

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
JANUARY 26, 2009**

A meeting of the Indian Hill Village Council was held on January 26, 2009 at 7:30 p.m. The meeting was held in the Village Fire Department Training Room.

Officials present:

Mr.	Eppa Rixey IV, Mayor
Mr.	David T. Ottenjohn, Vice Mayor
Mr.	Joseph Beech, III, Council member
Mrs.	Lindsay B. McLean, Council member
Mr.	Keith M. Rabenold, Council member
Mr.	Mark E. Tullis, Council member
Mr.	Michael W. Burns, City Manager
Mr.	Paul C. Riordan, Clerk/Comptroller
Mrs.	Nadine Weber, Finance Director
Mr.	Donald L. Crain, Solicitor

Officials absent:

Mrs.	Susan K. Holzapfel, Council member
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Visitors present:

Chase Kuhlman	9945 Lakewood Ln.
Elizabeth Kuhlman	9945 Lakewood Ln.
Daniel Harder	6598 Stoneham Pl.
Sue Harder	6598 Stoneham Pl.
Michael Hamilton	7740 Rock Hill Ln.
Adam Francisco	6845 Marblehead Dr.
Abbott Thayer	Indian Hill
Jim Davis	5546 Thistle Ct.
Ryan Davis	
Karl Koster	5550 William Henry Harrison Ln.
Nick Price	8978 Lyncris Dr.
Andrew Stanley	17 Camargo Canyon Dr.
	201 East 5 th St. Cinti. OH PNC Bldg.
Don Klekamp	Indian Hill
Craig Schatzmen	10202 Lincoln Rd.
Brant Cummins	8354 Frane Lane

MINUTES: The Minutes of the regular meeting of December 15, 2008 had previously been distributed to each Council member. Mayor Rixey declared the minutes accepted as corrected.

FINANCE COMMITTEE REPORT: Council member Tullis directed Council's attention to a memo entitled "Finance Committee Meeting Report" dated January 22, 2009. He explained that the Finance Committee met on that date to review and discuss several topics in advance of the Council meeting.

Council member Tullis directed Council's attention to the Statement of Receipts and Disbursements for December 31, 2008. He explained that \$682,000 of income tax receipts were received in December and most of the receipts were prepaid taxes. He said that this brings the total prepaids for 2008 up to \$884,000. Total income tax without the prepayments is \$8,112,000 which is a shortfall of \$113,000 from plan for the year. The total income tax receipts resulted in an increase of 1.4% over the prior year receipts.

Council member Tullis highlighted that the Inheritance Tax receipts totaled approximately \$1,200,000 which is \$800,000 below plan. He reported that the Village has been notified that it will receive \$900,000 of Inheritance Taxes which is a good start for the Inheritance Tax Revenues for 2009.

Council member Tullis also reported that F.E.M.A. will reimburse the Village approximately \$284,000 for the September wind storm damage expenses. These funds are expected to be received in 2009 and they are higher than originally expected. A new formula was used that allowed regular salary to be included in the reimbursement request, and not just overtime as in the past.

Council member Tullis directed Council's attention to the Capital Improvement & Replacement Fund statement. He explained that \$383,397 was transferred to the C.I.R.F. Fund from the General Fund. This transfer equals the excess of the General Fund balance over 20% of general fund expenditures for 2008. He explained that the transfer was budgeted at \$2.5 million but it was decided to hold the money in the income tax fund to provide flexibility for the financing of the Administration/Ranger building renovation.

Council member Tullis directed Council's attention to the Statement of Receipts and Disbursements for the Water Works. He highlighted that \$403,000 was transferred to the Water Works C.I.R.F. Fund to bring the fund balance to \$400,000.

Council member Tullis also reported that the total cash and investments recorded in the Statement of Cash and Investments and Fund Balances totaled \$17,626,241. This is down from last year's balance of \$18,744,000. This reduction of approximately \$1,100,000 is primarily due to the \$800,000 shortfall in inheritance tax receipts plus several other miscellaneous items. He said that the Village is in a healthy financial condition. The General Fund has a balance of \$2,016,000, the Income Tax Fund \$6,912,000, and the C.I.R.F. Fund \$2,656,000.

Council member Tullis also explained that the Financial packet included a statement entitled "Financial Summary – 2008." This statement shows the balances, receipts, transfers in, expenditures, and transfers out" for each fund. The total of all the funds in this summary agrees with the total fund balance on the statement of Cash and Investments.

Council member Tullis directed Council's attention to the Rowe Arboretum Fund Financial statement. He highlighted that the market value at December 31, 2008 was \$1,650,000 and it was \$2,200,000 at the end of December 31, 2007. Mr. Riordan explained that the write down to market value would be recorded in the Audit report and not in these cash basis financial statements.

Council member Tullis also explained that on the positive side, the investment strategy for the Rowe Arboretum fund was changed so that it would generate approximately \$90,000 in income. The statement shows the total income received for 2008 was \$87,515.

Council member Tullis reported that the market value for the investments in the Green Areas and Recreational Fund totaled \$745,000 at the end of December 31, 2008 while they totaled \$1,204,000 at the end of 2007.

Council member Tullis directed Council's attention to the statement entitled "Inheritance and Income Tax Summary for the Period 1997-2008." He explained that the total taxable income for the Village residents was slightly under \$2 Billion for 2008 which was a 1.43% increase over 2007. He also said that the Income Tax revenues for 2009 are budgeted at a reduction of 10% from 2008 receipts because of the economy.

Council member Tullis also directed Council's attention to the report entitled "Summary of Capital Improvement Reserve Fund Receipts", and "Summary of Capital Improvement Reserve Fund Payments." These summaries, show all the receipts and disbursements for the C.I.R.F. starting with 1941. He pointed out that the last page on the Fund Payment Summary reconciles the C.I.R.F. balance of \$2,656,413 as of December 31, 2008.

Council member Tullis reported to Council that City Manager Burns advised the Finance committee that that he met with Duke Energy on January 23 to discuss a proposal to place a small section of overhead power lines underground on Graves Road. There are seven affected properties, including six residences and Rheinstrom Park. Duke has quoted a price of \$5,000 to complete this work, but it is also conditioned on the Village installing the necessary underground conduit and there are no estimates for any additional costs for placing cable under ground. City Manager Burns will pursue the rest of the details on this proposal and present them at future Finance and Public Works committee meetings.

Council member Tullis reported that the Finance committee had a brief discussion regarding potential budget cuts if April revenues do not come in on budget. He explained that the Finance committee is trying to be fiscally conservative. He said that City Manager Burns advised that at this point in time he has placed a hold on all capital projects (except the building) and he will delay hiring one replacement employee until after the April tax receipts are analyzed by staff and the Finance committee. Additional potential cuts will be presented in February.

The financial statements for December 2008 had previously been distributed to each Council member. Mayor Rixey declared the financial statements accepted as issued.

Council member Tullis reported that the plan was to review the financing needs for the building renovation in the April-May time frame after the majority of the income tax receipts had been received. He said that, however, Council member Beech had pointed out that because of the low interest rates currently in the market, it might be prudent to move ahead with the financing at an earlier time. He said that after the research Mike and the Village staff have performed, moving ahead with the financing does appear to be in the best interest of the Village. He explained that it takes 60 to 90 days to get the bond work done and the Village has to spend

the proceeds of the bond issue in three years which does not seem to be a problem. Ten percent (10%) of the bond issue has to be spent in the first six months and the Village can go back 60 days from the time of the bond issue and capture any expenditures already made. He also said that the original plan was to borrow \$1,000,000 for the building renovation and \$4,000,000 for the Water Works project. He explained that the Finance committee discussed if the \$1,000,000 borrowing for the building renovation was the correct amount. He said after discussion and input from the Finance committee and Village staff it was decided that the amount to be borrowed should be \$2,000,000. This would allow the residents living in the Village in the future to pay for half the project and the other half of the project would be funded from the funds available from the large receipt of Inheritance taxes received several years ago. He said that in order to lock in the low interest rates it is necessary to move forward with the bond issue.

Council member Tullis directed Council's attention to a statement included in the Council packet entitled "Summary of Revenues and Expenses with Fund Balances – Borrow \$2,000,000." This statement shows the borrowing and repayments out through 2013. Repayment on the bonds would be approximately \$144,000 per year charged to the C.I.R.F. fund for the building renovation, and \$290,000 per year charged to the Water Works C.I.R.F. fund for the Water Works improvements. The bonds would be repaid over 20 years.

He also pointed out that the funding of \$155,000 per year on a previous bond issue paid through the Water Works fund will cease in June, 2009. Additionally, the bond payments of \$450,000 funded through C.I.R.F., for the Public Works/Water Works bonds issued several years ago will cease in December, 2014.

City Manager Burns introduced Mr. Abbot Thayer of Peck, Shafer & Williams who was present at the Council meeting to answer any questions regarding the bond issue. City Manager Burns explained that it is necessary to pass two ordinances. The first ordinance is the reimbursement ordinance which allows the Village to go back 60 days which makes it easier to capture the 10% for expenditures. He said the second ordinance allows the Village to engage Peck, Shafer & Williams as bond counsel.

Mr. Thayer explained in answer to a question concerning prepayment options, that it is the industry standard that there are no prepayments for the first ten years and then the bond is callable at that time. He said that you could move up the call period, but there is a premium that would have to be paid. Mr. Thayer explained that there would be three ordinances required: one for the building renovation, one for the Water Works project and a consolidating ordinance covering both issues. He also said that he would prepare an official document which is used by the underwriters to sell the bonds and he will also prepare a bond purchase agreement between the Village and the bond underwriter.

City Manager Burns explained that he would negotiate with and select a bond underwriter.

It was the consensus of Council to move forward with borrowing \$2,000,000 for the Administration/Ranger building renovation and \$4,000,000 for the Water Works project.

Upon motion by Council member Tullis, seconded by Mayor Rixey, the rules were suspended by unanimous roll call vote for the following two ordinances.

“AN ORDINANCE OF A DECLARATION OF OFFICIAL INTENT WITH RESPECT TO REIMBURSEMENT OF TEMPORARY ADVANCES MADE FOR CAPITAL EXPENDITURES TO BE MADE FROM SUBSEQUENT BORROWINGS, AND DECLARING AN EMERGENCY” was presented and read.

Upon motion by Council member Tullis, seconded by Council member Ottenjohn, the ordinance was passed by unanimous voice vote. Mayor Rixey declared Ordinance 02-09 enacted.

“AN ORDINANCE ENGAGING PECK, SHAFER & WILLIAMS LLP AS BOND COUNSEL FOR THE CITY OF THE VILLAGE OF INDIAN HILL, OHIO; AND DECLARING AN EMERGENCY” was presented and read.

Upon motion by Council member Tullis, seconded by Council member McLean, the ordinance was passed by unanimous roll call vote. Mayor Rixey declared Ordinance No. 03-09 enacted.

LAW COMMITTEE REPORT: Council member Rabenold directed Council’s attention to a memo entitled “Law Committee Meeting Report” dated January 22, 2009. He reported that the Law committee met on January 16, 2009 to review and discuss several topics in advance of the Council meeting.

Council member Rabenold reported that City Manager Burns distributed to the committee copies of a proposed ordinance adopting the 2008 update to the Indian Hill Code of Ordinances. City Manager Burns explained to the committee that his update included all ordinances which were adopted since the last update in 2004 through the November 17, 2008 Council meeting. He indicated that any Council members who desired an updated code book could either drop their current books off for an update or, if they do not have a current code book, he could update an office copy for them. The committee recommends passage of the ordinance on an emergency basis.

“AN ORDINANCE ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF THE VILLAGE OF INDIAN HILL, OHIO AND DECLARING AN EMERGENCY” was presented and read.

Upon motion by Mayor Rixey, 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 Rixey declared Ordinance No. 04-09 enacted.

Council member Rabenold reported that Messrs. Phillips and Burns provided the Law committee with an update on the Martin Marietta hearing process in Anderson Township. The proponent testimony was completed at the January 8, 2009 hearing and opponent testimony is scheduled to begin at the January 21, 2009 hearing. It is anticipated that the hearings will continue until probably some time in March. City Manager Burns said that he was able to testify at the last meeting and he said that the next meeting would be February 18.

Council member Rabenold reported that the Montgomery Council tabled the public hearing for the development of the William Ford property as a result of Bear Creek Capital needing more time.

City Manager Burns provided the committee with an update on the recent dog barking complaint and he distributed copies of ordinances from the city of Montgomery which they have adopted to legislate the issue. The committee agreed with City Manager Burns that this is a very difficult ordinance to enforce. They agreed that a combination of administrative staff and Ranger mediation could be a more effective control measure. This issue will also be discussed with the Safety committee.

Council member Rabenold also reported that the Law committee had a follow up discussion to the January 12, 2009 planning session.

GROUNDS COMMITTEE REPORT: Council member McLean directed Council's attention to a memorandum entitled "Grounds Committee Meeting Report", dated January 22, 2009. She reported that the Grounds committee met on January 21, to review and discuss several topics in advance of the Council meeting.

Council member McLean reported that Mr. McQueen provided a report on Grand Valley activities, a copy of which is attached to the minutes. She highlighted that several minor changes were made to a couple of regulations at Grand Valley concerning the number of guests and not allowing cards to be transferable. She said that the intention is to stop people from bringing in groups of as many as 15 other people and to stop people from loaning out their cards. She also explained that duck hunters have been crossing the Grand Valley property to reach the river. Unfortunately, one of the visitors to the Grand Valley was peppered with bird shot. Mr. McQueen will address these issues on a person by person basis without a regulation.

Council member McLean also reported that Mr. Kipp provided the committee a report on the status of various building and grounds related projects. She highlighted from the report that the existing interior demolition of phase 1 (Police Dept.) was initiated on January 14. The underpinning for the phase 1 basement will begin January 26 followed by the excavation for the basement and construction of the concrete walls and floor. She said that the Indian Hill Rangers/Administration building improvement project is on schedule and it's scheduled to run through December, 2009.

Council member McLean reported that construction started January 5th on the concrete vault portion of the new chemical feed building. This portion is built directly over the existing 36" diameter pipe carrying treated/softened water to the clear-well for storage. The rest of the

new building will house the bulk storage tanks for the three (3) chemicals (Sodium Hypochlorite, Hydrofluosilicic Acid, and Liquid Phosphate). The project will run through August 2009.

Council member McLean reported that Mr. Davis presented a report on the December departmental activities, a copy of which is attached to the minutes. She said that the activities were the regular seasonal work.

Council member McLean reported that City Manager Burns distributed copies of a resolution authorizing the Manager to accept the 2008 Green Area gifts which were received during the year. This is a standard procedure each January. City Manager Burns noted that a total of 2.619 Acres were donated in fee simple and another .5 acre was donated via a conservation easement.

“A RESOLUTION AUTHORIZING THE MANAGER TO ACCEPT 2008 GREEN AREA GIFTS” was presented and read.

Upon motion by Council member McLean, seconded by Mayor Rixey, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution No. 01-09 adopted.

Council member McLean also reported that City Manager Burns provided the committee members with the same memo and information as was provided to the Law, Safety and Public Works committees regarding the Indian Hill Mothers Club’s pedestrian path memo. She said that this issue would be covered in the Safety committee meeting report.

WATER WORKS REPORT: City Manager Burns directed Council’s attention to a memo entitled “Water Works Committee Meeting Report” dated January 22, 2009. He reported that the Water Works committee met on January 21, 2009 to review and discuss several topics in advance of the Council meeting.

City Manager Burns reported that Mr. Davis presented a report on December departmental activities, a copy of which is attached to the minutes. He highlighted that the Water Works distribution crew has repaired nine (9) main breaks. He also reported that Mike Wainscott a 13 year employee with the Water Works will be retiring effective January 20 and a resolution of appreciation is warranted.

“A RESOLUTION OF APPRECIATION TO MICHAEL A. WAINSCOTT FOR HIS SERVICE TO THE VILLAGE OF INDIAN HILL” was presented and read.

Upon motion by Council member Tullis, seconded by Council member Ottenjohn, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution No. 03-09 adopted.

City Manager Burns also reported that the committee discussed the bond financing plan for the Water Works related improvements, however these have been covered previously in the meeting.

He also reported that Messrs Adkins and Davis have suggested engaging three highly qualified engineering firms for three year terms in order to expedite the engineering design on the various water works projects. This is different from the usual strategy of hiring one firm to prepare all the plans and specifications.

“A RESOLUTION AUTHORIZING THE CITY MANAGER TO ANNOUNCE THE AVAILABILITY OF CONTRACTS FOR ENGINEERING SERVICES RELATED TO THE COMPLETION OF VARIOUS WATER DISTRIBUTION INFRASTRUCTURE IMPROVEMENTS; EVALUATE THE QUALIFICATIONS OF INTERESTED FIRMS; AND NEGOTIATE CONTRACTS FOR SERVICES WITH THE THREE MOST HIGHLY QUALIFIED FIRMS” was presented and read.

Upon motion by Council member McLean, seconded by Mayor Rixey, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution No. 02-09 adopted.

PUBLIC WORKS REPORT: Mayor Rixey directed Council’s attention to a memo entitled “Public Works Committee Meeting Report” dated January 22, 2009. He reported that the Public Works committee met on that day, to review and discuss several topics in advance of the Council meeting.

Mayor Rixey reported that City Manager Burns advised that Mr. Kipp was unable to attend, but he did submit a brief project status report. Mr. Kipp’s report showed that the final plat for Ambelside Estates subdivision dedication of the roadway right-of-ways to the Village of Indian Hill, will require acceptance by Council. The committee is still waiting on the documents from the developer.

Mayor Rixey also reported that the cost for Filing/Review Fees for lot splits, minor subdivisions and major subdivisions have been updated. This includes field and office reviews. This item will be included in the February 2009 agenda.

Mayor Rixey also reported that Mr. Davis presented the committee with a report on December departmental activities which covered the normal regular season work. He did highlight that 788 tons of salt/grit mixture had been used year to date.

Mayor Rixey reported that City Manager Burns advised the committee that he had placed a hold on most capital improvement projects. This topic has been discussed previously in the Council meeting.

Mayor Rixey reported that the committee reviewed information from the Indian Hill Mother’s Club (IHMC) that was distributed to the other committees concerning a bike path in the Village. He said that the Indian Hill Mothers Club representatives had been invited to the February 19 committee meeting. City Manager Burns said that preliminary costs are in the range of \$2.9 million for only the construction. Land acquisition would be additional cost. He

also said that the Public Works committee discussed moving their meetings to 7:30 a.m. on the same day as the Safety committee meetings to allow more time for the Finance committee to meet.

SAFETY COMMITTEE REPORT: Council member Beech directed Council's attention to a memo entitled "Safety Committee Meeting Report" dated January 22, 2009. He explained that the Safety committee met on January 20, to review and discuss several topics in advance of the Council meeting. He reported that Chief Ashbrock was unable to attend but subsequent to the meeting he forwarded a December 2008 activity report for the district, a copy of which is attached to the minutes.

Council member Beech pointed out that the total EMS runs for the year were over 1,000 which is a record by 150 to 200 runs. On the positive side, the fire results were minimal, especially compared to 2007.

Council member Beech reported that Colonel Schlie provided an activity report for the month of December, a copy of which is attached to the minutes.

Council member Beech reported that Colonel Schlie and City Manager Burns provided an update on the dog barking complaint and distributed the same example legislation which was included in the Law committee report. He said the committee agreed that an ordinance is not necessary at this time.

Council member Beech reported that Mr. Kipp provided the committee members with copies of the Drake & Shawnee Run intersection improvement alternatives which were detailed in a 2006 study by KZF Engineering. The report identified a roundabout as the best alternative solution from both a cost and efficiency viewpoint. There was discussion about expected Level of Service (LOS) ratings for the various alternatives, and there was some confusion regarding the expected ratings for a roundabout installation. Staff will ask KZF to provide some clarification on the LOS which could be expected with a roundabout installation. There will be continued discussion on this subject prior to the adoption of any final implementation plan. He said that the least expensive alternative was the roundabout but there are still issues to be considered for the fire department and for pedestrian safety. He explained that the cost of the roundabout would be in the range of \$500,000 to \$600,000.

Council member Beech also reported that City Manager Burns distributed copies of a preliminary memo regarding desired walking path improvements which was submitted by a representative of the Indian Hill Mother's Club. Representatives of the club would like to discuss the idea further with Council, and it is suggested that the first step in this discussion process would be a review with the Public Works committee on February 19.

Council member Ottenjohn asked if a new road plan, involving a connector with Red Bank Road would have an effect on Indian Hill traffic. City Manager Burns said there was only a slight chance of this connector being done in the next 10 years.

PLANNING COMMISSION REPORT: Council member Ottenjohn directed Council's attention to a memo entitled "Planning Commission Report" dated December 16, 2008. He reported that the Planning Commission met on that date to consider several items.

The first item was a request from HPA Development Group for a Final Record Plat approval for the Ambleside Estates Subdivision. This request was approved.

The second item considered by the Planning Commission was a continuance of the request by Mr. & Mrs. Sourushe Zandvakili to appeal an Administrative decision allowing the continuation of an existing dance studio located at 7956 Indian Hill Road. The Commission moved to continue the Administrative appeal until the January 20 meeting.

Council member Ottenjohn directed Council's attention to a memo entitled "Planning Commission Report" dated January 20, 2009. He reported that the Commission met on that day to consider the appeal hearing from Mr. & Mrs. Sourushe Zandvakili on an Administrative decision to permit the continuation of an existing dance studio located at 7956 Indian Hill Road.

Council member Ottenjohn reported that City Manager Burns opened the hearing by presenting a detailed background summary of the dance studio. City Manager Burns noted that the dance studio had been in operation for the past 28 years and currently had an enrollment of 8 to 10 students. City Manager Burns went on to say that after receiving the Zandvakili complaint that he directed the Indian Hill Rangers to perform a traffic study on the private drive used by the appellant and dance students, to see if there were any safety issues. The Indian Hill Rangers investigative report found that the drop-off and pick-up of students was orderly and safe, and that it did not appear to adversely impact traffic either on Indian Hill Road or the private drive used by the residents. He said that City Manager Burns found that based on the factual information that he had received and the Indian Hill Rangers report, that the current dance studio met the requirements of the Home Occupation Ordinance.

Council member Ottenjohn said that after a question and answer period the Commission affirmed the Administrative decision by the City Manager allowing the dance studio to continue under home occupation and the current enrollment of 8 to 10 not increased. He did say that it was noted that the appellants or owners may appeal this decision to Village Council within the next 30 days.

CTY MANAGER'S REPORT:

City Manager Burns, in his Manager's report, reminded Council that the New Residents party will be held February 22 at 5:00 pm at the Little Red Schoolhouse. He also reminded Council that they received their Ethics filing papers in their packets for this month and he recommended that they file them on time because there are some severe penalties associated with late filing.

City Manager Burns also distributed revised calendars for the 2009 Council and Court dates.

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

Respectfully submitted,

Eppa Rixey IV, Mayor

ATTEST:

Paul C. Riordan, Clerk