

City Council Meeting Minutes
December 30, 2008
Special Session
5:00 p.m.

The Xenia City Council met in a Special Session on December 30, 2008, at 5:15 p.m., in the City Council Chambers, City Hall, with the following members present: Jeanne Mills, John Caupp, Dale Louderback, Dennis R. Propes (arrived at 5:55 p.m.), William R. Miller (arrived at 6:25 p.m.), Phyllis A. Pennewitt, and Patricia L. Felton.

Levy Campaign. Mr. Percival noted a pamphlet was shared with Council on the City of Xenia Operating Levy that will be distributed to the community. It discusses the need for additional resources, how much those additional resources would cost, and tries to explain where property tax money goes. It is important for our citizens to know that although they may pay \$1,000 in property taxes, the City of Xenia only get 9% (\$90); if they pay \$100, the city gets \$9.00. The majority of property taxes go somewhere else. If they are successful in this effort, for a \$100,000 home, taxpayers will pay an additional \$10 per month; for a \$200,000 home, taxpayers will pay an additional \$20 per month; and so on. The extremely marginal increase will: (1) allow the city to fund its operations in the manner currently funded; (2) allow the city to continue to do capital improvements as budgeted. Without some type of [replacement] levy, there will have to be service reductions. Although not wanting to sound like doom and gloom, they have a responsibility to tell it like it is. The tax dollars requested are small but he also realizes they are in difficult economic times; however, some help is needed if the city is to continue to provide the services currently provided. He believed some of the stimulus dollars, etc., will be seen and that staff can develop projects to take advantage of those funds. However, the money will more than likely be used to fund specific capital improvements projects, such as the parallel 20" redundant water line; it will not fund operations. There might be a possibility of funding the Shawnee Park retention wall repairs as a stormwater project.

Mr. Lewis felt they need to treat this like a political campaign by phoning people and going door-to-door in order to have any chance of being successful. The Board of Elections was contacted and they are putting together a walking list for registered voters in our precincts. Although they need to focus on the entire city, they particularly need to focus on those areas where the school levy did better than other areas. He has access to a phone list for registered Republican voters. If someone can get access to the registered Democratic voter's phone list, that would give them a pretty good overlay. Those two lists would not provide information on independent voters, but would supply information on the vast majority of registered voters. Statistically, phone calls make a difference in this type of campaign and are fairly inexpensive to do. The city has numerous phone lines so setting up a phone center will not be necessary; however, they need to find the manpower to staff it. The two interns in the Law Department can help staff the phone center and hopefully they can find other people to assist. He has worked with volunteers in a phone campaign before; it does not take that long to make the calls. Volunteers will be given a script to follow. Volunteers that are asked questions that they are unable to answer will ask the person to call the City Manager and his phone number will be provided. Doing so will ensure volunteers are not giving people the wrong answers or

misdirecting them. In summary, he suggested they do a door-to-door campaign, have a phone center, and do at least one direct mailing to every household if the city can afford to do so.

Mr. Bazalak noted the brochure will be included in the utility bills. The mailing could be segmented so that it only goes to residences inside the city limits. Mr. Lewis felt money was better spent on direct mailings as opposed to using the newspapers because fewer people subscribe to newspapers. Mr. Bazalak said they could utilize the City's Government Channel 5, much like Mr. Percival did for his State of the City address, and use the City's website. There is now a lot more interest in looking at the city's government channel.

Councilman Caupp suggested asking three to five citizens to record a message rather than using someone from the city. Mr. Lewis thought that was a very good point. Traditionally, they tried to turn this type of a campaign over to a citizen committee. Citizen committees are great for getting the word out, but the city needs to oversee the project to ensure it gets done properly. Councilman Caupp thought some of the work should already have been done. For example, information should already be posted on Channel 5. Mr. Lewis felt it was too early to do a door-to-door campaign or to set up a phone center. They are still on a good timeline for everything as long as they keep moving in the right direction.

Mr. Percival thought part of the message should include that they realize the current economic difficulties, which the city is also facing. If a citizen could explain what the \$10 or \$20 monthly increase will get them in services, then that might sell well.

Mr. Lewis thought there are three selling points: (1) The cost per month; (2) the conditions the city is facing, which are highlighted well in the brochure. There is a perception that there is a plethora of state/federal/city employees. The brochure provides information on the actual number of city staff doing those jobs; (2) the tax dollars spent wheel is a very good illustration. Seventy-three percent (73%) of the city's budget is spent on Police, Fire, and Xenia Municipal Court. People need to realize there is not a lot of discretionary money lying around to spend.

Vice President Mills noted if the levy does not pass, different measures will need to occur to use the money more wisely. The Fire and Police Divisions will be hit the most, and people don't like that. Mr. Percival said he would like to avoid sounding like they are threatening someone; however, without the resources requested, there will be reductions in service levels. Mr. Lewis agreed the Police and Fire Divisions are extremely important. He was surprised at the number of people who use the Fire Division as an ambulance transport service for non-emergencies. He was not saying they should not do that, but people need to stop and think.

Councilman Louderback asked if Mr. Percival was talking about the best case or worst case scenario when he mentioned a reduction in services. Mr. Percival said he was referring to the worst case scenario. If this replacement levy effort fails and then the 3.5 Mill *Renewal* Levy does not pass, the city would lose the \$417,000 per year it is already getting, which would put the city in dire straits. The best case scenario is if the 3.5 Mill Replacement Levy with the additional 1.5 Mills is passed because that would generate approximately \$1,957,000.

Councilman Louderback asked what position the city would be in if the 3.5 Mill *Renewal* Levy passed and the city continued to receive the \$417,000 per year. Mr. Percival said the General

Capital Improvement Fund would only pay the debt service. Mr. Bazalak said given what they know today, they will have difficulty balancing the 2010 budget *even with the Renewal Levy*. Councilman Louderback said that is assuming there are no federal funds available. Mr. Bazalak said that was assuming they get no growth in the state money via the federal government, there was no job growth, etc.

Mr. Lewis said that also assumes that the state and local federal government funds will stay in existence with relatively the same amount of money they are getting. Mr. Bazalak said they have already been notified by the County Auditor that the city will receive \$90,000 less in the State and Local Government Fund than in the past.

Councilman Louderback said for the record, he was not a “tax and spender” and he could not support the levy given today’s economy. He believed there was help on the way from the federal government.

Mr. Bazalak said another selling point might be that the city has not had a voted tax increase since 1991. The City of Xenia is proud of its tradition of providing quality services to our citizens while keeping its tax rates low. As Council is aware, they did go to the voters in 2003. Mr. Percival was involved in the traumatic consequence after the 2003 levy was soundly defeated, which resulted in a staffing decrease of 15 positions and across-the-board budget cuts. The city has lived within its means and the expenditures can show that. He understands Councilman Louderback’s point regarding the current economic conditions, but he felt citizens should be given the opportunity to decide on the service levels they want.

President Felton clarified the direct mailing would happen in January with follow-up phone calls and a door-to door campaign. Mr. Percival said that would happen by the end of January. Election Day is February 3rd. Mr. Lewis felt they should do the door-to-door campaign during the last three weekends in January, which might take longer than anticipated given the winter weather. President Felton reminded Mr. Lewis that many absentee ballots are cast early. Mr. Lewis said he understood that. Without media attention, Mr. Percival was not sure many voters would request absentee ballots.

Mr. Lewis asked when residents receive their January utility bills. Mr. Bazalak said the utility bills will be mailed in the middle of January. Mr. Lewis suggested they begin the door-to-door campaign the second weekend in January.

Councilman Louderback asked what it cost to put the levy on the ballot. Mr. Percival said it will cost approximately \$18,000. Councilman Louderback asked how much involvement the city would have in this campaign. Mr. Bazalak said the preliminary cost for printing the flyer was \$1,200. They do not yet have the costs from the company that mails the flyers with the utility bills. He thought the flyer would cost around \$1,000.

Mr. Lewis asked if Greene Inc. had been contacted about printing the brochures. Mr. Percival said he would check with Greene Inc. – he was not sure they did printing. Mr. Lewis thought the brochure presented was fine; it does not have to be printed on better paper. People will look at the brochure and throw it away. President Felton agreed that the flyer looked fine. Mr. Percival said he would check with Greene, Inc. to see if they do printing.

Councilman Louderback said he did not like to be held hostage. He asked for further explanation of "reduction in services," and why that would have to occur if the \$417,000 Renewal Levy is approved. Mr. Percival said if the city gets the \$417,000 Renewal Levy approved, they will not have the million dollars to transfer into the General Capital Improvement Fund that they have been transferring every year. *Hopefully*, the city will receive some of the federal stimulus dollars, but that money will not cover general maintenance items, such as police cruisers. Hopefully, that stimulus money will cover some of the big capital improvement items, but it will not cover general maintenance or operating costs, which is where they will suffer. They will not have the ability to move any dollars from the General Operating Fund into the General Capital Improvement Fund.

Mr. Bazalak said projections show they will begin to eat away at their reserve requirement in 2010, which decreases the balance available for general operating purposes, let alone having any funds to transfer to the Capital Improvement Fund. Mr. Percival said if they get to that point, they will evaluate everything they do.

Councilman Louderback noted in 2003, they had to lay-off some employees. He asked if they are projecting lay-offs if the levy does not pass. Mr. Percival said no, not at this point; he does not want to go through that again. Councilman Louderback said he did not want to go through lay-offs either. On the other hand, he cannot ask the citizens to pay additional taxes, given today's tough economy. He understood there would be a price to pay, and felt the average citizen understood that, but people are being taxed to death.

Mayor Pennewitt noted they are facing union negotiations, and pay increases will increase the cost of city operations. In 2003, she was not aware of anyone being let go; jobs were just not filled through attrition. Mr. Percival said several employees were let go and vacancies were not filled through attrition. Mayor Pennewitt recalled in 2003, some positions were not filled when an employee retired and other vacancies prior to 2003 were also not filled. Mr. Percival said that was true for some positions. Mayor Pennewitt thought 2003 was bad - we all suffered through it and the failure of the levy. She felt over the last six years, they have all been frugal about spending. If the current levy is renewed, that will not help them that much other than keeping the current level. Beginning January 1st, there will be new pay increases in the Fire Division followed by the Police Division. She asked Council how they would account for those increases if the current level of income is only maintained [and not increased]. If the levy does not pass, that is the situation they are facing.

Councilman Louderback said he already gave his opinion. Mayor Pennewitt said he did not answer her question. How would the city compensate for that loss of revenue given the increases in salaries for the Fire and Police Divisions? Councilman Louderback said salaries are already figured in the budget. Mayor Pennewitt agreed, but the budget is not finalized; currently, they are not in balance. Councilman Louderback disagreed. He asked if the city is taking in more money than it is spending. Mr. Bazalak said that was true in 2008. Councilman Louderback said they can just take one year at a time.

President Felton said she would like the voters to speak and to understand the city's viewpoint. The city is trying to be frugal, but a certain amount of money is needed to maintain the current level of services or to improve on things that they want done. They have always fussed about the

budget, and what needs to be done while still trying to keep costs down. (1) They need to have two months reserve in case of an emergency and only purchasing what they need. Given today's economy, she has no idea how the citizens will vote. However, citizens should be given the opportunity to vote. (2) Our expenses will not decrease. Even if salary increases are included in the budget, gasoline prices will eventually increase, diesel fuel has not decreased, increases in electricity, heat, maintenance, and tires all need to be included in the budget. In her personal life, she budgets a certain amount of money. However, given the increases in DP&L and Vectren, she will be spending more money every month. They are trying to run the government as best they can with what they have. The city needs more money. They will ask citizens if they are willing to pay for it, which is why she is supporting the levy.

Councilman Louderback understood that was what President Felton was saying, but that is not what he was saying. President Felton thought voters needed to be given the chance to make the choice. Councilman Louderback felt voters needed to hear both sides of the story. President Felton said she had no problem with that.

Councilman Caupp said if voters needed to hear both sides of the story, he asked if Council will publicly voice their opinions about the levy. President Felton said the majority of Council voted to support the levy, and that should be the way it stands. Councilman Caupp recalled they got in a back and forth spat during a meeting, which should never have happened. He did not think they wanted that to happen again. We all have our opinions.

President Felton said since 1990, she has been defeated on many issues at this table, including Progress Drive and others. Even though she may not agree with everyone, she did not tell people how to vote. Everyone will have to do their own thing.

Continuation of 2009 Budget Review. Mr. Percival noted since the City Engineer, Chris Berger, was only recently hired, much of his department's budget was already completed. He was given the opportunity to delete or add items.

Engineering (1555): Mr. Berger said he has never gone through a budget hearing where he was told he was allowed to increase his budget. He compared the 2009 budget submitted to what was done in 2008.

Fund 101 – Engineering, Dept. 1555

<i>Object Code</i>	<i>Detail/Amount</i>
53122	Engineering Services/OH Government Safety Grant @ \$6,000

Mr. Berger said the grant is a Governor's Highway Safety Grant. Although he was not the City Engineer at the time, he was aware of a local traffic engineering firm that approached all the communities and asked them to share information on the ten worst intersections they would like studied for safety issues. Staff obtained accident reports from the Police Division. The engineering firm is trying to be proactive by offering to apply for the Governor's Highway Safety Grant. In return for getting the grant for the city, they will ask to be hired; they have been pretty successful by taking that approach. The \$6,000 is generally what the firm requests from the local community. The Safety Grant would reimburse the city 100% of the \$6,000 fee. Obviously, the 6,000 needs to be budgeted to pay the engineering firm; however, the \$6,000 is really a 0% increase.

President Felton thought they already hired a traffic engineering firm. Mr. Berger said the engineering firm of Lockwood, Jones & Beals was hired for the Progress Drive/Hospitality Drive safety study; this is a different safety study.

Fund 101 – Engineering, Dept. 1555

<i>Object Code</i>	<i>Detail/Amount</i>
537722	Vehicle Repair – Municipal Garage @ \$10,629 (<i>increase of 39.45%</i>)

Mr. Berger said he was told the SUV used by the Engineering Department is getting older and needs major repairs. Mr. Percival noted many departments will show increases in vehicle maintenance due to the increase in the gasoline and diesel fuel line item. Since prices have dropped, they reduced the budget for gasoline to \$3/per gallon and \$3.50/per gallon for diesel fuel. Although gas and diesel prices are currently low, they will begin to rise by summer. They do not want to have to come before Council and ask for emergency appropriations like they did last year.

Fund 101 – Engineering, Dept. 1555

<i>Object Code</i>	<i>Detail/Amount</i>
53122	Engineering Services/OH Government Safety Grant @ \$6,000
53121	Engineering Services @ \$15,000 (<i>a reduction of 40% from 2008</i>)

53122 - Mr. Percival said although they budgeted \$6,000 in this line item, they reduced the overall contracted engineering services from \$25,000 in 2008 to \$15,000 in 2009 [53121]. The \$6,000 is really a wash since it will be reimbursed. They are working harder at getting more state and federal grant dollars. Mr. Berger said it is rare to find a grant that is 100% reimbursable, which is why many communities are pursuing it. The engineering firm will look at major intersections with the most accidents, review the existing conditions, and make recommendations on remedying the problems. As he explained to Mr. Merriman, the best part is that it will set the tone for future capital improvement projects. It is good information to have. Mr. Percival said without the safety study, they cannot get grants. The safety study is done the first year and the following year the grant is awarded to fix the problem.

Mr. Berger entertained questions on the Engineering Department budget.

Councilman Caupp asked if the city was charging developers to do traffic studies. Mr. Percival said absolutely. Because they have an existing problem at Progress Drive, they are paying to have someone do part of that study. When the next person applies for zoning permits, their portion of the traffic study expense will be passed along to them through the fees charged for the zoning permit. The original developer was going to have to do a traffic study when it was moving forward, but now that they have backed off, he felt they still needed to address the problem, and those costs will then be passed along.

Construction Inspection (1556): Mr. Berger said he went through each line item. There was a total difference of \$134.00 from 2008.

Fund 101 – Construction Inspection, Dept. 1556

<i>Object Code</i>	<i>Detail/Amount</i>
53510	Garage Rent @ \$2,275 (<i>decrease of 32.59%</i>)

Councilman Caupp asked how the price for garage rent is determined. Mr. Percival said Mr. Freeman developed a formula years ago. The formula is based on the amount of square feet each department takes in the garage, the electric/heating bills, etc., and all those costs are divided. Councilman Caupp noted there was a large increase from 2007 to 2008 [from \$2,054.52 to \$3,375.00] but the amount decreased in 2009. Mr. Bazalak said money might have been transferred into the account in 2008. Mr. Merriman said there might also have been a difference in how square footage was calculated in 2009.

President Felton stated she does not like line item transfers but that continues to happen year after year. Mr. Berger said he thought Mr. Jones looked at each line item to see if money was transferred in 2008 and adjusted the budget accordingly to minimize transfers, which is the best they can do.

President Felton asked where travel, business meetings, etc., were shown in the Construction Inspection and Engineering Office budget. Mr. Percival noted those line items are shown under the following:

Fund 101 – Construction Inspection, Dept. 1556

<i>Object Code</i>	<i>Detail/Amount</i>
52110	Business meetings/lodging @ \$1,300
52120	Meal allowances @ \$200
52130	Professional memberships @ \$500
52210	Mileage allowances and tolls @ \$200
52290	Travel – other @ \$0.00
	TOTAL BUDGETED: \$2,200 (increase of 113.59%)

Mr. Berger noted the following: 52110 increased \$800 in 2009 because of the Pavement and Erosion Seminar. The EPA is changing their requirements on permitting. Since Xenia is a Phase 2 community, we are subject to that. The EPA is increasing the requirements on detention basins, maintenance of detention basins, and putting more responsibility on the city for inspections of private detention basins. The reason for that is because private detention basins discharge into public waters, which is part of the city’s permit.

Fund 101 – Engineering Office, Dept. 1555

<i>Object Code</i>	<i>Detail/Amount</i>
52110	Business meetings/lodging @ \$1,250 (a decrease of 39.32%)
52120	Meal allowances @ \$200
52130	Professional memberships @ \$700
52210	Mileage allowances and tolls @ \$200
52230	Car rental @ \$1.00
52290	Travel – other @ \$0.00
	TOTAL BUDGETED: \$2,350 (a decrease of 32.78%)

Mr. Berger noted 52110 decreased from \$2,060 in 2008 to \$1,250 in 2009.

(Councilman Propes arrived at 5:55 p.m.)

Community Development (1551): Ms. Crockett said the expenditures are typical for the various professional organizations and consultants in the Community Development Department.

Fund 101 – Community Development, Dept. 1551

<i>Object Code</i>	<i>Detail/Amount</i>
52110	Business Meetings – Lodging & Registration @ \$1,520 (<i>decrease of 34.65%</i>)
52120	Meal allowances @ \$150 (<i>increase of 275%</i>)
52130	Professional memberships @ \$1,250 (<i>increase of 108.33%</i>)
52210	Mileage allowances and tolls @ \$200 (<i>increase of 90.48%</i>)
	TOTAL BUDGETED: \$3,120 (<i>increase of 1.60%</i>)

52130 - President Felton asked why the amount for professional memberships doubled. [2008 \$600 was budgeted/\$1,250 is budgeted for 2009]. Ms. Crockett said they are including more training for both the Zoning Officer and secretary on everything from GIS to Excel training. In order to obtain more state and federal dollars, staff is required to attend more meetings in Columbus. For example, she had to send Mr. Ziegler to a meeting on the Neighborhood Stabilization program a few weeks ago, which was a meeting they could not have anticipated. She projects more such meetings will occur in 2009 in order to access federal and state dollars. As they continue to do more work downtown and use program income dollars, training seminars offered through Heritage Ohio will become increasingly important to discover the resources and opportunities available. Council and/or staff should attend those seminars to find out what dollars are available to the city.

President Felton said she could appreciate all that, but she had a problem with a group rather than one person attending meetings and then sharing the information. Ms. Crockett said, for the most part, that was done last year. President Felton asked if Mr. Percival understood where she was coming from. Mr. Percival said he did.

Vice President Mills noted the following decreases:

Fund 101 – Community Development, Dept. 1551

<i>Object Code</i>	<i>Detail/Amount</i>
53141	Consulting – general management @ \$5,000 (<i>decrease of 33.33%</i>)
53290	Contractual services – other @\$500 (<i>decrease of 59.02%</i>)
53523	Rental – copy machine equipment @ \$1,140 (<i>decrease of 40.85%</i>)

Vice President Mills asked for an explanation of 53792, which was never listed as a line item previously:

Fund 101 – Community Development, Dept. 1551

<i>Object Code</i>	<i>Detail/Amount</i>
53792	Maint. Agreements – Office Equip @ \$693 [<i>100% increase</i>]

Mr. Percival said 53792 is the Community Development’s share of the new copier costs. Ms. Crockett said they do not plan to purchase copiers next year; however, additional equipment may be needed if the city once again does building inspections.

Councilman Caupp asked if maintenance agreements included full service and toner. Mr. Bazalak believed they did. Mr. Percival said a couple of specialized printers do not include full service, but most of the larger copiers/printers do. Ms. Crockett said there is a difference in per copy costs between the black/white and color copiers. Since the color copier was new last year, they are always adjusting the levels to determine which copier they use the most. The color

copies are much more impressive. Councilman Caupp thought the blueprint copier was also important. Mr. Percival said that copier is used in the Engineering Department.

Ms. Crockett said she would take into account the concern about having more than one person from the Community Development Department attend conferences or training seminars.

Planning (1552):

Fund 101 – Planning, Dept. 1552

<i>Object Code</i>	<i>Detail/Amount</i>
53606	Regional agency fees & Asses @ \$16,400 <i>(increase of 1.76%)</i>

Ms. Crockett said they may have to increase 53606. The MVRPC annual fee for 2009 is based on the city’s old census figure of 24,000 and not the current 27,000 figure. Mr. Percival agreed the amount may increase from \$16,400 to about \$18,000, based on changes in the city’s census figures.

Ms. Crockett noted no money was included for advertising [101-1552-53310].

Fund 101 – Planning, Dept. 1552

<i>Object Code</i>	<i>Detail/Amount</i>
52120	Meal Allowances @ \$250 <i>(increase of 400%)</i>

Ms. Crockett noted an increase in meal allowances was included in case staff has to attend training seminars/conferences. Councilman Louderback noted the line item only increased from \$7.30 in 2006 to \$250 in 2009. Ms. Crockett said they found line items in which they were not realistic. She felt all staff in the Community Development Department is frugal when it comes to travel. Some staff spends money out of pocket. The Community Development Department budget did not change much in 2009.

Mayor Pennewitt felt it was nice to see a 19.35% overall reduction.

Property Maintenance (1553):

Fund 101 – Property Maintenance, Dept. 1553

<i>Object Code</i>	<i>Detail/Amount</i>
53208	Demolition @ \$15,500 <i>(increase of 1.11%)</i>

Ms. Crockett said there may be more need for demolitions in 2009, for which they may receive some federal help through the Neighborhood Stabilization Program. They could not anticipate the demolition last year that cost \$12,000; they may see more houses that will require demolition due to their condition.

Mr. Percival shared that the Governor’s Office is sponsoring a Neighborhood Stabilization Act training seminar on January 11th. Minus the City of Springfield, there will be \$1.7 million available for Greene and Clark Counties. At this point, the Governor’s Office has not been very specific about how they can access those dollars. The City of Springfield gets its own money. The \$1.7 million is a significant amount of money, but they need to ensure that what is offered are things they want to accomplish. President Felton asked if they would find out what is

eligible on January 11th. Mr. Percival said yes. Ms. Crockett thought much of the money would be targeted to get foreclosed structures and vacant homes back on the market, but it would also include some money for demolitions. There are a few lines in the legislation that will allow them to demolish vacant commercial structures. She did not think this would be the final round, but they want to be prepared. The people who use the money successfully the first time tend to get the next funding that rolls out. She thought there would be significant changes on how the legislation is written for the second round. It is definitely something staff is keeping their eyes on.

Councilman Louderback asked if the funds had anything to do with the Clean Ohio Funds and Hooven & Allison. Mr. Percival said no. This is the Federal Neighborhood Stabilization Act, which mostly does residential structures. The money will mostly be targeted to get vacant and foreclosed properties cleaned up, rehabbed, and back on the market; however, they have not been more specific than that. He received a phone call and they said “You’re going to have \$1.7 million to play with and if you want to know how, come to the meeting on January 11th.”

Ms. Crockett said if they do get some of the money, it will be treated somewhat like CDBG and the CHIP grant for the housing repair and rehab portion. With CDBG, the highest you could serve was 80% of the area median gross income. This program increased the area median gross income to 120%. For example, a family of four could make \$73,000 yearly and still qualify. They will be able to target a different area of owners that they have never been able to reach before based on that higher income base. She is very excited about that; it will be positive for Xenia.

President Felton entertained further questions. None were presented.

CDBG/Revolving Loan (601): Ms. Crockett noted in the past month, they received an extension on this year’s formula funding. Most of the projects have been done but \$17,000 worth of work still needs to be completed. The reason for the extension is because she was concerned that the contractor would be unable to do the hydro seeding of the Towler Road/Sheelin Drive bike path area, and the seed would not have time to germinate. They received an extension from the state, which will take them through June 2009. They have to pay the retainer for the asphalt and hydro seeding.

Mr. Percival noted at the January 22, 2009, XCC meeting, there will be an agenda item to re-establish the façade loan program, which will be incorporated into the budget. President Felton, Councilman Louderback, the Finance Department, and Loan Trust Committee have all been working on the façade loan program.

Ms. Crockett said more of the money for the façade loan program is budgeted under Fund 603 (Housing Rehab Grant).

Fund 603 – Housing Rehab Grant, Dept. 5410

<i>Object Code</i>	<i>Detail/Amount</i>
57108	Façade Loan @ \$200,000

President Felton asked if they were almost done with the CHIP program. Ms. Crockett said they are coming into the heart of it. They received an extension through September of this year. All

the money is ‘taken’ at this point. They are now into the private owner rehab and home repairs portion. There are a few people on waiting lists, but until they get everything bid, they will not know how many people will receive the money. They are trying to help as many people as possible. Three addresses have been completed so far this month. Three furnaces were installed and some re-plumbing was done for the elderly. Council may be receiving more calls about the CHIP program because the more work they do, the more people may complain because they do not understand how the program works. The money should be well spent within the next six months.

Fund 603 – CHIP/CDBG Home Repair Grant, Dept. 5361

<i>Object Code</i>	<i>Detail/Amount</i>
53191	Other Professional Services @ \$2,000 (<i>decrease of 95.5%</i>)

President Felton asked if the amount budgeted in 603-5361-53191 was correct. The amount budgeted in 2008 was \$44,000 but only \$2,000 is budgeted in 2009. Ms. Crockett said the \$2,000 is incorrect; the amount should be considerably higher. Mr. Percival said 53191 is for the two consultants. President Felton asked which consultants Ms. Crockett was using. Ms. Crockett said she uses Chris Wojno and David Bollinger. Mr. Bollinger has been working on the grant since day one and worked with Phil Snider. Mr. Bollinger meets with the owners to ensure that what they want done is in accordance with the regulations, residential rehab standards, etc. He also assists with sending the bid specifications to the three eligible contractors. Mr. Wojno stepped in after Mr. Snider left. He assists with the design of everything from the forms and application to ensure they are legal and that they are following the state’s requirements since the forms are hundreds of pages. The intake process is a very lengthy process. Mr. Wojno also has a few people working with him on the ledger aspects. They are keeping track of the information for the city but there is also extensive tracking required for the construction draws to ensure the dollars are in the correct categories for the state. About one-half of the programs have been billed out and reimbursed. President Felton clarified the money loaned would not be repaid. Ms. Crockett said that was correct.

Fund 603 – CHIP Home Private Rehab Grant, Dept. 5362

<i>Object Code</i>	<i>Detail/Amount</i>
53191	Other Professional Services @ \$0 (<i>decrease of 100%</i>)

President Felton asked if 603-5362-53191 was correct; last year \$53,322 was budgeted. Ms. Crockett said that figure was not correct. Ms. Crockett said there would be significant carry-overs into next year because she budgeted to have the repairs done in 2008. They now have another eight or nine months to complete the repairs. Mr. Merriman said because these are grant funds, they must expend all the money, but they are not traditional carry-overs/reauthorizations. As those numbers are filtered out and finalized in 2008, they will know what money will be carried over into 2009, and in which line items the money will be shown. As those numbers are finalized, information will be provided to Council. He discussed that issue with Mr. Duke this morning.

President Felton thought it was still encumbered money. Mr. Merriman said that was not true in every case. Some of the money is for functions not yet done, so the money has not been encumbered. Ms. Crockett said as every home repair goes out for bid, there will be a separate purchase order for every contractor and house. They will not know how much each repair will

cost until those bids are received since one home may need a \$2,000 repair and another may need an \$8,000 repair. President Felton said there would be a general line item for the money, and a purchase order is expended from that line item; however, the balance of that line item is a re-appropriation, which is not shown here. Mr. Percival said \$53,322 is the total amount that can be spent for other professional services for the CHIP Grant Home Repair Program [603-5362-53191]. Whatever money was not spent in 2008 will be moved to 2009. President Felton said she appreciated that, but the numbers do not show that. Mr. Percival said the corresponding revenue will also have to be budgeted.

Mr. Merriman said he would present the grant money as a separate appropriation so they can see how the money filters out. President Felton thought it was a good program that improves private homes and rental properties in the city. Even if they run out of money this year, homeowners can get on the waiting list for next year. Ms. Crockett agreed they would like to get more people on a realistic waiting list and would like to offer the program to new people. More people are now aware of the program since money was opened up to areas other than the east end of the city. She hopes they do not have to turn people away. President Felton thought homeowners in Laynewood might need assistance. Ms. Crockett said thus far, they have done repairs on one home in Arrowhead and two homes in the east end. President Felton thought it was important to do repairs citywide.

(Councilman Miller arrived at 6:25 p.m.)

Water Fund (611). Mr. Merriman said the budget for water and wastewater includes personnel changes (shown as major changes in maintenance operations) and were previously shared with Council. Council will also see significant numbers for capital improvements. One major project at the Water Department includes the SCADA system; wastewater shows major changes as they begin to ramp up toward better compliance and capacity as required by the EPA. He noted Jason Tincu and Lisa Dawn were present to discuss their budgets.

Mr. Bazalak said the 611 fund shows the charge backs for utility billing operations and the proportionate salaries.

Fund 611 – Utility Billing, Dept. 1008

<i>Object Code</i>	<i>Detail/Amount</i>
53281	Contract Services Other Fund @ \$45,573 (<i>increase of 54.70%</i>)

President Felton noted there was an increase in 53281. Mr. Bazalak said that was discussed at the last budget meeting. The line item shows increases for the on-line utility billing services costs, which required an increase in contractual services to offset those expenditure increases.

Fund 611 – Administration, Dept. 1334. Mr. Percival noted the biggest portion was for indirect salaries, which is where portions of employees’ salaries are paid.

Fund 611 – Water Plant Operations, Dept. 1337. Ms. Dawn noted Dept. 1337 includes the source water area/well fields all the way through to the booster station, the five water towers, and the treatment facility. She then entertained questions.

President Felton asked if staff knew how much water is lost when there is a water main break or when the water tower leaks. Mr. Percival said they know how much they lose on a monthly basis, which is currently between 10% and 15%. Mr. Tincu said that also includes some unmetered city facilities, such as City Hall, Gladly Run, and the Service Center. They plan to install meters at those facilities. That usage is not factored into the loss amount. President Felton asked how much water was lost at the Second Street water tower the other week. Mr. Tincu said the water tower had to be flushed so the tower could be inspected. Mr. Merriman said the contractor left the hatch open after the inspection. They insisted the contractor adjust the amount they billed the city in order to compensate for the loss. Ms. Dawn said nothing was damaged inside the water tower. The hatch where the manhole access is located is at the base of the bowl one third of the way up was left open by one contractor and/or his subcontractor. Mr. Merriman said the subcontractor reduced the amount billed by \$800.

Fund 611 –Water Plant Operations, Dept. 1337

<i>Object Code</i>	<i>Detail/Amount</i>
53121	Engineering Services @ \$4,000 (<i>increase of 100%</i>)
53202	Laundry services – uniform cleaning @ \$0 (<i>decrease of 100%</i>)
53741	Buildings – electrical repair @ \$3,914 (<i>decrease of 46.01%</i>)

53121 – Vice President Mills noted the amount doubled in 2009. Ms. Dawn said the EPA determined the fuel oil tower to be unsatisfactory in its containment area. They may lay a liner or use some other method of containing the oil in case it spills. They need an outside contractor to make the best recommendation, but the work might be able to be done in-house; however, at this point, they don't know which direction to take. President Felton asked if it was an outside fuel tank. Ms. Dawn said yes.

53202 – Vice President Mills asked if employees were now doing their own laundry. Ms. Dawn said that was the Cintas contract for Public Service uniforms. Vice President Mills noted \$1,481.20 was budgeted in the line item in 2008, but nothing in 2009. Ms. Dawn thought the contract was just changed. Mr. Merriman said he would investigate the amount budgeted; there should probably be something in the line item.

53741 – Vice President Mills asked why the line item was reduced by almost half in 2009. Ms. Dawn said staff has been doing a lot of general electrical maintenance repairs in 2007 and 2008. The medium and high voltage that comes through the main motor control center has had serious issues this year, so that was assigned as a Capital Improvement project.

664 - Water Replacement & Improvement: Mr. Merriman said not everything that Council approved a few weeks ago for the SCADA project was made in order to show it under one cost center. The budget was printed before those changes could be reflected. Mr. Percival noted the following:

Fund 664 – Annual Capital Program, Dept. 6602

<i>Object Code</i>	<i>Detail/Amount</i>
53290	Contract services @ \$45,000 which includes the SCADA Service Agreement @ \$15,000 and SWAP contingency funds @ \$30,000.
53121	Engineering/architect service @ \$120,000 includes water tower repainting @ \$50,000.

53121 – Ms. Dawn said the two standpipes at Patton Street have exterior paint peeling. It has been at least ten years since they have been inspected. Inspections on the interior of the water tower are recommended every three to five years. They hope to have inspections done in 2009; needed repairs will be based on that inspection. Staff may be able to do some of the painting if the integrity of the exterior wall has not been compromised. The wall is about 1.5 floors high. If the epoxy coating on the interior lining has broken through, they may have to hire an outside contractor to do the painting. The amount budgeted is based on that anticipated work. Mr. Percival noted there are actually three standpipes at Patton Street. One of the standpipes cannot be demolished because it is the oldest steel standpipe in the country. They tried to tear it down a few years ago and found out that was not allowed.

Fund 664 –6602, Water – Annual Capital Program

<i>Object Code</i>	<i>Detail/Amount</i>
54268	Plant equipment parts @ \$147,000 which includes medium-high voltage equipment @ \$60,000.

Ms. Dawn said line item 54268 is related to Vice President Mills' earlier question about electrical services. Mr. Percival has been working with staff on some DP&L issues. They are on the last transformer leg on the line feeding to us. It was difficult to determine if it was a DP&L issue or the age of the equipment at the plant; however, she thought there were issues with both. They seem to be getting a faster response from DP&L as of the last freeze a week ago. DP&L came out within an hour and helped remedy the problem they had with the line freezing at their pole. They still have the voltage starters and the full MCC (Master Control Centers) case. They have three MCC's. One is the main panel that receives power for the plant and well fields. At the main MCC, both come from DP&L and the generator. Each cabinet console needs to be reworked. They have three high service pumps, all the well fields, and a 500 KBA transfer that steps it down to the two subpanels that feed all their instrumentation controls and lights. President Felton asked if anyone understood what Ms. Dawn was talking about (laughter followed).

President Felton asked if there was enough generator power available for emergencies. Ms. Dawn said yes; the generator is sufficient to provide power for the entire facility and both well fields *if it switches over properly*. The generator switch gear has been failing when it switches over from the plant to the MCC's. They need to do some upgrades in that area. President Felton thought it was important to get that problem solved. Ms. Dawn agreed.

Ford Road Sewer Plant (1331): Mr. Tincu said since they never know when failures will happen, they need to build a conservative cushion into the budget to ensure they are not begging Council to approve emergency repairs every other week. The 2008 budget was tight. The 2009 budget shows a decrease of 0.05%. When you are doing facilities management, you never know when that contingency situation will happen.

President Felton said she was not concerned about transfers on emergencies when there is a need. She does not like it when staff borrows from line items because they decide they want to do something different, but it is not an emergency. Mr. Tincu said he was only addressing the water and wastewater situations.

Mr. Tincu said 2009 will be the first year they have entered into the DP&L Demand Response Program. They allocated 1 megawatt of electrical load from Gladly Run, Ford Road, and the Water Plant. They assured DP&L they could call at any point in time, and those plants would switch to generator power within 2 hours and be on generator power for a maximum of 6 hours. That normally happens during the peak period of demand, which is normally in the summer months. There has not been an occurrence since 2002. Connie Wilcox, Community Liaison from DP&L, helped them set up the program. The city will receive \$35,000 yearly for allocating 1 megawatt of electricity. President Felton asked if that would cover the cost of repairing the generator to ensure it works. Mr. Tincu said it would help; high voltage is \$10,000 yearly. President Felton clarified there was revenue to cover the expense. Mr. Tincu said exactly.

Mr. Percival said they may go three years without having to switch over, but the city still gets paid \$35,000 yearly. President Felton said she understood that. She asked if the revenue was in a restricted account. Mr. Percival said the money went back into the water and sewer funds. Mr. Tincu felt it is a good thing to recoup 10% of the \$400,000 they pay each year in electricity costs for running those three facilities.

Fund 612 – Sewer Plant – Ford Road, Dept. 1331

<i>Object Code</i>	<i>Detail/Amount</i>
53510	Garage Rent @ \$1,563 (<i>increase of 697.45%</i>)

Vice President Mills noted garage rent increased from \$196 in 2008 to \$1,563 in 2009. Mr. Merriman said they used the long standing formula. Some line items are higher because they budgeted more money for fuel costs.

Mr. Tincu said the overall budget for the Ford Road Sewer Plant was about the same as in 2008.

Fund 612 – Sewer Plant – Ford Road, Dept. 1331

<i>Object Code</i>	<i>Detail/Amount</i>
52130	Professional memberships @ \$810 (<i>increase of 29.60%</i>)
52110	Business meetings, lodging, & reg. @ \$2,100 (<i>decrease of 43.2%</i>)
52210	Mileage allowance & tolls @ \$350 (<i>decrease of 53.33%</i>)

52130 - Mr. Tincu said multiple certifications are required by the EPA. The line item includes Ohio EPA recertifications (7 @ \$60/each).

52110/52210 – Mr. Tincu said they recently eliminated travel costs and reduced the amount for meals by implementing on-line program training.

Mr. Merriman said they did a lot of things behind the scenes to cut costs. President Felton said that is fine, but if staff does not tell her that then she will ask questions.

Councilman Louderback asked if someone was just hired at the water plant. Ms. Dawn said a new employee was hired at the WTP for the second shift in a vacant position – it was not a new position. Councilman Louderback asked if a new position would be posted in 2009 for the water plant. Mr. Merriman said, as part of the 2009 EPA requirements, they must have a Level 2 certified back up operator of record. They upgraded the Water Treatment Operator I to a Water Treatment Operator II, and they will add two part-time Water Treatment Operator I’s. They are currently staffed at the bare minimum. If anyone is on vacation, sick leave, or disability leave,

they accumulate a lot of overtime, because there is no staff available to compensate for those absences.

Fund 612 –Sewer Plant – Glady Run – Dept. 1336: Mr. Tincu said there was a 1.20% decrease in the 2009 budget from 2008. There was a 32% decrease for training programs because of the on-line training programs.

President Felton asked if there would be major repairs at the Glady Run Plant. Mr. Tincu said no; most are considered in the Master Plan. Contract fees will take care of the majority of those repairs. A lot of infrastructure was left existing in the 1998 upgrade. They have a 1955 Westinghouse MCC that feeds every building in the facility, but replacements parts are no longer available. Most of the Glady Run repairs are more infrastructure driven to try to secure the services capacity and delivery at the facility.

Mr. Percival said they may be able to get many of the improvements funded at a 0% interest rate for 20 years, which will save quite a bit of money. President Felton said they still have to make the payments. Mr. Tincu said most people are projecting that they will use their existing structures to funnel the money through programs that already have their policies and procedures set up. One of them is the Water Pollution Control Loan Fund. They might be able to accommodate the parallel 20” redundant water main at 0% financing as opposed to funding it at the normal 3.5% interest rate.

Fund 612 –Sewer Plant – Glady Run – Dept. 1336

<i>Object Code</i>	<i>Detail/Amount</i>
53801	Fuel Oil @ \$0 (<i>decrease of 100%</i>)

Vice President Mills asked why \$1,500 was needed for fuel oil in 2008, but nothing was needed in 2009. Mr. Tincu said they phased out fuel oil at that facility. They used to have a boiler that operated on fuel oil but they have since replaced it with a gas boiler.

613 – Landfill (6905): Mr. Tincu said this includes the sanitary landfill, gas migration controls/monitoring, and bi-annual groundwater sampling required by the EPA, which is currently contracted out to MACTEC.

The Special Session was adjourned at 6:55 p.m. to go into the regular session.

Michelle D. Johnson, Clerk
Xenia City Council

Patricia L. Felton, President
Xenia City Council