

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
August 29, 2011**

A meeting of the Indian Hill Village Council was held on August 29, 2011 at 7:00 p.m. The meeting was held in the Council Chamber of the Village Administration building.

Officials present:

- Mr. David T. Ottenjohn, Mayor
- Mr. Mark E. Tullis, Vice-Mayor
- Mr. Joseph Beech, III, Council member
- Mr. Daniel J. Feigelson, Council member
- Mr. Keith M. Rabenold, Council member
- Mrs. Laura S. Raines, Council member

- Mr. Michael W. Burns, City Manager
- Mr. Donald L. Crain, City Solicitor
- Mr. Paul C. Riordan, Clerk/Comptroller

Officials absent: Mrs. Lindsay B. McLean, Council member

Visitors present: Mr. and Mrs. Don Jones, 8105 Chinquapin Lane
Mr. Mark Kuenning, 8035 Remington Road (45242)

PLEDGE OF ALLEGIANCE: Council opened the meeting with the Pledge of Allegiance.

MINUTES: The Minutes of the regular meeting of June 20, 2011 had previously been distributed to each Council member. Council member Beech made a motion to accept the minutes which was seconded by Council member Tullis and was approved as corrected, 5-0 with Mayor Ottenjohn abstaining.

FINANCE COMMITTEE REPORT: Council member Tullis directed Council's attention to a memo titled, "*Finance Committee Meeting*" dated August 22, 2011. He reported the Finance committee met on two occasions to discuss agenda items in advance of the Council meeting. The first meeting was held on July 28, 2011 to review the June 2011 financial statements and discuss the upcoming 2012 budget review schedule. Council member Tullis reported \$605,000 in estate taxes were received in June bringing the year-to-date total to \$4,232,000. He also explained that the financial statements were reviewed and there were several expenditure variations from the same time period in 2010, but these were all explained as timing differences between when the funds were received or paid each year.

Council member Tullis reported the Finance committee also met on August 19, 2011. He reviewed the July 31, 2011 financial statement. Income tax receipts of \$40,951 were received in July bringing the year-to-date total to \$5,728,000. The income tax receipts are on track to total \$5,800,000 to \$5,900,000 for the year.

Council member Tullis reported \$46,900 of estate taxes were received in July bringing the year-to-date total to \$4,279,000. He explained the Village knows that an additional \$1,000,000 of estate taxes is expected, bringing the total estimate to approximately \$5,300,000 for the year.

Council member Tullis highlighted that the disbursements included \$45,146 for the purchase of salt for snow removal. He explained the waste collection salaries look high for July however; July 2010 salaries were \$32,000 lower because of a correction for salaries charged to waste collection which should have been charged to Water Works for the first half of 2010.

Council member Tullis reported operating disbursements exceeded operating revenue by \$409,000 for July which is to be expected this time of year.

The CIRF fund included a rebate of approximately \$102,000 for real estate tax refunds. These are real estate taxes paid by the Village which are refundable; however it takes the county a period of time to make the refunds. The total shortfall for July, including CIRF is \$308,000.

Council member Tullis reported water revenues sales were down slightly for several reasons; timing differences on the receipt of payments, reduced water usage from the wetter weather, and the loss of Kutol which provided approximately \$10,000 revenue per month. The Water Works had an overage of \$140,000 for July for operations and CRF.

Council member Tullis reported total cash and investments at the end of July total \$21,749,000 which is down approximately \$180,000 from the beginning of the month. The general fund balance is \$2,447,000, the income tax fund balance is \$9,955,000, and the CIRF balance is \$2,780,000.

Council member Tullis reported the Rowe Arboretum Fund investments totaled \$2,154,000 at the end of July versus \$2,211,000 at the beginning of the month. The unrecognized gain for July is \$402,000. The fund received \$6,903 of stock dividends and bond interest of \$1,125. The fund is on track to achieve the revenue goals for the year.

Council member Tullis reported the market value of the Green Areas and Recreational Fund investments at the end of July was \$1,109,000 which is down from the beginning of the month balance of \$1,134,000. The unrecognized gain for the fund is \$276,000.

The financial statements for June and July 2011 had previously been distributed to each Council member. There being no exceptions noted, the financial statements were accepted as issued.

Council member Tullis directed Council's attention to the Summary of Operating Expenditures statement included in the financial packet. He explained that this statement reflects the 2012 budget as it stands to date. He said it is a preliminary budget because there is substantial budget activity which has to take place over the next several months before the final budget is adopted.

Council member Tullis explained the total net operating expenditures budgeted for 2012 is a reduction of .75% from the 2011 budget. The capital projects expenditures are reflecting an increase of 11.09% for 2012. He pointed out that capital expenditures in previous years have been reduced from historical levels and it is now necessary to increase expenditures to continue to provide services for the Village.

Council member Tullis reported the Water Works Maintenance and Operation expenditures show an increase of .71% and the CRF Fund shows an increase of 31.07% for a net operating and CRF expenditures increase of 4.66%.

Council member Tullis explained the large increase in the CRF is a result of a number of expenditures being made from the bond fund the previous year and in 2012 the bond fund will be exhausted, therefore the expenditures will be made from the CRF.

Council member Tullis directed Council's attention to the 2011 Budget Overage/ (Shortfall) Summary Statement included in the packet. He explained this statement shows a projection of revenues and expenditures out through 2015. He reviewed the forecast for 2011. Income tax receipts are forecasted at \$5,800,000 which is an increase of \$800,000 from the budgeted amount. Estate taxes are forecasted at \$5,335,000 which includes estate taxes received and taxes known but not received. He highlighted real estate taxes are forecasted as a decrease which reflects a decrease in real estate values within the Village. He also noted 2012 real estate tax revenues are budgeted even lower at \$808,000. The expenditures for 2011 total \$10,064,000 which is down \$538,000 from the budgeted amount. The forecast for the CIRF expenditures for 2011 is \$1,383,000 which is down from the budgeted amount of \$1,619,000 or a reduction of \$236,000. The total reduction in expenditures forecasted for 2011 is \$774,000.

Council member Tullis explained that when the reduction of \$774,000 in expenditures is added to the overage in revenues, the total overage for the year should be approximately \$2,530,000 which is an improvement of \$4,800,000 over the budget for 2011. He stated that the Village is in a good financial position at the end of 2011 going into 2012.

Council member Tullis highlighted that estate tax revenues are budgeted at \$2,000,000 for 2012 and \$1,000,000 for 2013 and zero for 2014 and 2015. The estate tax is proposed to be eliminated January 1, 2013.

Council member Tullis explained the Village is in a good situation to have a fund balance of \$11,586,000 at the end of 2011 to cover the financial requirements for 2012 and 2013 which will enable the Village to retain the .4% income tax rate.

City Manager Burns explained the reduction in CIRF expenditures was primarily due to savings on the land slide contingency and road project costs less than forecasted.

Council member Tullis reported the Finance committee reviewed a letter from Hamilton County Auditor Rhodes advising that the estimated 2012 property tax due to the Village has been reappraised lower. The anticipated tax amount of \$808,000 is a reduction from the estimated amount of \$946,000. Auditor Rhodes questioned whether the Village would be adjusting its forecast or considering an increase in the inside millage to cover the shortfall. Council member Tullis explained the millage could be increased to 1.3 and the Village would need 1.12 to cover the reduction. Council member Tullis explained the Finance committee felt strongly that the shortfall should be covered with an adjustment of estimates, and a property tax increase should not be considered at this point in time. Mayor Ottenjohn asked if Council members objected to this decision. There was no objection from Council.

Council member Tullis reported the Finance committee reviewed a proposed Ordinance amending an administrative pay ordinance by eliminating the full time position of Grand Valley

Manager and replacing that position with a new part-time lead Grand Valley Ranger position with a range of pay up to \$18.00 per hour. The savings from this change will be approximately \$50,000 - \$60,000 per year. Council member Tullis explained the Finance committee recommends emergency passage of the ordinance.

AN ORDINANCE AMENDING ORDINANCE 09-10 FIXING THE COMPENSATION OF PERMANENT EMPLOYEES OF THE VILLAGE OF INDIAN HILL, NOT COVERED BY ORDINANCES 07-10 AND 08-10, AND DECLARING AN EMERGENCY was presented and read.

Upon motion by Council member Tullis, seconded by Council member Rabenold, the rules were suspended by unanimous roll call vote. Upon motion by Council member Tullis, seconded by Council member Beech, the Ordinance was passed by unanimous roll call vote. Mayor Ottenjohn declared Ordinance 07-11 enacted.

Council member Tullis reported the Finance committee reviewed the contract with the Hamilton County General Health District which had been reviewed also by the Law committee. He explained that the contract will be considered at the September Council meeting. He noted the contract provided for no increase in funding for 2012.

Council member Tullis reported the Gun Club Supervisor has indicated that the trap control system is out of order, and parts are no longer available to make a repair. The Supervisor has requested permission to spend \$2,500 for a new control system using left over funds in the clay birds' account. There is no appropriation necessary for this purpose and the members have no objection to the shift in expenditures to cover the new controls. Council member Tullis explained that the Gun Club is basically self-sufficient except for capital expenditures.

Council member Tullis explained one of the goals set at the beginning of the year was to review how other communities record the financial statements along with ways for collecting alternate revenue.

Council member Tullis reported that City Manager Burns and Mrs. Weber discussed their review of monthly reports other area communities provide to their Councils. Generally, they found that most other communities do not provide as much detail on various funds as our staff does. Some communities tend to focus a bit more on the overall balance sheet and especially tracking earnings/income tax revenues on a monthly basis. This latter exercise is not as useful to the Village because of the fact that our income tax revenues are mainly all received during April. Council member Tullis said the Finance committee members are satisfied with the financial statements that staff provides them.

Council member Tullis explained there are not many opportunities to generate additional revenue under current state statutes; however, the Finance committee will continue to review this issue.

Council member Tullis reported City Manager Burns advised the Finance committee that the departments are converting over to 10 year capital budget projections for the 2012 budget. The Finance committee will see this conversion from the current 5 year format during reviews in September.

Council member Tullis reported the Finance committee reviewed a report from the Ohio Municipal League on a new plan by Governor Kasich to consolidate local income tax collection and possibly standardize the local income tax structure throughout the state. There are not a lot of details on this proposal yet, but staff is concerned the state will markedly change the current income tax structure of the Village taxes, and collect a percentage based fee for processing the local tax. He said the Finance committee is not excited about this because the Village only utilizes a part-time employee to manage the tax collections and it is a very efficient process. In addition, the state will want a percentage of collections. City Manager Burns explained the tax could be set as a uniform tax throughout the state and would only be on earned income which would be a significant problem for the Village.

Mayor Ottenjohn said the proposed income tax change could be significant problem for the Village. He said that at the very least the Village should send a letter expressing an opinion on this subject.

LAW COMMITTEE REPORT: Council member Rabenold directed Council's attention to a memo titled, "Law Committee Meeting Report", dated August 22, 2011. He explained that the Law committee met on August 18, 2011 to review several items in advance of the Council meeting.

Council member Rabenold reported the Law committee reviewed a tentative union contract agreement with the AFSCME representing Public Works Service Workers. He also advised that the agreement has been ratified by the member employees. He noted the 2 year contract provides for a 2% raise in 2012 and 0% in 2013. It was also noted the August 2011 health insurance plan co-pay changes resulted in a 1% to 4% reduction in net pay for all employees, depending upon which plan individual employees selected for themselves. He explained after review, the committee agreed to recommend passage of an Ordinance authorizing the Manager to sign the proposed agreement.

AN ORDINANCE ADOPTING THE FINAL LABOR AGREEMENT NEGOTIATED BETWEEN REPRESENTATIVES OF THE CITY OF THE VILLAGE OF INDIAN HILL AND REPRESENTATIVES OF THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES OHIO COUNCIL 8 AFL-CIO FOR THE PERIOD OF SEPTEMBER 1, 2011, THROUGH AUGUST 31, 2013, AND DECLARING AN EMERGENCY was presented and read.

Upon motion by Council member Rabenold, seconded by Council member Beech, the rules were suspended by unanimous roll call vote. Upon motion by Council member Rabenold, seconded by Council member Tullis, the ordinance was passed by unanimous roll call vote. Mayor Ottenjohn declared Ordinance **08-11** enacted.

Council member Rabenold reported the Law committee reviewed a renewal service agreement with the Hamilton County General Health District and noted that the cost remains the same as the preceding two years. He explained that the authorization for City Manager Burns to

sign the agreement could be granted in the form of a resolution. Subsequent to the Law committee meeting a decision was made to defer action on the proposed agreement until September.

Council member Rabenold reported the Law committee reviewed a proposed FAA lease extension involving a portion of Radio Range Park for a second time. The area in question contains portions of an underground radial counter poise antenna which was installed in the early 1980's. This is the second such extension the Village has approved in the last 20 years. City Manager Burns advised there was one change in the document since the first review in June. This was a correction in Section 3 of the agreement to properly indicate that the Village, as lessor, will not receive any monetary consideration in return for granting the lease. In the previous version of the lease, this section referred to the "Airport" rather than the lessor. City Manager Burns explained the Village receives no monetary consideration because the FAA gave the Village the park.

Council member Tullis explained City Manager Burns suggested the committee recommend a second reading on the Ordinance at the August meeting and consider an emergency passage so the agreement can be executed in advance of the October 1, 2011 effective date. He said the committee accepted this recommendation.

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE EXTENSION AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION WITH RESPECT TO THE RADIO RANGE PARK AND DECLARING AN EMERGENCY was presented and read for the second reading.

Upon motion by Council member Rabenold, seconded by Council member Raines, the rules were suspended by unanimous roll call vote. Upon motion by Council member Rabenold, seconded by Council member Tullis, the ordinance was passed by unanimous roll call vote. Mayor Ottenjohn declared Ordinance **09-11** enacted.

Council member Rabenold reported the Law committee reviewed a recent filing in connection with the Martin Marietta mining case and the status of the Schlotman lawsuit in executive session.

JOINT GROUNDS & PUBLIC WORKS COMMITTEES REPORT: Mayor Ottenjohn directed Council's attention to a memo titled, "*Joint Grounds and Public Works Committee meeting*" dated August 25, 2011. He explained that the Grounds and Public Works committees met jointly on August 25, 2011 to review several items in advance of the Council meeting. Mayor Ottenjohn was reporting on both meetings due to Council member McLean not being present at the Council meeting.

GROUNDS COMMITTEE

Mayor Ottenjohn reported Mr. Adkins provided a departmental activity report, a copy of which is attached to the minutes. The activities are typical for this time of the year.

Mayor Ottenjohn reported that City Manager Burns provided the committee with a copy of the August 15, 2011 Grand Valley Advisory Committee report. Mayor Ottenjohn highlighted that the committee reviewed a request by the Indian Hill Winter Club to use a portion of Grand Valley

for the running component of a triathlon event at the club on September 24, 2011. There was much discussion about the pros and cons of allowing such an event. After this discussion, it was agreed by the Grand Valley committee that this event could be held on a one time basis. Mayor Ottenjohn asked Council if they had any concerns with this decision; there were no concerns expressed. Mayor Ottenjohn moved that Council approve the decision by the Grand Valley Advisory committee to allow the running component of the triathlon event to be held at Grand Valley Preserve. The motion was seconded by Council member Feigelson and was passed by unanimous voice vote.

Mayor Ottenjohn also reported that 4500 L.F. of roadway was resurfaced at Grand Valley Preserve. He also explained the Preserve has conglomerate rock formations. Staff is placing "No Climbing" signs along the existing pile(s) of unique geologic formations for safety, habitat, and preservation reasons.

Mayor Ottenjohn reported drainage areas were improved on Drake Road, Graves Road, Given Road, Indian Hill Road, Pamlico Lane, and Whitegate Lane. He also reported blacktop patches were made on a number of streets.

Mayor Ottenjohn reported Mr. Kipp provided a Public Works project management report. Mr. Kipp reported that he is continuing to work with FEMA on emergency grant funding for the south Given Road pier wall repairs. Mayor Ottenjohn explained this is a \$50,000 expense and the Village is trying to get reimbursed for it.

Mayor Ottenjohn reported Innovative Concrete & Utility Construction, Inc. was the low bidder on the replacement of the existing storm culvert located at 8805 Camargo Road. Their bid was \$24,800 and the work has been completed.

Mayor Ottenjohn also reported that John R. Jurgensen Company was the low bidder at \$381,820 for the 2011 road resurfacing project. The Engineer's estimate was \$422,960. Therefore there was a significant savings. Because of the cost savings, the Village added Arapaho Lane to the resurfacing project which costs \$8,180.

WATER WORKS REPORT: Council member Feigelson directed Council's attention to a memo titled, "*Water Works Committee meeting*" dated August 25, 2011. He reported that the Water Works committee met on August 25, 2011 to review several items in advance of the Council meeting.

Council member Feigelson reported Mr. Adkins provided a departmental activity report. Council member Feigelson highlighted there were 26 water main breaks repaired bringing the year-to-date total to 50. He also reported the Village contracted with Burgess & Niple to recalibrate the water model and evaluate the size of the water main needed on Indian Ridge Road.

Council member Feigelson reported Mr. Adkins distributed copies of the 2008 and 2011 water model related to fire flows and advised that significant improvements were made as a result of the main improvement program over the last 2 years. City Manager Burns opined these improvements should also be well received by the ISO raters doing the current fire rating update.

Council member Feigelson reported Messrs. Burns and Adkins shared a spreadsheet and map indicating potential water main improvements being considered by Symmes Township for the

Camp Dennison area. They advised the committee Symmes Township has requested a meeting together with Hamilton County officials to discuss the improvements they would like to see, and also to discuss the renewal of the expired water service contract with the Village. Staff has tentatively scheduled to meet with the other parties early in September. Mayor Ottenjohn requested Council members to provide input on this issue.

Council member Feigelson also reported City Manager Burns previously provided performance information to the committee regarding the last four years under the Integrys natural gas aggregation program. In comparison to the fluctuating Duke Energy gas charges, which changes every month, the overall program results are mixed, with just a marginal savings over the last four years. There were two years where the Integrys program costs were higher than the Duke Energy market rate. This was primarily due to the timing associated with Integrys locking in to long term pricing, and the onset of the economic downturn. The gas market is likely to be at its lowest point, and it is anticipated that a new two year program will realize some savings, as long as the economy begins to recover. With this in mind, City Manager Burns recommended that Council extend the aggregation program with Integrys for another two years. After discussion, the committee agreed with this recommendation and will support the passage of a resolution authorizing a new two year agreement with Integrys.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROGRAM AGREEMENT WITH INTEGRYS ENERGY SERVICES – NATURAL GAS LLC FOR SUPPLYING NATURAL GAS TO PARTICIPANTS IN THE VILLAGE OF INDIAN HILL GOVERNMENTAL AGGREGATION PROGRAM was presented and read.

Upon motion by Council member Feigelson, seconded by Council member Tullis, the resolution was passed by unanimous voice vote. Mayor Ottenjohn declared resolution number **08-11** adopted.

SAFETY COMMITTEE REPORT: Council member Beech directed Council's attention to a memo titled, "*Safety Committee Meeting*" dated August 22, 2011. He reported the Safety committee met on August 18, 2011 to review several items in advance of the Council meeting.

Council member Beech reported Chief Ashbrock provided a fire and EMS activity report for July. EMS runs have continued to increase each month in comparison to prior years. In addition, EMS billing revenues have also increased in proportion to their runs. EMS billing now accounts for approximately 15% of Madeira's annual share of the contract costs, and approximately 6% of Indian Hill's share. A majority of Madeira runs are to the nursing homes or other medical offices.

Council member Beech explained Chief Ashbrock also advised representatives from the Insurance Services Organization (ISO) were due in a few days to re-rate the Fire District. He especially noted that the recent water system improvements should help the District rating.

Council member Beech reported Colonel Schlie provided a lengthy activity report and commented on a number of cases. He praised the detective division for clearing a significant number of recent cases.

Council member Beech also reported Colonel Schlie advised that Dangel Electronics is being purchased by another alarm system provider, and there will be a number of system changes, including a new radio frequency. Staff suspects that it will be appropriate to consider a contract arrangement with the new company, and they have already begun discussions with the principals regarding this consideration. Staff will continue to keep the committee apprised of the status of the changeover and any proposed contract. The Dangel alarm system serves many homes in the Village.

Council member Beech reported City Manager Burns advised that Madeira City Manager Moeller will not be available for the previously scheduled joint meeting with the Madeira Law & Safety committee on September 14, 2011 so he would like to try to reschedule that meeting. He did suggest keeping the 7:30 a.m. meeting on September 12, 2011 and also keeping the 7:30 a.m. meeting on September 14, 2011 for a budget review meeting. The Safety committee members were agreeable to these suggestions.

PLANNING COMMISSION REPORT: Council member Raines directed Council's attention to a memo titled, "*Safety Committee Meeting*". She reported the Planning commission met on July 19, 2011 to review several items.

Council member Raines reported the Planning committee considered a proposed swap of resource protected area located within the property at 9200 Shawnee Run Road. The swap was approved. The proposed swap allowed an existing resource protected area of 28,090 square feet to be swapped for a slightly larger area totaling 29,260 square feet. The existing resource protected area contained approximately 45 mature and young canopy forest trees, versus approximately 100 plus trees in the proposed resource protected area. It was also found that the proposed swap would create a much larger landscape buffer for adjacent properties. However, Council member Raines said the approval was subject to the existing tennis court being re-located no closer than 20' from the side yard property line and that the revised plat is properly recorded within 60 days.

Council member Raines reported the Planning Commission approved a special exception request by Cincinnati Country Day School to construct an outdoor wood burning oven. The wood burning oven will be used as a tool to promote healthy eating habits, school events, and dining services. The location of the oven will be between the upper school and lower school buildings on the south side of campus. This location places it well out of view from Shawnee Run Road and Given Road.

CITY MANAGER'S REPORT: City Manager Burns did not have anything to report.

There being no further business to come before Council, Mayor Ottenjohn declared the meeting adjourned.

Respectfully submitted,

David T. Ottenjohn, Mayor

ATTEST:

Paul C. Riordan, Clerk