

President of Council Marjorie Harlow called Council to order on December 5, 2012 , at 7:00 p.m.

The governmental body and those in attendance recited the pledge of allegiance.

Mrs. McNear took roll call. Present were Council members Diehl, Emerson, Hawkins, Knox, Squires, Vanover and Harlow.

The minutes of November 21, 2012 were approved with seven affirmative votes.

COMMUNICATIONS

Mrs. McNear said I have a letter from OKI advising us that our current representative's term will be expiring on January 10, 2013. I did speak with Mr. Knox prior to the meeting and he is interested in continuing on that board.

Mrs. Harlow said I'll put that under NEW BUSINESS.

Mrs. McNear said I have a letter from the Government Finance Officers' Association announcing that the City has once more qualified for Certificate of Achievement in Financial Reporting. We will have this certificate shipped to us in about eight week. This is an ongoing award that the City has received. We are up to 13 or 14 years.

Mrs. McNear stated we have a letter from Duke Energy dated November 30 to announce an increase of \$1.08 for residential customers to be filed with PUCO.

Mayor Webster asked how does this increase affect the aggregation?

Mr. Parham said if it's on the generation side it should not affect the aggregate, because we are not with Duke Energy. However, if it is a part of the transmission and/or the distribution, then we will all see an increase.

Mrs. McNear said it's for main replacement.

Mr. Parham said then it's probably transmission and we will see the increase. It will probably appear as a rider on the bill.

COMMUNICATIONS FROM THE AUDIENCE - none

ORDINANCES AND RESOLUTIONS

ORDINANCE NO. 40-2012

AUTHORIZING THE MAYOR AND CLERK OF COUNCIL/FINANCE DIRECTOR TO APPROVE A CHANGE ORDER IN THE AMOUNT OF \$34,635.60 TO INCREASE THE CONTRACT OF ADLETA, INC., FOR THE MERCHANT STREET REHABILITATION PROJECT AND DECLARING AN EMERGENCY

Mr. Vanover made a motion to adopt and Mr. Squires seconded.

Mr. Parham said at the September 19 meeting we discussed the unfortunate situation of a potential increase in the construction cost of the Merchant Street project based on the fact that the original specifications called for spot curb repair work as opposed to full curb replacement. Our preference has always been,

particularly in the commercial areas, to make full curb replacements. We discussed having the contractor move forward with full curb replacement. At that time we reported a cost estimate of \$39,908. It turns out we saved just under \$5,000 with the cost at \$34,000. We hope to have this change order approved by Council this evening so when we receive the final bill we can pay the contractor. They are complete with the project with a few punch list items being addressed.

Ordinance 40-2012 passed with seven affirmative votes.

ORDINANCE NO. 41-2012

SETTING THE COMPENSATION FOR THE ELECTED MAYOR FOR CALENDAR YEAR 2013 AND DECLARING AN EMERGENCY

Mr. Knox made a motion to adopt.

Mayor Webster said I asked that it be put on with the emergency measure but I would like to have two readings. I would like to take this opportunity to expound on it if I may. I think Mr. Parham pretty well covered it in his report but let me read that into the record: "In recognition of performing nuptial services, Mayor Doyle Webster has requested Council consider increasing the compensation of the Mayor's position for calendar year 2013. In return, the Mayor is expected to perform a certain number of nuptial ceremonies with fees related to the ceremony being paid to the City of Springdale. The current rate of pay for the Mayor's position is \$21,000. The proposed legislation would increase the Mayor's compensation by \$4,000 to \$25,000 for calendar year 2013 and become effective January 1, 2013. For calendar year 2014 and beyond, City Council would be required to set the compensation for the Mayor's position. An ordinance setting the compensation for the elected Mayor for calendar year 2013 will be before City Council this evening. This is money that I will get paid one way or the other. I will get paid and be reported on a 1099 or it will be reported as salary and be reported on a W-2. If it's a W-2 it can be covered by PERS. That's the whole purpose of the ordinance. I'd be more than happy to entertain any questions anyone may have.

Mr. Knox withdrew his motion to approve the ordinance.

RESOLUTION R16-2012

RE-APPOINTING ROBERT COLEMAN AS A MEMBER OF THE CIVIL SERVICE COMMISSION

Mr. Vanover made a motion to adopt and Mr. Squires seconded.

Resolution R16-2012 passed with seven affirmative votes.

RESOLUTION R17-2012

RE-APPOINTING JULIE MATHENY AS A MEMBER OF THE CHARTER REVISION COMMITTEE

Mr. Vanover made a motion to adopt and Mr. Squires seconded.

Resolution R17-2012 passed with seven affirmative votes.

#### PRESENTATION OF THE 2013 ANNUAL BUDGET

Mr. Diehl stated tonight we are going to have the budget presentation that the Finance Committee had the opportunity to review on November 27. We have some opening comments by our City Administrator.

Mr. Parham said I want to give credit to our employees. I think they have performed outstandingly over the last couple of years as we have had some challenging times with declining revenues. The directors have done an excellent job of managing the resources made available to them, in most instances with fewer employees and in some cases, fewer pieces of equipment. The City's finances have improved greatly. In 2010 we had the presentation of the 2011 budget. The five-year document at that time had called for a 2011 year end balance of \$919,000. Following that Finance Committee meeting we were able to eliminate a number of expenditures to at least get us to \$1.5 million. At the end of 2011/beginning 2012, with a number of reductions in expenditures, a number of retirements throughout the organization and an increase of new employers moving into the community, we were able to conclude 2011 with a \$4.5 million year end balance. The picture has gotten much better for us. Our revenues have increased six percent above our budget for 2012 for an additional \$944,000. There are also signs that our Springdale economy has improved as well. For the first time since 2009, we are seeing about \$13 million in our earnings tax collections. That is great news, but it still does not indicate that we are back to normal. In 2006 and 2007, our collections were over \$15 million. As expected this year, we did lose a large number of General Electric (GE) jobs. Fortunately for us, a number of the jobs remained in the community. It appears they GE signed a five year extension on their lease to remain in one of the buildings. As far as we know they have not signed a lease for the other building but they have stayed in the community. Hopefully, they will stay a bit longer. If they do that will be a bonus for our revenues, because we have calculated GE as being a part of our 2013 revenue numbers. We lost GE jobs. At the same time we lost jobs with Avon. In 2009, Avon's position was they were going to shut down the facility by mid-2012. In 2011, they decided they would eliminate only the manufacturing but they would retain the call center and returns functions of their operations. We did lose the manufacturing positions which I assume were the higher paid positions but there are still 400-450 jobs remaining at that facility. At this point, Avon's intent is to sell the facility, but they also plan is to lease their current space from the new owners. To date, they still own the facility and if they do sell, hopefully the new owner will be able to add additional jobs in that facility. Humana brought 700-750 jobs into the community occupying the Executive Center I building. They are looking to add 200-250 additional jobs in 2013. First Financial brought a significant number of jobs into the community in 2011. With the addition of First Financial, Humana and the GE jobs remaining, those three on top of the retail that we were able to retain and add has worked towards our success of hitting \$13 million in earnings tax

collections. Our 2012 showed approximately \$12,480,000 in earnings tax collections. Based upon bringing in \$13 million in collections, we are \$500,000-\$600,000 to the good in earnings tax. In 2009, our threat was declining revenues (earnings tax). The loss of the GE jobs in 2009 and anticipating losing more in 2011, the Avon job reduction and a poor economy proved to be really bad for us at the time. We were able to ride out that threat. The new threat we seem to be facing right now is coming out of Columbus. In 2011, the Governor and General Assembly passed the 2011 bi-annual budget and we saw a reduction in the Local Government Fund. We continue to see reductions in our Local Government Funds (LGF). From 2011 to projected 2013 we anticipate a decrease in our LGF funds of \$230,000. That's a significant impact. At the same time, in 2011 the first hit we took was the acceleration of the elimination of the personal tangible tax where we were promised we would receive funding from the State because of the elimination of the personal tangible tax through at least 2016 but the Governor decided they would cease that in 2011. Now we see the attempt by the Governor and General Assembly to gain control of our earnings tax. We know what the impact would be if we lose control of the earnings tax. We could definitely plan on a number of reductions in services to our residents. Springdale as well as other communities are all in the same boat trying to stave off control of our earnings tax by the General Assembly and the Governor. It appears that as things begin to get better for us, there is a new challenge and new threat on the horizon. One other item I failed to mention was the elimination of the estate tax in 2013. To date this year, we have brought in \$675,000. We believe we will receive some amount of estate tax in 2013 that will be rolled over from 2012. We don't know what that number will be, but we should get something. After 2012, the estate tax will no longer exist. If you combine the loss of the estate tax, the reduction in our Local Government Funds and impact of HB 601, we estimate about a \$1.1 million negative impact for our community. Perhaps we can get the folks in Columbus to cooperate and see things in a fair and more equitable way and they will step away from trying to gain control of our earnings tax.

Mr. Parham said relative to our expenditures, we are expected to see them come in \$760,000 under budget. Over the last few years we have been cutting back on our expenditures. However, in 2013 you will see a tremendous increase of around \$2.6 million. As you well know, we have been postponing the replacement of positions, equipment, and our rolling stock (vehicles). Until 2012, we had not been able to invest in the improvement of our neighborhood streets. With the 2013, budget we are trying to make an impact back into the neighborhood streets. The budget will reflect \$700,000 for the Annual Street Program. We have provided for it in two locations. You will find \$300,000 of it in the Capital Improvements Budget and the other \$400,000 is budgeted in the Street Maintenance Fund (061). There is \$916,000 of capital items found in the 2013 General Fund budget. The \$400,000 I just spoke of is in that number. In that number, you will also find the replacement of a chipper, the second payment for the 2012 ambulance, the purchase of the new ambulance and some other discretionary items. Relative to personnel, there are two full-time positions being proposed and five part-time positions. We will wait and see how our revenues are performing before we execute many of the discretionary items in the budget. The two ambulances have already been committed to and based upon the discussion at previous

City Council meetings, the \$400,000 to improve the neighborhood streets appear to also be committed.

We continue to apply for outside funding to assist with road improvements in our commercial areas. The table on page 7 of the document shows how successful we have been over the years in securing outside funding. In 2009, you will notice we were able to secure 91 percent of our cost from outside sources. The total dollars spent that year was \$6.9 million. In 2010 we received 70 percent outside funding; in 2012 we received 71% or \$2.2 million. The projects in 2011 were deferred over to 2012. It appears we will not be as successful in 2013. Those numbers will probably be adjusted. As you know, we have applied for funding for Sharon Road, Ashmore Court and Woodvale Court. We were 31 points below the previous funding level for Sharon Road. More than likely we will not receive funding and it would be my suggestion that we not move forward with that project. As for Ashmore and Woodvale, we were three points behind, so we probably will be in the contingency area of receiving funds. A couple years back, we applied for funding to repair Century Circle and were not initially successful; however, the funding became available later in the year when other projects were not able to be constructed or dollars were turned back in.

Mr. Parham stated relative to personnel, two full-time positions have been requested, an office administrator in the Police Department and fleet mechanic in the Public Works Department. The office administrator would serve as supervisor over the Department's clerical staff. Right now the Assistant Chief serves in that capacity. As for the mechanic situation, we were able to bring back a retiree as part-time fleet mechanic but he has now decided it is time to really retire. The Parks and Recreation Department has requested we bring back the Parks Patrol position to be able to add more assistance for the staff and more security in the facility. We decided we need to bring on a part-time facility maintenance person. It's very frustrating when you are dealing with HVAC contractors. We have not had success with any since we have been in this building (20 years). Mr. McErlane said an employee of the current contractor said one filter had not been changed in twenty years. I don't know how that occurred as we have preventative maintenance services built into the contract. We envision that the facility maintenance person will look out for our interest. He will make sure that these preventative items are taken care of and make assessments as to whether there is a need for greater improvements. The advantage we have in this building is that we have Mr. McErlane who is well versed in our HVAC system. The former Fire Chief was well versed in how that system worked; however, some of the other departments don't have anyone with that expertise so they tap into Mr. McErlane to assist them. The current contractor sends us a bill, but they don't itemize what work has been performed. So we don't pay the bill until they do. We will not get away totally from having an HVAC contractor but we do believe having the facilities worker will protect us in the long run and eliminate some of the improvements and repairs we find ourselves faced with today.

In 2012 we had 133 employees. At the end of 2013 we will find ourselves with 23 vacant positions even after we add the two proposed positions. The budget document shows a 2% wage increase for full-time employees as well as part-time firefighters. 2012 was the first time in

three years that employees received a wage increase. We are projecting a \$4.5 million year end balance for 2012. However, if we implement all of the things in this budget, we expect a year end balance in 2013 of \$1.7 million. This does not account for the under spending that takes place each year. Last year, the directors were able to save \$191,000 in this area. If we have a repeat this year, we will have a \$2 million year end balance in 2013.

Mayor Webster said I agree if we really thought we'd end up with \$1.7 end of year balance we wouldn't be recommending this budget to you. We have been very conservative in our revenue estimates. Derrick has done a good job of covering things and an excellent job of putting this budget together.

Mr. Diehl said we'll go through the budget. If you have any questions about the financial numbers, the footnotes are excellent.

Mr. Parham said at the Finance Committee meeting there was a question about prisoner keep. Prisoner keep is the food for the prisoners, housing, linen, etc. We currently house prisoners for Glendale, Sharonville, Blue Ash and Greenhills. We get very little activity from Greenhills and Glendale but quite a bit from Sharonville and Blue Ash. We charge \$70 per day per prisoner. It costs about \$20 a day for food and clean linen so we are not losing money in this process. It is our understanding that Hamilton County charges \$65 and Butler County \$70.

Mr. Parham said on page 16 you will see capital improvements and Police Cruisers. Every year the capital improvements line item has housed the change over cost for new police cruisers. This year we have rolled those expenses into Police Cruisers. In the Capital Improvements line item for 2013, there are cost to update of department's forty (40) Tasers as well as purchase eight (8) new personal computers. Microsoft has indicated they will no longer support Windows XP after April 2014. About 68 of the City's PCs are XPs.

Mr. Parham said in 2011 we reduced the hours at the Community Center. Prior to 2011, the Center would remain open until 10 p.m. Last year, we adjusted the hours in the summer and remained open until only 8 p.m. The balance of the year, the Center stayed open until 9 p.m. Now we will consistently be open until 9 p.m.

Mayor Webster said the morning hours will remain the same. Sunday hours were previously restored. There is a \$50,000 line item for a summer event. At this time we don't anticipate a fireworks display but we do have money for an event.

Mr. Parham said we are proposing replacing an older riding lawn mower with a new riding lawn mower for \$29,000.

Mr. Diehl said \$3,000 was cut out of the budget for the swim team. We are restoring \$1,500. Mayor Webster said we are also restoring \$2,500 for the senior citizens.

Mr. Parham said in 2012 we were able to purchase a new mower for the Public Works Department. Unfortunately, earlier this year our

vehicle lift stopped working. We had to replace the lift at a cost of \$8,300. There is money in the budget to replace one of the two chippers at a cost of \$47,400. This is the third year we are treating the ash trees. There is \$10,000 in the budget this year and \$14,000 next year for tree removal. There are funds for grinding trees for this year and next year. There is also money for treatment for ash borer and tree planting next year. The Mayor signed off this week for our Tree City USA certificate. As a part of the 2012 Arbor Day celebration, the Public Works Department was able to acquire a number of seedlings and provided each child at Springdale Elementary with a seedling. We are hoping to have the same thing next year at Heritage Hill.

Mr. Vanover asked what kind of trees are we planting and Mr. Parham replied not pears.

Mr. Parham said we had \$10,000 in the 2012 budget for a consultant since our arborist retired. However, another employee became an arborist so we don't have to spend that money.

Mr. Diehl said I don't think any department got hit harder than Public Works and they have done an excellent job.

Mr. Parham said in the Street Maintenance Fund (061) there is \$950,000 in the Capital Improvements line item. That does include the \$400,000 being spent toward the annual street program. There is also \$127,000 for a new dump truck and the third item would be the second payment toward the street sweeper. We realize that our storm sewers are aging and we are getting a contractor in to videotape those so we can get a sense of whether we may have a potential problem. We'd like to be on the front end of making repairs, as opposed to getting caught in an emergency situation and paying dearly. That is in the Other Contractual line item. We've allocated funds here for making repairs to a number of catch basins trying to catch up in the neighborhoods.

Mr. Squires said there is a significant increase in the pool insurance.

Mr. Thamann responded that we still belong to MVRMA. Property claims throughout the country have shot up and it is affecting everyone's rates.

Mr. Vanover said there are wagon wheeling hard tracks at Crescentville and Chesterdale. We've had that problem before and it's coming back. I know we don't have anything in here now but if we get a wish list we might want to look at this.

Mrs. McNear said there is rutting on Northland Boulevard by Kemba Credit Union.

Mrs. Harlow said we have been hearing about communities trying to balance budgets. We had to make hard choices a few years back. I think it would have been even harder if we had been deeply in debt. I think we can commend our Administration and previous Councils for not putting us in debt. I think Springdale has weathered the economic downturn very well. I think it's in part because we didn't have a lot of long

term debt. Our department heads and Administration made some severe hard choices to cut the budget and now we do have a little bit of funding that we can purchase some rolling stock and much needed equipment. I think we are in a really good place right now. Our employees are fantastic. I've seen our maintenance staff out there working understaffed for a couple of years now and I'm hoping we can get them back up to where they need to be. I think this budget is something we can all be proud of and thank everyone for their hard work.

OLD BUSINESS - none

NEW BUSINESS

Mrs. McNear said we have a transfer request for a liquor license for Jade Buffet. It is a transfer in name only. There were no objections.

Mrs. Harlow stated Mr. Knox's term on OKI is due to expire. Our Boards and Commissions had it down to expire November 30, 2013. According to the letter Mrs. McNear received it's actually January 10, 2013.

Mr. Vanover nominated Mr. Knox. Mr. Knox was appointed by acclimation. Mrs. Harlow said she would be willing to attend meetings if Mr. Knox is ever unavailable.

Mrs. Harlow took nominations for Vice-President of City Council.

Mr. Squires nominated Mr. Vanover. Mr. Vanover was nominated by acclimation.

Mayor Webster said we are up to 64 families for the Adopt a Family Program. We still need donor families. I'd like to thank everyone on the dais for their generous contributions. We're in good shape on the food drive. Any help that anyone would like to offer us, we'd appreciate it.

Mrs. Harlow said SOS is planning to wrap this up on what day?

Mayor Webster replied they are the wrapping is on Thursday, December 13 and they going to pick up their gifts next Monday.

If anyone would like to help they can call 346-5725 and talk to Barbara and she will be glad to set them in the right direction. If anyone can donate, it does really make a difference in some children's lives so we appreciate you taking time to do that.

MEETINGS AND ANNOUNCEMENTS

Planning Commission - Dec 11  
Board of Health - Dec 13  
Board of Zoning Appeals - Dec 18

COMMUNICATIONS FROM THE AUDIENCE - none

Mrs. Emerson made a motion that Council go into executive session as a committee of the whole to discuss personnel matters. Mr. Knox seconded. The motion passed with seven affirmative votes.

Council went into executive session at 8:22 p.m. and reconvened at 8:56 p.m.

UPDATE ON LEGISLATION STILL IN DEVELOPMENT

City of Springdale Council

December 5

2012

Ordinance 41	-	Dec 19
Temporary Appropriation Ordinance	-	Dec 19
Adopting Final Appropriation and Transfer Ordinance	-	Dec 19
Adopting the Annual Appropriations/Estimated Receipts	-	Jan 2
Agreement wit ODOT for SR 4 Urban Paving	-	Jan 16

City of Springdale Council

December 5

2012

RECAP OF LEGISLATIVE ITEMS REQUESTED

Pay increase for City employees	-	Dec 19
Authorizing SERP program	-	Dec 19
Police labor agreement	-	Dec 19
Police supervisors labor agreement	-	Dec 19

Council adjourned at 8:58 p.m.

Respectfully submitted,

Kathy McNear  
Clerk of Council/Finance Director

Minutes Approved:

Marjorie Harlow, President of Council

\_\_\_\_\_, 2012