

December 28, 2011

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Dear Members of Council,

The purpose of this correspondence is to inform you of two items that I hope will meet with your approval. The first is the matter concerning the appointment of Law Director for the City of North College Hill and the second pertains to the compensation for the City Administrator and Economic Development Director positions.

As you know, this year marks a historic time in NCH. This will be the first time we will be leaving the former practice of having an elected Law Director and, as per the Charter, will proceed with an appointed Director. As I am sure you know, that appointment is made by the Mayor with the approval of Council. I am, therefore, after giving much thought and receiving much input from Ms. Mason's committee, appointing Mr. William M. Deters II as Law Director for the City of North College Hill effective January 1, 2012. This appointment results in our gaining a full service law firm that has extensive experience in all facets of the law of which we are in need thus eliminating much of the need for outside counsel. Mr. Deters and I have had many frank and open discussions and agreed to the implementation of the appointed law director position as described herein. Taking a page from our recent successes in the transition to appointed Finance Director from elected auditor and treasurer, I am appointing Mr. Mark Basil as Assistant Law Director until August 3, 2012 at his current rate of pay thus, insuring a smooth and seamless transition similar to that in the finance department. Mr. Deters fee, upon Mr. Basil's departure as Assistant Law Director will be a flat rate of \$32,250 per annum. This includes all legal work except litigation, arbitrations or those unique circumstances where extraordinary time must be spent on an issue or it is a specialized legal area such as bond counsel. However Mr. Deters has made a magnanimous gesture that will result in the City only experiencing an additional total expense during the first seven months of 2012 of \$700 ( a \$100/month retainer for the 7 months transition period). I have directed Mr. Fitzgerald to prepare an agreement with Ennis, Roberts and Fischer Co., L.P.A. (a draft of which is provided along with this letter) to be executed immediately upon Council's endorsement of this appointment. I wish to thank Mr. Basil for not only his years of service to the City but also for his agreeing to helping during the transition period. I would appreciate your action upon this at the January 1 installation meeting.

The second item concerns the method and means of compensation for the positions of City Administrator and Economic Development Director. As you are aware, we currently contract for these two positions with the LSR Consultants LLC, better known as the two individuals involved: Linda and Mark Fitzgerald. I wish to eliminate the contractual agreement with LSR and combine both positions into the City Administrator under employee status. The purpose is three fold: 1) it is my desires to solidify and further stabilize the financial future for our City. 2) I want to secure the intensity of the concentration on both business and residential development and redevelopment. And 3) I want to compensate Linda and Mark for their excellent efforts over the previous 7 years while minimizing the added cost to the City in the future. Accordingly, they have agreed to the following.

We currently pay \$125,000 annually for the services of both Mark and Linda Fitzgerald. Mark has served as City Administrator since September 2009 with no increase to the contracted amount(\$84,000

annually) and Linda has served as our Economic Development Director since 2006 at no change in her annual rate(\$41,000). Enlisting the City Administrator as a contractor has saved the City \$75,000 due to not having to pay employee benefit expenses.

Due to instability and cuts from State funding I am recommending we be proactive in our own financial future by combining these positions from contractor into one full time employee status for services provided by both Linda and Mark. They have agreed to freeze their combined compensation at the current level of \$125,000 for four years. The only additional costs incurred by the City will be the employers share of the OPERS retirement (Mark will pay employees share, as will all future employees due to contract changes we negotiated with employee unions this year, as opposed to incumbent employees who have the City "pick up" their share) and \$185/month which represents the insurance provider mandated ½ cost of medical insurance that must be paid by the employer for an employee (Mark). He will pay the balance. The total additional cost for this package is approximately \$17,000. To benefit both Linda and Mark, the salary will be structured in such a way that Mark's compensation will be \$125,000 and Linda will be included in the package. She will provide the services that we currently enjoy plus attendance at CIC meetings (she has also agreed to be appointed a member of CIC). She will continue to provide the same level of service she has been dedicating to the City of North College Hill, about 30 hours per month. Thus we still pay less than we were 2008 for administrative and economic development services. Mark's benefits due to his increased level of contribution to OPERS. In return, we now know our future costs and have guaranteed that those two positions will be provided at reasonable and fixed costs for my upcoming term of office. I have consulted the Finance Director on this matter and he enthusiastically agrees with this proposal.

Thank you for your continued service as Council members and I look forward to a bright future in our City.

Sincerely,

Daniel R. Brooks  
Mayor