

- General Capital Fund status: Mr. Merriman said the final 2019 budget will be presented at the next Council meeting, and he and staff have begun the initial review of the next Five-Year CIP. He recognized that Council wants them to continue to be very aggressive in addressing streets and seeking grant opportunities noting that three grants were secured to repave Second Street from downtown to Progress Drive, which will still be an expensive project with the City's local share. When they consider all that has been done in the last few years, they cannot continue that pace without an increase in revenue. Mr. Duke said the goal is to maintain a balance of \$1 million in the General Capital Fund. He noted the City's local share of \$1.2 million for W. Second Street project and the extension of Innovation Way in 2019 or 2020 could take the balance below \$1 million. Without the sale of the Kmart property at \$800,000 per the purchase agreement, the 361 fund could drop to \$200,000. Another potential "big ticket" project is the expansion of Progress Drive. If the more expensive projects totaling \$1.75 million are debt-serviced, those payments would take up most of what is set aside for the annual street program. Additional revenue is needed—there is no other way to make up that difference. They have already cut numerous things from the 361 Fund to balance the Five-Year CIP. Mr. Merriman said even with the \$800,000 sale of property, they do not have the balance desired in that fund. Councilman Urschel said the street issue is an ongoing issue, and there would not be an \$800,000 sale of property every year. Mr. Merriman agreed; funding is needed to support economic development projects to include widening local roads to add lanes to accommodate additional traffic. Mr. Duke added that intersection improvements are also needed for significant development projects. Mr. Merriman shared that Governor DeWine was a keynote speaker at the recent Dayton Development Coalition's annual update event, and he stressed that ODOT over promised and over leveraged, and money would not be available for ODOT projects in future years. Councilman Urschel said the City of Xenia was continually falling behind on street maintenance. They need to be on 10- to 15-year paving/maintenance cycle to get to every road in Xenia, and they are on 30- to 40-year cycle and continue to fall behind every single year. The bottom line is the City needs a sustainable income [revenue] stream; otherwise, they will never catch up. Mr. Merriman agreed; the streets are a \$30 million issue and will only get worse if they are not doing adequate maintenance including cracksealing, filling potholes, etc., because complete reconstruction of a street is six to eight times more expensive than a mill and fill. They also need to consider the aging water and sewer lines in the street and the need to address the stormwater system (curbing, catch basins, etc.). Councilman Urschel said he needed to understand the actual need—in dollars—in order to determine how to address that gap. He noted it was too bad the street levy failed in November because all City streets need to be addressed including the newer streets. Mr. Merriman said they should be spending \$1.5 to \$2 million per year on street improvements plus an additional \$500,000 on maintenance in addition to addressing storm sewer issues. However, even if there was no debt service to pay and all the General Capital Fund revenue was only used on streets (no fleet purchases, etc.), it still would not be enough to make headway on the streets. He noted they did not see the income tax growth that was anticipated in 2018, and even though employment numbers are great, it was not translating with income tax revenue. Mr. Duke agreed that income tax revenue was down .4% in 2018 (about \$300,000), and if that continues into 2019, he questions whether they will meet the reserve requirement in 2020. Councilman Louderback said if several of the proposed economic development projects come to fruition, the tax base will grow. Mr. Merriman agreed but noted some projects may seek tax incentives and the full revenue would not be realized for a number of years; however, at times those incentives are necessary to make the project(s) happen. Councilman Urschel said he would like to see some projections on income tax with no additional millage because he did not think all those projects would be enough to generate what was needed to appropriately address the streets. Ms. Fisher noted assessments could also be done to pay for projects. Mr. Merriman noted that assessments would be a Council decision. President Engle said City Council needs to instruct the City Manager how to continue to operate. All the "fat" has already been cut from the budget. Councilman Urschel said they need to fully explain the issue to citizens. Each of them (each Councilmember) has a

community that they influence. Council needs to be united on this issue, and they need to talk to people. With every budget, there are wants and needs, but they need to address the critical infrastructure issues.

- Greene County Career Center / Innovation Way: Mr. Merriman said the City committed to water, sewer, and the roadway to secure the project, and resources are in the budget for the Innovation Way project. In conversations with Greene County Commissioners, they eluded to paying for half of whatever costs are left aside from grant funding because the project is in their best interest as well. It is a difficult trajectory because they need the Lombardi project to move forward to justify the project when seeking grant dollars, and the roadway is needed for both the Lombardi and Career Center projects. GCCC Superintendent Dave Deskins anticipates the completion date for the project as August 2020, so they have some time to build the road.
- School Resource Officer (SRO): Councilman Louderback said the City cannot afford to put an SRO at the career center, the high school, and the junior high. The safety of students needs to be their #1 priority, but the schools need to contribute. Mr. Merriman agreed. He mentioned to Mr. Deskins that the City would be willing to pay for a portion of that position but cannot afford to pay for it all. He said the City has paid the entire cost of the SRO at the high school since inception. He sent a letter to the XCS Superintendent Dr. Lofton a few weeks ago that mentioned the statute that was enacted last year that requires some type of an agreement/contract/MOU for SROs. He put him on notice that some type of an agreement is necessary, and they needed to discuss funding for the position. He and Chief Person believe an SRO is needed at the junior high, and Mr. Deskins wants one at the career center. Therefore, he would like to negotiate with the school board to pay half and then have the Career Center pay for half, and the net result would be the same for the City. On average, Ohio municipalities pay about 17% to 18% of the expenses for an SRO, and Xenia has been paying 100%. He said intervention with students is key to help them before they start down the wrong pathway—it is not just about student safety. President Engle asked about Dr. Lofton's response to the email. Mr. Merriman said he was open to meeting with him about various topics.
- CSU: Annexation/Land Grant/Water Line: Mr. Merriman updated Council on the Mandamus Action noting that eventually a decision will be made, and Council will need to make subsequent decisions on how to move forward. The annexation would provide additional income tax revenue. In addition, CSU will get \$12 million for their land grant program, and by statute, 80% of that \$12 million must be spent on personnel. Mayor Mays said the CSU President is desperate to spend the grant dollars. Councilman Urschel asked if the land grant dollars are in perpetuity. Mr. Merriman said the land grant designation is in perpetuity, but he believed the land grant dollars would vary from year to year. Councilman Louderback asked about the net revenue from annexation. Mr. Duke said it would be about \$180,000. Councilman Louderback asked what annexation would mean with regard to police, fire, etc. Mr. Merriman said the City was already providing dispatch and fire/EMS services under separate contracts, which would continue upon annexation. The dispatch revenue would continue but the contract for fire/EMS would be discontinued. The City would still provide those services without a contract and without payment for those services. In addition, the City would need to provide fire inspection services. CSU would maintain their police force and deal with their own issues vs. using XPD and XMC. Regarding the water line, it is the original line from the 1930s and in significant need of upsizing and replacement from Kinsey Road to the campus. Preliminary estimates have been done, but there are some right-of-way issues. He explained that Xenia is responsible for water service delivery but only owns the line to Stevenson Road, and the State of Ohio still owns the line from Stevenson out to the campus. The issue will need to be reconciled, and CSU wants to know if the City wishes to take ownership of whole line, but dual ownership positions them better for grant dollars. Councilman Louderback asked about the estimated cost of the water line. Mr. Duke said it would be several million dollars, but Issue II grant funding is expected to offset that expense.
- Visioning and Strategic Planning: Mr. Merriman said Council needs to provide more visioning and strategic planning to staff so they can understand their vision for the community and where they

