usually goes, but is unable to attend this year. Mr. Duvelius stated he is unable to attend as well. Ms. Terwilleger stated she has to go. Mr. Wallace asked who is making her go. Ms. Terwilleger stated she is a member of the Board of Directors for the State. Mr. Wallace asked if they pay her way to attend. Ms. Terwilleger stated they do. Mr. Wallace stated it wasn't going to cost the township any money then. Ms. Terwilleger stated no, but the Ohio Revised Code (ORC) says you can pay for training through the General Fund. Mr. Wallace stated it will not be utilized then because he was going on record as going to training on the 14<sup>th</sup>, but will be paying for his own class and won't need a hotel. He was offering a ride to anyone who wanted to go that day as he would be there all day. Mr. Boeres wanted to clarify that he signed a purchase order for training. Ms. Terwilleger stated Ms. Horman was going along with Ms. Brock, Mr. Boeres. Mr. Boeres stated he just wanted to make sure Ms. Terwilleger understand that included her as well. Ms. Terwilleger stated that was for the registration. Mr. Wallace stated the hotel for Ms. Terwilleger was being paid for by the Board of Directors right. Ms. Terwilleger stated yes. Mr. Wallace noted that is good. Mr. Boeres stated the township is paying for it because he signed the purchase order. Ms. Terwilleger stated no it would be reimbursed when she gets a check back from the Ohio Township Association. Mr. Wallace asked how much money was set aside for the professional development of our full time staff. Mr. Boeres stated under the temporary appropriations it is \$1,000.00.

Mr. Duvelius wanted to clarify one point when Mr. Wallace commented on Ms. Terwilleger getting paid. Her salary is set by the ORC, she is not being paid for any additional duties that she administers here. Mr. Duvelius stated he didn't see the importance of hammering this tonight to do away with the position since we all agreed to wait and sit down and evaluate it. He is disappointed in the fact that it was such a major issue to do away with the job position that was not there just to get it off the chart when we had agreed that we would have a structural meeting to reorganize the chart. Mr. Wallace wanted to clarify his reason for eliminating the position is because it clouds as far as who is in charge Monday through Friday in the township. When they break into Executive Session does Ms. Terwilleger go in as a Fiscal Officer or Secretary to the Board? Mr. Wallace stated he sat in on the hiring process and was confused. He stated this would be discussed later as other issues are going on. There are some things that go on that muddy the water a bit and he wants clarification to the employees.

Mr. Weber made a motion and Mr. Duvelius seconded the motion to enter into Executive Session to discuss Employee Discipline and possible Employee Promotion at 8:00 p.m.

Mr. Wallace asked who was required to sit in Executive Session to discuss the Employee Discipline. Mr. Boeres stated he was bringing Ms. Melissa Brock and Police Chief Jon Wheeler. Mr. Weber added the trustees and Mr. Warren Ritchie. Mr. Wallace asked so that they could get in the habit of having it written down as there was a question last time.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes

Mr. Weber made a motion and Mr. Duvelius seconded the motion to come out of Executive Session to Regular Session at 8:44 p.m.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes

Mr. Weber stated in Executive Session, possible employee discipline and possible employee promotion was discussed.

Ms. Brock requested the Board make a motion to approve the Sergeant Promotion Process results as outlined by the Ohio Chief of Police Assessors, which is not a new hire, to top candidate Mr. Tim Rector as Sergeant to be effective at the next meeting on February 19, 2014 with the swearing in ceremony and official promotion and also to maintain the list of candidates for the next 18 months.

Mr. Duvelius made a motion and Mr. Weber seconded the motion as stated above.

Roll call as follows:	Gene Duvelius	Yes
	Kurt Weber	Yes
	David Wallace	Yes

Mr. Ritchie asked if the Sergeant's position is taking the position of the vacant Lieutenant's position so it is actually filling a supervisor position at a lower rank. The trustees stated yes. Mr. Ritchie stated that is a good step in the budgeting process. Chief Wheeler thanked Mr. Ritchie. Mr. Weber stated yes it is less pay.

Ms. Brock stated the official motion for hiring will be at the next meeting on February 19, 2014.

Ms. Brock requested the board make a motion that after review and consideration by the trustees of all documents and sufficient evidence supported by the Hearing Officer after a pre-disciplinary hearing related to Mr. Shane Johnson of the Police Department. Ms. Brock requested a motion to terminate Phillip Shane Johnson from the full time position of Police Officer effective this date of February 5, 2014 and remove him from the active roster of Hamilton Township with clarification that all Hamilton Township issued equipment, uniforms, keys, gun, and vest shall be returned within five (5) business days of this action.

Mr. Weber made a motion and Mr. Wallace seconded the motion as stated above.

Roll call as follows:	Kurt Weber	Yes
	David Wallace	Yes
	Gene Duvelius	Yes

Mr. Weber made a motion and Mr. Duvelius seconded the motion to adjourn the meeting at 8:46 p.m.

Roll call as follows:	Kurt Weber	Yes
	Gene Duvelius	Yes
	David Wallace	Yes