

**City Council Meeting Minutes**  
**October 29, 2008**  
**Special Session**  
**5:00 p.m.**

The Xenia City Council met in a Special Session on October 29, 2008, at 5:10 p.m., in the City Council Chambers, Second Floor, City Hall, with the following members present: Jeanne Mills, John Caupp, Dale Louderback, Dennis R. Propes, Phyllis A. Pennewitt, and Patricia L. Felton.

William R. Miller was absent.

Motion by Councilman Propes, seconded by Vice President Mills, to adjourn into Executive Session to discuss Legal Matters. No discussion followed. The Roll on this was the following:

Ayes: Mills, Caupp, Louderback, Propes, Pennewitt and Felton

Nays: None                      motion carried.

The City Council met in Executive Session to discuss Legal Matters.

At 5:15 p.m., the Xenia City Council adjourned their Executive Session and reconvened in Special Session with the following members present: Jeanne Mills, John Caupp, Dale Louderback, William R. Miller, Dennis R. Propes, Phyllis A. Pennewitt, and Patricia L. Felton.

**LEVY RENEWAL/REPLACEMENT OPTIONS:** Mr. Percival said they (Appointed Officials and staff) have been working on several options regarding levy renewal or replacement and the millage needed. He noted the existing 3.5 mill operating levy was originally passed in 1959 and has been renewed upon its expiration thereafter. They originally thought the spring 2009 election would occur in May; however, they recently learned the first special election next year would be held on February 3, 2009. The Greene County Board of Elections needs to have ballot issues 75 days prior to the election, which would be November 20, 2008. To meet this timeline requirement, they scheduled this meeting to discuss the levy renewal/replacement options with the intent to introduce three different versions of a Resolution for tax levies and pass as an emergency a Resolution to submit to the County Auditor to determine the dollar amount that would be generated by a 3.5 mill renewal levy, a 3.5 mill replacement levy, and a 5.0 mill replacement levy. He noted the tax levy resolutions cannot be passed as emergencies. Therefore, they must introduce all three today and before their second reading and subsequent passage on November 13<sup>th</sup>, they need to determine which one to go forward with.

Mr. Percival said Mr. Bazalak has spoken with School Superintendent Dr. Jeffrey Lewis regarding the spring ballot. In the event their levy issue does not pass in November 2008, they will not be ready to put it back on the February 2009 ballot; instead, they would put it on the May 2009 ballot.

The City's current operating levy expires in 2009. If they do not put anything (a renewal or a replacement) on the ballot, there will be a gap in the revenue stream. As he stated earlier, staff has put together three different options for consideration. Once the November 2008 election results are known, they can decide which one to proceed with. He noted there are five or six different levies on the November 2008 ballot. If all the renewals pass and the new levies fail,

that may help them decide which option they should proceed with and whether they need to seek additional funding options.

**The first option is a 3.5 mill operating levy RENEWAL.** This option is no increase to residents and no new dollars. The current effective millage for this levy is approximately .92 mills. The current revenue generated is \$427,000.

**The second option is a 3.5 mill operating levy REPLACEMENT.** This option would bring the current effective millage back up to 3.5 mills and would generate an additional \$800,000 for a total of \$1,227,000. He noted the yearly costs for tax appraised values were listed on the agenda item report; for example, a home valued at \$100,000 would pay an additional \$79.01 per year. Mr. Lewis asked what the current costs are per year. Mr. Bazalak did not have that information available, but he estimated it would be approximately \$30.00 per year for a home valued at \$100,000.

**The third option is a 5.0 mill operating levy REPLACEMENT.** This option would generate an additional \$1.4 million for a total of \$1,827,000. He noted the yearly costs for tax appraised values were listed on the agenda item report; for example, a home valued at \$100,000 would pay an additional \$124.95 per year.

**Another option is an Income Tax increase** from 1.75 to 2 percent *or* from 1.75 to 2.25 percent. An increase to 2 percent would increase revenue by \$1.443 million (which is about the same amount as the 5.0 mill operating levy replacement), and an increase to 2.25 percent would increase revenue by \$2.885 million. This would affect those that live in the City as well as those that work in the City. Someone making \$50,000 would pay an additional \$125 per year if the income tax was increased to 2 percent; someone making \$50,000 would pay an additional \$250 per year if the income tax was increased to 2.25 percent.

Mr. Percival said he has two thought processes in regard to the above-mentioned options. If they go to the ballot, they should try to get additional revenue. On the contrary, maybe they should go ahead and lock in the 3.5 mill renewal to be sure they at least get the dollars associated with the renewal. He then entertained questions.

Mr. Bazalak reiterated they need to pass one Resolution for the County Auditor as an emergency and then introduce the other three today. They will determine after the November election which option to bring back.

Councilman Caupp said he does not like income tax increases. President Felton thought they could increase the income tax without going to the ballot. Mr. Lewis said he would check into that.

Councilman Caupp felt they should go forward with a 5.0 mill replacement. Councilman Propes agreed they should go for a replacement levy. Councilman Caupp said the current levy is only generating \$427,000, which is not realistic in today's world. It does not even come close to generating the revenue they need to cover their expenses.

Mr. Lewis said if the school's levy fails in November 2008 and they don't go back out in February, that puts the City in a better position for the February 2009 ballot. There will be less competition. However, there will probably be a smaller voter turnout.

Mr. Bazalak noted for the February 3, 2009, ballot, the Board of Elections needs the information no later than November 20, 2008, which is only 17 days after the election—that's a very quick turnaround.

Councilman Louderback was not in favor of any new taxes—he prefers a 3.5 mill renewal levy.

Vice President Mills felt they should try for a 5.0 mill replacement—they should go for it all first; if that fails, they can shoot for something smaller the next time. Mayor Pennewitt agreed.

Mr. Percival said if all new levies are defeated 80:20, they may need to change their thinking. Mr. Lewis said barring a catastrophe between now and February, the [negative] reporting on the economy will certainly change after the election.

Councilman Caupp said he's against income tax increases—no matter what the economy does, his feelings won't change.

Councilman Propes presented a **RESOLUTION TO SUBMIT TO THE COUNTY AUDITOR FOR A DETERMINATION OF TOTAL CURRENT TAX VALUATION AND OF A DOLLAR AMOUNT THAT WOULD BE GENERATED BY EACH MILL OR FRACTION THEREOF FOR THE FOLLOWING TAX LEVIES, AND DECLARING IT TO BE AN EMERGENCY.**

Motion by Councilman Propes, seconded by Vice President Mills, that the rules requiring the reading of a resolution at two consecutive meetings be dispensed with and this ordinance be placed at once upon its passage. No discussion followed. The Roll on this was the following:

Ayes: Mills, Caupp, Louderback, Miller, Propes, Pennewitt, and Felton

Nays: None                      motion carried.

Motion by Councilman Propes, seconded by Vice President Mills, that Resolution Number 08-V be now passed. No discussion followed. The Roll on this was the following:

Ayes: Mills, Caupp, Louderback, Miller, Propes, Pennewitt, and Felton

Nays: None                      motion carried.

Mayor Pennewitt introduced a **RESOLUTION DECLARING IT NECESSARY TO LEVY A TAX IN EXCESS OF THE TEN MILL LIMITATION (3.5 Mill Renewal)**, and it was read for the first time.

Mayor Pennewitt introduced a **RESOLUTION DECLARING IT NECESSARY TO LEVY A TAX IN EXCESS OF THE TEN MILL LIMITATION (3.5 Mill Replacement)**, and it was read for the first time.

Mayor Pennewitt introduced a RESOLUTION DECLARING IT NECESSARY TO LEVY A TAX IN EXCESS OF THE TEN MILL LIMITATION (5.0 Mill Replacement), and it was read for the first time.

Mr. Bazalak said once they determine which Resolution to go forward with, the second reading would be conducted on November 13, 2008. He noted two Councilmembers would not be in attendance at that meeting, and the Resolution must be passed by a two-thirds majority; therefore, all five members present must vote "aye" to pass.

President Felton mentioned the need for Council work sessions. She asked everyone to check their calendars. After a brief discussion, they decided to meet on Saturday, November 8<sup>th</sup>, at 9 a.m. and again prior to their regular session on Tuesday, November 25<sup>th</sup>, at 6 p.m. The November 8<sup>th</sup> work session will be in regard to our Employee Benefits Package, and the November 25<sup>th</sup> work session will be in regard to potential utility billing ordinance changes. Mr. Percival noted he and City Planner Nimfa Simpson are working on the City's Design Guidelines, which he will bring forward for City Council review at a future work session.

Finally, President Felton entertained a motion regarding a severance package for an employee.

Motion by Vice President Mills, seconded by Councilman Louderback, to approve a salary and benefits severance package for Assistant Prosecutor Craig Saunders in the amount of \$4,532.82. No discussion followed. The Roll on this was the following:

Ayes: Mills, Caupp, Louderback, Miller, Pennewitt, and Felton

Nays: Propes motion carried.

President Felton asked Mr. Lewis for follow up information in regard to the above-mentioned action. Mr. Lewis said he would provide that.

**ADJOURNMENT:** Motion by Councilman Miller, seconded by Vice President Mills, to adjourn the Special Session at 5:40 p.m. No discussion followed. The Roll on this was the following:

Ayes: Mills, Caupp, Louderback, Miller, Propes, Pennewitt, and Felton

Nays: None motion carried.

Michelle D. Johnson, Clerk  
Xenia City Council

Patricia L. Felton, President  
Xenia City Council