

CITY OF XENIA, OHIO

PRESS RELEASE

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City of Xenia Announces May Ballot Issue

Xenia, Ohio, January 15, 2010: Xenia City Council unanimously passed legislation on Thursday, January 14, 2010, which is the first step in the process that will give voters the right to decide whether it's time to raise the City's income tax rate from 1.75 percent to 2.25 percent. The proposed tax increase, which would appear on the May 4, 2010, ballot, is expected to generate an estimated \$2.7 million for the City. This revenue would help to maintain current Police and Fire staffing levels and services as well as provide much needed dollars for street improvements and other general capital improvements. If voters approve the legislation, the City's tax credit will not be affected, which is a maximum of 1.5 percent. Further, 0.25 percent of the increase is dedicated solely to maintain current Police and Fire staffing levels and services and provide funding for police and fire capital needs (i.e., police cars, ambulances, etc.).

City Council has been deliberating the city's finances after the defeat of a Replacement 3.5 Mill Operating Levy in February 2009. Voters approved a renewal of the 3.5 Mill Operating Levy in August 2009. Although the City needs those dollars, the renewal levy only kept the existing revenue stream in place and did not provide any additional funding. The City of Xenia has not received a voted income tax increase since 1991. Further, the existing 3.5 Mill Operating Levy was initially passed in 1959 and has generated very few additional dollars since the 1970s. Mr. Bazelak said, "The City of Xenia has received only one voted tax increase (a quarter percent in 1991) over the last 30 years and that increase was almost 20 years ago. Income tax collections have declined significantly over the past year and there has been a reduction in local government funding from the state, and with little growth in other revenues, it is just not enough anymore to be able to provide the same level of services that our residents have come to expect." City Manager, Jim Percival said, "the City has done everything we can do to reduce expenses, save jobs, and maintain current Police and Fire staffing levels. We have cut everything we can cut ... we cut nine full-time and two part-time non-union positions in September 2009, two vacant police officer positions have not been filled, a wage freeze for non-union employees was put in place in 2009 and will continue in 2010, and union contracts have been renegotiated with concessions. This comes on top of a staff reduction of 15 employees in 2003. Voters need to be made aware of the potential additional cuts to police and fire and service reductions so they can

make an educated vote on May 4th. City streets are also in grave need of improvements, but there are just not enough capital dollars to make any substantial improvements.”

In November 2009, the City began a community outreach initiative with a citizen perception survey of a limited number of residents conducted by Wright State University and a focus group of community leaders facilitated by 3-F Coaching. The results of the survey and focus group discussion were utilized in forming a recommendation to Council on a potential levy ballot issue. The survey indicated street improvements as well as police and fire services were top priorities for citizens. The survey results are available on the City’s website at www.ci.xenia.oh.us.

Council President Patricia Felton said, “Nobody wants to raise taxes, but we feel an income tax increase is the best approach to raise the necessary dollars to maintain our current Police and Fire staffing levels and also provide much needed capital dollars for street improvements and capital dollars for police and fire. This is essential when it comes to the safety of our City. If it doesn’t pass, we’ll have to go to Plan B – which is to lay off 6 firefighters and 4 police officers – there is no other way around it.”

If approved by the voters on the May 4th ballot, the rate increase would be effective January 1, 2011. The City realizes the economic difficulties of our community and took that into consideration when determining what amount and what of type of issue to place on the ballot. Those with higher incomes would pay more, those with lower incomes would pay less, and those with no earned income would pay nothing at all. For a middle-class Xenia household making \$40,000 a year, the increase would cost less than \$17 a month. All Social Security, company pensions, dividends, and interest income would continue to be exempt from the City’s income tax. The City is launching a levy campaign to educate voters on this ballot issue. Please visit their website at www.ci.xenia.oh.us to learn more.

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