

In attendance were President Richard Donley, Mayor Richard Zink, Safety-Service Director Ralph Holt, Auditor Gary Lewis, Law Director, Fred Beery and Clerk Beverly Brown

President Donley opened the meeting at 7:00 p.m.

ROLL CALL: Mr. Kevin Chambers, Mr. Lee Koogler, Mr. John Levo, Mrs. Bonnie Parr, Mr. David Shoemaker, Mr. Charles Walker and Mr. Tim Young

ABSENT: None

Mr. Chambers led the assembly in prayer followed by Mayor Zink leading in the "Pledge of Allegiance". The minutes of the December 11, 2006 council meeting and the December 19, 2006 Special Council meeting were approved as presented with a motion by Mr. Koogler and seconded by Mr. Walker with all members voting yea.

MONTHLY REPORTS: Reports had been received from: Hillsboro Public Utilities, Wastewater Treatment Plant, Hillsboro Income Tax Bureau, Water/Sewer Maintenance Department, Street Department, Water Meter Department, Water Treatment Plant, Fire Department, Life Squad, Auditor's Office and Police Department

PUBLIC REQUESTS: None

COMMUNICATIONS:

Tom Simons of the WODA Group came before the Council seeking a resolution of support for senior housing at Pea Ridge Road and State Route 73. He presented Council members with information on the project which would be a tax credit funded community of condo style one and two bedroom units for seniors fifty-five and older. He said that the application was due in February but the resolution was not due with the first submission.

He explained the process for funding for the Council. He said that they partner with CAC and Julie Perry with their projects. Mr. Holt said that he had received an email from Julie stating that she hoped the city would support the project. Mr. Chambers asked about landscaping which appeared to be incomplete and Mr. Simons explained that the pictures were taken before the landscaping was complete and there would be trees in the complex. He provided a copy of the resolution from last year as an example of what would be needed this year.

President Donley asked that Mrs. Parr take this into the Community Enhancement Committee for recommendation.

CITIZEN COMMENTS:

Bob Newby of 160 Chillicothe Avenue came before the Council to voice his concerns and objection to the proposed residential zoning change to modified Residential B. He said his first objection was mixing in businesses with the residential properties. He said that ingress/egress would create additional traffic problems; safety problems on a very busy Route 50.

He said the second thing was that there were several uptown business locations that aren't rented; don't seem to be able to find occupants. He didn't see the wisdom of creating more business locations in residential neighborhoods when they can't fill the ones they have in the business area. He would very much object to service type businesses that would have vehicles coming and going creating more traffic hazards.

He said it would be bad enough to rezone to Residential B as they knew it, but to modify it; he thought they were making an attempt to backdoor in to a modified commercial zone. He with the modification, there were more things that could be there than could not. He said as someone who lived in the neighborhood that would be affected by the changes he didn't think it was the best long-term benefit of the community to make these

kinds of changes. He said there were a couple parties that would benefit monetarily but he thought Hillsboro as a whole in the long term picture; would not benefit.

David McKenna said that he had two main areas with which he was concerned on this item that will be in front of the Council over the next few months. The first was the ordinance that was being submitted because to call it residential was stretching it at this point. He said that it was more like a business zoning since it talks about the businesses that will go into the residential area. He said he would like to point out some things that seem to be lacking. He said there are no limitations on the number of businesses per lot. He said the way he read it, you could stick half a dozen businesses on any individual lot. There was no restriction on size or anything like that and under the conditional use portions, one of the things listed in there was multi-family housing designed for five or more families.

He said that there was an open-ended "other uses" in whatever the Planning Commission finds appropriate. He said that there were gaps in the ordinance and the problem is and the Auditor is aware; this came to the front because of the School Board's issue with the Main Street Primary property at the intersection of 50 and 124 that is currently zoned Residential A. He said this was not a very marketable zoning for that type of property and they need to get rid of it by selling it or tearing it down and selling it as a residential lot. They asked for Commercial zoning and that was not favorably received but there was much discussion about modifying Residential B and adding some changes.

He said at the public hearing they tried to accommodate the School Board by saying they would be in favor of Residential B even with some expansions, but what appeared on the table from the Planning Commission is not just the property located at the Main Street Primary but the entire block between Bowers Avenue, 124 and US 50. If you're going to consider that into a business area, whether you want to call it Residential B or whatever; all you have to do is look at the ordinances and if one of the reasons to do that is to worry about "spot zoning" which we all know doesn't exist in Hillsboro yet; if you're going to be consistent than he thought the Planning Commission and City Council were going to have to take into mind all of the places where there are businesses.

Mr. McKenna said that if they were going to be consistent by rezoning the whole section in between 50 and 124 and Bowers Avenue; then they might as well start at the city limits on 50 and take it out to the Dairy Queen; start out where they are building the new school and take it to WEASTEC because it is all going to be commercial and business along with your homes. He thought the Planning Commission and the Council needed to look at the impact of this proposed ordinance particularly if it is applied as recommended to the entire triangle area because of the impact on the city infrastructure. You have a fifty year old sewer system with the streets already falling in. You allow that whole block to go commercial; the way he this that whole block ten years from now could be blacktopped and have strip malls fill of massage therapists and orthodontists and whatever other kind of business fits in under these criteria.

He thought they needed to take into consideration the impact that with EPA, infrastructure with how many millions of dollars you want to sink back into the sewer system to support that type of stuff and the impact on the taxes. If this is supposed to be an upgrade are the residences that have not asked to be rezoned; are they going to ask you to give them a tax abatement when their Residential B property is appraised at a higher value than Residential A?

Mr. McKenna said that most of them in Residential A that live there feel that it will diminish their property taxes. He wanted to know if City Council would be willing to go with them to the Auditor's office to support reducing their property taxes. He said that he would like them to keep in mind that planning is for years, not for months; not what you need to do next month to settle problems. He thought the proposed solution was very flawed.

Timothy Brunacini stepped forward and said that they needed to look at what had happened on Harry Sauner; the good and the bad of it. He thought this might be the next Harry Sauner. He said that his biggest concern was safety; he didn't know how many times he had been almost hit trying to walk through the city streets because people are going through the alleys trying to avoid the main routes. He thought if they put

commercial zoning on a major thoroughfare the way it is, there would be more people trying to circumvent traffic which would create more people running through crosswalks.

He reiterated that his main concern was for safety. He said the other was vision. Whether the city planning had a vision beyond tomorrow; what Dave alluded to. He said if they want another Harry Sauner, and he thought it was great that they had businesses there; but with a little bit of planning that could have been a whole lot different.

COMMUNICATIONS FROM THE MAYOR:

Meetings I have attended:

- December 4 - Utilities Committee
- December 5 - Mortgage burning at the Homeless Shelter
Ground Breaking at Union Stockyards
- December 7 - Zoning & Annexation Committee meeting
Community Enhancement meeting
- December 8 - Wedding
- December 9 - Lighting of Christmas Tree for Uptown Merchants
- December 11 - Civil Service Commission
Council Meeting
- December 12 - Post-Audit Conference
Attended Uptown Business Association meeting
- December 13 - Utilities Committee
Property & Maintenance Committee
- December 15 - Wedding
- December 19 - Finance Committee
Civil Service & Employee Relations Committee
Special Council meeting
Planning Commission meeting
- December 21 - Turning Point Graduation Exercise
- December 26 - Wedding
- December 28 - Wedding

2006 total wedding was 41 so that's quite a few of them. Okay, the interview process has been completed for the janitorial position serving the Administration Building and Municipal Court. With the approval of Judge McKenna the new janitor will start on Monday, January 8th which is today. Since the Police Department is moving off Governor Trimble to the Municipal Court Building, we are now going to try three days a week; Monday, Wednesday and Friday. If this works out; we believe it will, the city will save in wages and also this new person does not need health insurance.

We'll also be looking for a replacement for Jim Achor that recently passed away unexpectedly. Jim did an outstanding job caring for Liberty Park for the past few years. Our heartfelt condolences go to his wife and family. He will be sadly missed by us all.

On December 22 the sewer line was completed on South High Street. That equipment came in from Alabama and they got that taken care of so that's done. I would also like the Utilities Committee to look into the possibility of enacting a comprehensive right-of-way ordinance. If you read your Cities & Villages magazine this month, December; it suggested that City Councils look at that to protect their right-of-ways. Due to the changing technology and unsure future of federally controlled franchise tax on cable TV and telecommunications in the City's right-of-ways it would be in the best interest of the City whereby protecting our present legislation and expanding the City's control in the future.

Also I would like Finance Committee to take a look at going into a purchase or lease contract for three new police cruisers and also a dump truck for the Street Maintenance Department through the state purchasing plan.

The only other item of high importance is the decision on the purchase of a vac truck. Tim, you went down to see that today, I don't think any of the other Council members had an opportunity. It's my understanding and Ralph may have a little more input on this than I have, that the fuel system is changing in 2007. And this is going to drive the cost up. I know that got put in the Finance Committee in December, but we really need to

take a hard look at that and find out what we're going to do. Again we spent \$60,000 in five years and with what EPA's expecting us to do to reduce I and I in our sewer system; we need to continue to save money by spending money. We'll be spending a lot more in rent over the next four or five years than if we purchase this equipment now and get on with our business.

Something also that you might note on your Police Department report, we do have three cruisers; one with 146,000, one with 121,000 and one with 124,000 miles so they're starting to nickel and dime us to death so I think we need to take a look at that. Also in 2006 the Police Department received 18,496 calls and that sounds like a high number but that phone rings pretty often. Just thought I would include that in the report. If anybody has any questions, I'll be glad to take them.

President Donley asked Mr. Walker to look into the suggestion on the Comprehensive Right-of-Way. Mr. Koogler has the vac truck in Finance Committee.

SAFETY-SERVICE DIRECTOR'S REPORT:

He said due to conditions outside of his control, he did not have a report, however; what the mayor was saying about the vac truck; that's going to be very, very important for us for our storm sewers because we can also use that truck for storm sewers and hopefully a portion of those funds can be taken from Street to help pay for that. I've talked with Gary; I don't know what the Street looks like for next year or for the following year but hopefully we can use some of those funds for that.

I request that later in the evening that we go into executive session for employee negotiations.

AUDITOR'S REPORT:

You have in your possession my monthly reports. You'll notice that they balance as they should. Also before you are three pieces of transfer legislation that is done on an annual basis. That is usually done on January, that is for appropriations or the transfers that goes into the various funds within the General Fund, Sewer Fund and the Water Fund during the course of the year. They don't happen all at one time. As the funds become available and as they are needed that's when those transfers occur. So those are before you today; again those are standard maximum transfer legislation. If you have any questions about those, I'll be happy to answer that for you. That's all I have.

PLANNING COMMISSION REPORT- Mr. Young

Hillsboro Planning Commission held a meeting on December 19, 2006. The first item was a request for a driveway cut along North High Street across from Autozone and the two lots to the south. The gentleman stated that he was told by a realtor that to be able to sell the property, he needed a cut. It was stated that more information for a variance to be given. A motion was made and seconded to table until they had more information on who was interested and what kind of development might be there.

The next item was concerning the addition of a storage building on State Route 73 south. It was tabled also since no one was present to represent the request.

The next item was a request for a zoning change from A to B for properties behind Krogers. Access would be by Robert's Lane. This is a group wanting to put senior housing on the property. It was stated that the committee wanted to check on the zoning of the adjoining properties.

The last thing brought before the commission was a request for a parking lot to be split. Since this something between abutting land owners, this did not need to have the commission's approval. The meeting was adjourned.

REPORT OF THE STANDING COMMITTEES-

FINANCE COMMITTEE – Mr. Koogler, Chairman

Finance last met on December 19, 2006. Immediately went in to executive session to discuss issue of employees as well as the potential of financing and procurement of land for the safety service building. At the conclusion it was stated also that we're still in the works of changing and updating our employee's positions and salaries and that sort of stuff in terms of comprehensive legislation which actually I have meetings with the

Auditor as well as the Safety-Service Director next week. In regards to that, Finance looks to have a meeting two weeks from tonight. I haven't had a chance to ask Mr. Walker if he's available. That's all I have to report at this time.

Mr. Walker said that he was available. Mr. Koogler said that they would also be addressing at that time the police cruisers, the dump truck, the sewer vac and any other issues that we're still working on. The meeting would be on January 22nd at 6:00 p.m. He said that is one that he invited all Council members to attend as they will be going into executive session on several issues at that time.

PROPERTY MAINTENANCE & RESTORATION-Mr. Chambers, Chairman
Property Maintenance & Restoration did hold a meeting on December 13th. We immediately went into executive session to discuss potential property purchases. There were no decisions made in the executive session. We came out of executive session and the meeting was adjourned.

We will be meeting again January 15th at 5:30 to hopefully finish up a reworking on the sign ordinances and if there are any other updates on the buildings for Police and Fire Departments, it will happen then. I would ask that when we go into executive session that we have an update as far as potential property purchases.

CIVIL SERVICE AND EMPLOYEE RELATIONS- Mr. Levo, Chairman
Presently I have nothing in my committee; therefore, I have no report.

STREET & SAFETY COMMITTEE- Mr. Walker, Chairman
The first thing we had on the agenda was we were given the okay at the last meeting to meet with Rick Kisling. Mr. Levo and myself with Rick Kisling at the site of the 84 Lumber to change the driveway. In the meantime we had checked with Randy Barr and checked with Steve Pence and talked to Ralph and everybody was in agreement that it was okay to go ahead.

So we gave him the okay to go ahead as long as he pays for the light change, which he's agreed to; he closes the one driveway and the only driveway there will be the one that comes out at the light. He's going straight across and go right straight up over the hill. He talked to the guys at the ASCS office; the one that has to approve that pond and they gave him the okay. They didn't have any problem as long as he brought it out. It was still big enough to handle what water was run off from up there. So we did give him the go ahead to take care of it.

The speed bumps on Vaughn Avenue; no, due to snow plowing and etc. on that. Also I've got one more thing that Ralph brought to my attention and I saw it happen again the other day. Right turns into CVS; I would like to put that into committee to where maybe we can stop the right turns. When the light changes people are coming straight across and people are turning in front of them and just about causing an accident. I would like to put that in committee and if we can't put a no-right-turn lane in there.

UTILITIES COMMITTEE- Mr. Shoemaker, Chairman
The Utilities Committee has not met since our last meeting, formally; and we are going to meet though January 22nd. Mr. Young has consulted with a consultant on the storm water system upgrades and improvements. He's going to come down and give us some information and I invite every council member and Administration. That's what the Utilities Committee is working on right now and we hope to have some good information come out of that so we can go forward with the storm water improvement and renovation.

After some discussion it was determined that Finance Committee would meet at 5:30 p.m. on January 22nd and Utilities Committee would meet at 6:30 p.m.

ZONING AND ANNEXATION COMMITTEE- Mr. Young, Chairman
On Wednesday, January 3, 2007; Zoning and Annexation Committee met with committee members Bonnie Parr, Charlie Walker and Tim Young present. Also present were Kevin Chambers, Dick Zink and Ralph Holt. The first thing discussed was possible changes to the current Residential B ordinance. The committee's opinion was that the ordinance

needed to be updated. The committee went through a list of possible changes and came up with an expanded version of Residential B. With the full committee's backing, the law director was asked to draw up legislation to be presented to full Council on January 8th and to be presented to Planning Commission on January 16th.

Mr. Beery recommended that the new Residential B currently only apply to the area between Chillicothe Avenue and Main if the rezoning is approved. The reason for this would be since we are making changes to the uses allowed in B, we want to make sure that it is correct. Once we're sure that the ordinance works and we want it; then we would go ahead and pass an ordinance to take in the rest of Hillsboro Residential B areas.

They also wanted to address the problem we have with spot zoning between Chillicothe Avenue, Main Street and Bowers Avenue. Mr. Beery indicated that because of the spot zoning in the area, if we were taken to court because we would not allow non-conforming use; there's a good chance we would lose the case and we could be forced to allow a high-traffic business into that residential area. The committee and those present talked about many different ways to address the spot zoning problem. The committee unanimously decided to recommend to Council that the area be rezoned the new Residential B with the exception of the properties along Bowers Avenue. Start at the old Kelch's building going down Bowers Avenue and around the corner and stopping at the Chaney and County properties; these would remain commercial. The committee felt that this was the best option because the properties that would change to the new Residential B would conform to the guidelines and using Chillicothe Avenue and Main Street, we would have streets set up as borders. That's my report.

COMMUNITY ENHANCEMENT COMMITTEE- Mrs. Parr, Chairman
Nothing at this time.

UNFINISHED BUSINESS-

PASSAGE OF ORDINANCES AND RESOLUTIONS

1. ORD. 2006-9 – AN ORDINANCE TO MODIFY THE GUIDELINES FOR COMPROMISE OF WATER CHARGES- The clerk read by title only for a third reading. Mr. Walker made a motion to pass the ordinance and Mr. Shoemaker seconded the motion. All members voted yea. Ordinance passed.

SECOND READING OF ORDINANCES AND RESOLUTIONS-

1. ORD. 2006-14 – AN ORDINANCE TO AMEND THE HILLSBORO CODE OF ORDINANCES SEC. 51.02 ORDINANCE NO. 1989.27 TO INCLUDE THE SOUTHERN WATERSHED AREA AND TO DECLARE AN EMERGENCY- The clerk read this ordinance by title only for a second reading.

2. ORD. 2006-16 – AN ORDINANCE TO AMEND THE SCHEDULE OF SEWER CHARGES- The clerk read this ordinance by title only for a second reading.

FIRST READING OF ORDINANCES AND RESOLUTIONS-

1. RES. 07-1 – A RESOLUTION TO TRANSFER FUNDS FROM THE GENERAL FUND TO OTHER FUND ACCOUNTS WITHIN THE CITY- The clerk read the resolution in full for a first reading. Mr. Koogler made a motion to suspend the three-reading rule and Mr. Walker seconded the motion with all members voting yea. Mr. Koogler made a motion to pass the resolution and Mr. Levo seconded the motion. All members present voted yea; resolution passed.
2. RES. 07-2 – A RESOLUTION TO TRANSFER FUNDS FROM THE SEWER REVENUE FUND TO OTHER SEWER FUNDS WITHIN THE CITY- The clerk read the resolution in full for a first reading. Mr. Koogler made a motion to suspend the three-reading rule and Mrs. Parr seconded the motion with all members voting yea. Mr. Koogler made a motion to adopt the resolution and Mr. Shoemaker seconded the motion. All members present voted yea; resolution adopted.
3. RES. 07-3 – A RESOLUTION TO TRANSFER FUNDS FROM THE WATER REVENUE FUND TO OTHER WATER FUNDS WITHIN THE CITY- The clerk read the resolution in full for a first reading. Mr. Koogler made a motion to

suspend the three-reading rule and Mr. Walker seconded the motion with all members voting yea. Mr. Shoemaker made a motion to pass the resolution and Mrs. Parr seconded the motion. All members present voted yea; resolution passed.

4. ORD. 2007-1 – President Donley put the ordinance back into the committee.
5. ORD. 2007-2 – AN ORDINANCE TO AMEND THE ZONING MAP OF THE CITY AND THE AREA BOUNDED BY STATE ROUTE 124, US 50 AND BOWERS AVENUE- President Donley tabled the ordinance and put it back in committee also.

Mr. Chambers made a motion to go into executive session to discuss employee negotiations and also possible land acquisition. Mr. Shoemaker seconded the motion and all members present voted yea. Council went into executive session at 7:50 p.m. and returned from executive session at 8:10 p.m.

President Donley said that they needed two members of Council to serve on the Volunteer Firefighter's Dependents Fund. Mrs. Parr volunteered and Mr. Walker also agreed to serve for 2007. With no further business to come before Council; a motion to adjourn was made by Mr. Koogler and seconded by Mrs. Parr. Meeting adjourned.

NEW BUSINESS: None

Richard Donley, Council President

Beverly Brown, Clerk of Council