

INTERNAL MEMORANDUM

Office of the City Administrator

Springdale, Ohio

August 15, 2014

To: Mr. Thomas Vanover
President
Springdale City Council

From: Derrick Parham
City Administrator

Re: Report on Pending and Future Legislation

Item I

An Ordinance Accepting a Permanent Easement from the Property Owners at 11604 Lawnview Avenue as a Part of the W. Kemper Road Rehabilitation Project and Declaring an Emergency

A significant portion of the W. Kemper Road Rehabilitation Project includes a major upgrade to the storm sewer system. To perform this upgrade, the contractor, Ford Development, will need access to the culvert located at the northeast portion of the Lawnview Avenue and W. Kemper Road intersection. As previously mentioned, in order to complete this portion of the storm sewer work, the City needs to acquire easements from the property owners located at 11604 Lawnview Avenue and 140 W. Kemper Road. To date, the owners at 11604 Lawnview Avenue have granted the necessary permanent easement. Unfortunately, the property owners at 140 W. Kemper Road have not granted the two easements (a permanent and a temporary) needed at their location.

On Saturday, July 12, Public Works Director Jeff Agricola met on site with one of the property owners of 140 W. Kemper Road to illustrate the relatively minor amount of land needed for the improvement as well as answer any questions he may have. The gentlemen indicated he may want to be compensated for the easement. He was asked to give us an amount he desired. To date, neither he nor his business partner has provided the City with a monetary figure.

The Administration will continue to work to secure the required easements. In the mean time, it is recommended the City proceed with accepting the easement granted by the 11604 Lawnview Avenue property owners.

An ordinance, with an emergency clause, accepting an easement from the property owners at 11604 Lawnview Avenue as a part of the W. Kemper Road Rehabilitation Project will be presented to Council for consideration at the **08/20/2014** meeting.

Item II

An Ordinance Authorizing the Mayor and Clerk of Council/Finance Director to Accept the Donation of Certain Real Estate to the City of Springdale by the United Way of Greater Cincinnati and Declaring an Emergency

Earlier this year, the City was contacted by an attorney representing the United Way of Greater Cincinnati concerning the donation of a piece of property owned by United Way to the City of Springdale. The property is 0.544 acres and is located near the intersection of W. Crescentville Road and Tricon Road in the City. Presently, the property has a market value of \$48,700 and the United Way pays annual taxes in the amount of \$1,205.06. It is the City's belief that the property is overvalued and is eligible for a reduction in valuation. If the donation is accepted, the City will pursue such an action.

For at least the past twenty years, the City has been cutting the grass and otherwise maintaining the property. Therefore, if the City accepts the donation of this property, it would not present any additional burden on City operations.

An ordinance, with an emergency clause, accepting the donation of real estate from the United Way of Greater Cincinnati will be presented to Council for consideration at the **08/20/2014** meeting.

Item III

An Ordinance Authorizing the Mayor and Clerk of Council/Finance Director to Enter into a Master Service Agreement (MSA) with Interstate Gas Supply, Inc. (IGS) to Provide Natural Gas to the City and Its Residents Under the Energy Aggregation Program and Declaring an Emergency

The City's Natural Gas Aggregation program began in November 2012 on each resident's meter reading date. As a result of the program, Springdale residents have had an opportunity to enjoy a lower natural gas rate than that offered by Duke Energy. Under the current program, the City has an agreement with Interstate Gas Supply, Inc. (IGS) which will expire on each participating resident's meter reading date this October.

In June, Eagle Energy, the broker assisting the City with its program, received proposals from two (2) natural gas suppliers for the City's aggregation program. Based upon their proposal submitted, IGS was once again determined to be the best opportunity for the City's program. The selection of IGS should allow the program to continue without a gap in service, commencing in November, because they already have the most recent customer list. A new supplier would need to obtain that list from Duke Energy which could delay the service by at least a month.

The new 2014 program will function just as the current program has over the past two years. By entering into this agreement, the City is making a commitment to IGS for them to serve as our natural gas aggregation supplier over the next two-year period. Once the agreement is completed, IGS and Eagle Energy will continue to monitor the natural gas market to find rates that are advantageous to our program. We may once again find a monthly rate to be a more attractive option, however if longer term rates provide for a better opportunity, we may lock in a rate for twelve or twenty-four months. The rate residents will pay will not be identified in the MSA. If you recall, the natural gas rates are based upon market conditions in this industry.

An ordinance, with an emergency clause, authorizing the City to enter into a Master Service Agreement (MSA) with Interstate Gas Supply, Inc. (IGS), will be before Council at the **08/20/2014** meeting.

Item IV

An Ordinance Authorizing the Mayor and Clerk of Council/Finance Director to Enter into A Master Service Agreement (MSA) with Interstate Gas Supply, Inc. (IGS) to Provide Electrical Aggregation Distribution Services to the City of Springdale and Declaring an Emergency

When the City's Master Service Agreement (MSA) with Dayton Power and Light for electrical generation services was expiring (May of this year), the electric energy market was very unstable. Prices were well above Duke Energy's "price-to-compare" rate and did not present an attractive offering for the City's aggregation program. Due to the rather cool summer months this year, the rates today are much more attractive for the program.

Results from proposals received by Eagle Energy earlier this summer produced two very competitive bids for the City and other participating communities. Of the two proposals, Interstate Gas Supply, Inc. (IGS) submitted the best rate for the City's program. Yes, it is the same IGS which is the supplier for the City's current Natural Gas Aggregation program and will potentially supply the natural gas for the next two years. Although IGS did not initially propose the lowest rate, they were able to reach a tentative agreement with the communities on the language to be included in the MSA. Eagle Energy anticipates the program can begin no earlier than the month of November. The final details of the agreement were being resolved as late as the printing of this report.

As you may recall, in this industry, suppliers respond to a "Request for Proposals" by submitting numbers indicative of what the residents might pay. They typically do not provide a solid final rate unless you have the ability to commit to the rate within twenty-four to forty-eight hours after the quote. I have expressed to Eagle Energy that the City will need to have an attractive rate from IGS by the time City Council considers the electric MSA. The most recent rate provided by IGS on Thursday, August 14 was \$0.0578/kWh for a three-year period. This rate is 9.7% lower than Duke Energy's price-to-compare rate of \$0.0639/kWh.

If Council decides to adopt either of the two Master Service Agreements (Natural Gas or Electric), residents will receive an opt-out notice from IGS providing twenty-one days from the postmark date to indicate they do not wish to participate in the program. If the resident takes no action during the twenty-one day period, Duke will send a notice to the resident giving them an additional seven days to opt out. If the resident does nothing, the resident is in the program.

An ordinance, with an emergency clause, authorizing a Master Service Agreement (MSA) with Interstate Gas Supply, Inc. (IGS) to provide electric generation services for the City, will be before Council at the **8/20/2014** meeting.

Item V

An Ordinance Reducing Special Assessments Levied for the Purpose of Constructing Certain Improvements at Pictoria Island and Declaring an Emergency

Under the terms of the Tax Incentive Cooperative Agreement entered into between the City of Springdale, the Greater Cincinnati Port Authority, and MEPT in August 2006, a special assessment district was established to levy an assessment fee on the ten-story office building at the Pictoria Island development. Under the terms of the TIF agreement, the special assessment amount may be reduced or increased annually based on the amount of funds collected through TIF service payments in the previous year. The purpose is to set the special assessment payments at an amount that will meet the debt service payments in the upcoming year.

An ordinance, with an emergency clause, to reduce the amount of the special assessment levied on the office building at Pictoria Island for the next twelve months is scheduled to be before Council on **08/20/2014**.

Item VI

A Resolution Authorizing the City Administrator to File an Application with the Hamilton County Engineer's Office for Municipal Road Funds (MRF) for Road Improvements on W. Sharon Road in the City of Springdale

In 2012, the City submitted an application to the Ohio Public Works Commission (OPWC) for State Capital Improvement Program (SCIP) funds to rehabilitate W. Sharon Road from Springfield Pike to the City's western border at the City of Forest Park. The total estimated construction cost for the project was \$347,300. Once receiving the news that the project would not be funded, staff began to explore other options to address the many concerns on Sharon Road. Unfortunately, the City's finances could not at that time and can not currently absorb paying 100% of the cost for a major renovation to the road. Instead, staff believes if we invest roughly \$40,000 in pavement repairs and crack sealing repairs, we should be able to extend the life of the road for a few more years before being at a critical point of needing to perform the major renovation.

In an effort to pay for all or a large portion of the abovementioned repairs, the Administration would like to apply for Municipal Road Funds (MRF) through the Hamilton County Engineer's Office. We have been successful on other projects with MRF funds. Hopefully, the County Engineer will have funds available to assist with this project. The deadline to submit an application for MRF funding is Friday, August 29, 2014. This information was presented to Council's Capital Improvement Committee at a meeting held on Thursday, August 14.

A resolution authorizing the City Administrator to file an application with the Hamilton County Engineer's Office for MRF funds for road improvements on W. Sharon Road will be presented for Council's consideration at the **08/20/2014** meeting.

Item VII

An Ordinance Transferring Ownership and Maintenance Responsibility of the City's Outdoor Warning Sirens from the City of Springdale to the Hamilton County Emergency Management Agency and Declaring an Emergency

Earlier this year, the Springdale Public Works Department was informed by the Hamilton County Emergency Management Agency (HCEMA) that they had secured a grant for the replacement and upgrade of the outdoor warning sirens in Hamilton County. In 2012, perhaps under this same grant, HCEMA paid for the installation of a new siren on Kemper Commons Circle near Sam's Club and Home Emporium. This siren replaced one that was previously located on the top of Tri-County Mall.

As a part of the discussions with our Public Works Department, HCEMA indicated their desire to take ownership and maintenance responsibility for all of the City's outdoor warning sirens. The City would simply need to transfer the sirens over to HCEMA. Presently, the City is covered by three warning sirens. We have the siren identified above on Kemper Commons Circle, a second siren located on top of the Springdale Fire Department, and a third located adjacent to Temple Baptist Church on Kenn Road.

An ordinance, with an emergency clause, transferring ownership and maintenance responsibility of the City's outdoor warning sirens to the Hamilton County Emergency Management Agency will be before City Council at the **09/03/2014** meeting.

Item VIII

A Resolution Authorizing the City Administrator to File an Application with the Ohio Public Works Commission for Local Transportation Improvement Program (LTIP) Funds and/or State Capital Improvement Program (SCIP) Funds, and Authorizing the Mayor and Clerk of Council/Finance Director to Execute All Contracts and Other Documents

The City's 2013 OPWC application for SCIP funding included W. Kemper Road as the primary project and Jake Sweeney Way/Boggs Lane (Sweeney/Boggs) as our secondary project. The City was successful in receiving funding for the W. Kemper Road project. Unfortunately, we were not as successful with the Sweeney/Boggs project. The City's 2014 5-Year Capital Improvement Budget proposed a number of road improvement projects during 2015. At the August 14 Capital Improvement Committee meeting, the Administration recommended the Sweeney/Boggs project as the City's primary project in 2015 for an OPWC application for SCIP funds. The SCIP application deadline for this project is Friday, September 19.

During the video taping of several City storm sewers, staff discovered a rusted metal corrugated storm sewer pipe located below the surface of Jake Sweeney Way between W. Kemper Road and Boggs Lane. Earlier in 2014, the road surface began to experience what started out as a small depression in the pavement. Soon that small depression developed into a rather sizable sinkhole where the corrugated pipe had begun to fail. The Public Works staff covered the hole with a metal plate until we were able to employ a contractor to temporarily repair both the pipe and pavement.

In the interim, the City filed an application with the Ohio Department of Transportation's Office of Jobs and Commerce (HB51) for funding to help pay for the construction of the Sweeney/Boggs project. The newly created Office of Jobs and Commerce provides funding of road improvement projects with a special emphasis on Economic Development and more importantly job creation. In July, the City was notified our application was one of three projects in Southwest Ohio to be approved for funding. The funding amount the City is expected to receive is \$100,000. The Sweeney/Boggs project now has a construction cost estimate of \$1,064,855. The \$100,000 HB51 funding represents approximately 9.4% of the construction cost. If we are successful in our SCIP application, the remaining funding breakdown would be SCIP funds in the amount of \$521,779 (49%) with the City being responsible for \$443,076 (41.6%).

A resolution authorizing the City Administrator to file an application for OPWC funds for 2014 (Round 29) will be before Council at the meeting of **09/03/2014**.

Item IX

A Resolution Accepting the Amounts and Rates as Determined by the Budget Commission and Authorizing the Necessary Tax Levies for 2015

Each year the City of Springdale and other municipalities must submit a tax budget to the County Budget Commission in June of the year prior to the tax year in question. The tax budget estimates the revenues and expenditures for the City in the upcoming year. As part of its review, the Budget Commission examines the estimated income from property taxes to determine if it is reasonable. In Springdale's case, we only have the 3.08 mils (inside mils) that support the General Fund. If we had any voted property taxes, they would also be subject to review by the Commission.

After the City's tax budget is approved by the Budget Commission, the City must then adopt a resolution accepting the rates approved by the Commission and authorizing the levying of the property tax for the following year.

A resolution accepting the rates and authorizing the City's property tax levy for 2015 will be presented to City Council for consideration at the **10/01/2014** meeting.

Item X

An Ordinance Authorizing the City to Participate in a Group Retrospective Rating Program for Workers' Compensation for 2015 and Declaring an Emergency

In an effort to save on workers' compensation premiums, the City began participating in a group rating program with the Miami Valley Risk Management Association (MVRMA) in 1993. The experience of being in a group has served our organization well. When MVRMA discontinued their group rating program beginning with the 2011 program year, the City was presented with an opportunity to join the Ohio Municipal League's (OML) program. The City has participated with OML every year since, and the program continues to prove beneficial to our organization. Although OML is once again offering the program, unfortunately, the City's workers' compensation claims experience is too high to participate.

Fortunately for the City, OML offers another alternative rating program in which the City is eligible to participate. OML's other program is the Group Retrospective Rating Program (Group Retro). Group Retro is a performance-based incentive program where although cities group together, they continue to pay their own individual premiums to the Bureau of Workers' Compensation (BWC). Depending upon the performance of the entire group, each City could receive either a refund or an assessment.

The key to the success of the Group Retro program is based on best safety practices, education, and aggressive claims management. CompManagement, the program administrator, is rather selective in which Cities are allowed as members into the Group Retro program. If a City's BWC claims experience exceeds the industry standard, that City will not be allowed to enroll in the program. This selective process protects the group's ability to receive a larger refund and minimizes the possibility of an assessment. Because the enrollment deadline for the 2015 Group Retro program is not until October 31, 2014, legislation will be delayed until the **10/15/2014** meeting.

An ordinance, with an emergency clause, authorizing the City to participate in the OML Group Retro program for 2015 will be presented to Council for consideration at the **10/15/2014** meeting.

Item XI

Swearing-In Ceremony of New Police Sergeant

Following the earlier promotion of two Police Sergeants to the position of Police Lieutenant, the City held a promotional examination to promote one Patrol Officer to fill the vacant Police Sergeant position. Patrol Officer William Zeek has been chosen to fill the vacant position and will be sworn-in at the meeting of **08/20/2014**.

Mayor
Clerk of Council / Finance Director
City Council
Assistant City Administrator
Law Director
City Engineer
Department Directors
Recording Secretary
Reading File