

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
April 26, 2010**

A meeting of the Indian Hill Village Council was held on April 26, 2010 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.	Joseph Beech, III, Vice Mayor
Mr.	Daniel J. Feigelson, Council member
Mrs.	Lindsay B. McLean, Council member
Mr.	Keith M. Rabenold, Council member
Mrs.	Laura S. Raines, Council member
Mr.	Mark E. Tullis, Council member
Mr.	Michael W. Burns, City Manager
Mr.	Joe Scholler, Frost Brown Todd
Mr.	Paul C. Riordan, Clerk/Comptroller

Visitors present:

Mr.	Barry (Chip) W. Wood – Energy Alliances
Mr.	Bill Grafe – Energy Alliances
Mr.	Rob Dowdy – Community Press

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

MINUTES: The Minutes of the regular meeting of March 15, 2010 had previously been distributed to each Council member. A motion was made by Council member Feigelson, and seconded by Council member Tullis to approve the minutes. The motion passed 7 to 0 and Mayor Ottenjohn declared the minutes accepted as corrected.

CITIZEN PARTICIPATION: Mr. Bill Grafe, a representative of Energy Alliances and Mr. Barry (Chip) W. Wood, Jr., a representative of Duke Energy retail sales LLC, appeared before Council and presented a “Preferred Electric Supply Endorsement program.”

Mr. Barry (Chip) W. Wood explained that Duke Energy Retail Sales LLC, a member of the Duke Energy Corporation family of companies, and an affiliate of Duke Energy Ohio, Inc., offers a preferred electric supply endorsement program proposal for consideration by the Village of Indian Hill City Council. This program, he said, provides residents and small significant businesses energy savings and a choice of pricing plans that meets their individual needs. The highlights of the plans are;

- A. Guaranteed discount of 18% from Duke Energy Ohio priced to 2011; or
- B. Fixed price, currently at or below 6 1/2¢ per kilowatt hour for 2011; and
- C. Peace of mind guaranteed
- D. No penalty to terminate

This is their first program for residential customers. This is an opt in voluntary program. The program would be offered to residents and small businesses in the Village. The 18% discount is on

the generation portion of the bill which is approximately 70% of the total bill. They consider this a guaranteed savings program.

Mr. Wood explained that currently there is a large enough difference in the market in the regulated rates so that this kind of program is viable for residential consumers.

The peace of mind guarantee provides that participating customers can be assured that they will receive the greatest discount offered to any community through the preferred supplier program. He said that if Duke Energy Retail Sales offers an enhanced percentage discount to another community, for example, raising the discount from 18% to 20%, customers enrolled in the guaranteed discount program will be presented the enhanced offer. In addition, Duke Energy Retail Sales will notify participating fixed price customers if the Duke Energy Ohio Standard rate falls below the customer's contracted price. The customer will then have the option to return to Duke Energy Ohio Standard Service Offer Supply. Mr. Wood explained that if a competitor offers a lower fixed rate i.e. 5¢, then the participating customer could stop using the services for a termination fee of \$25.00.

Mr. Wood said they are ready to work with administration to send out a letter to the residents upon approval by Council. Residents would then have approximately three weeks to accept or reject the proposal

City Manager Burns explained that there is an offer by Dominion in the market at 5.99¢ for a fixed price. It was the consensus of Council to review the proposal in more depth over the next 30 days and make a decision at the next Council meeting.

FINANCE COMMITTEE REPORT: Council member Tullis directed Council's attention to a memo entitled "Finance Committee Meeting" dated April 23, 2010. He reported that the Finance Committee met on April 22 to review and discuss several topics in advance of the Council meeting.

Council member Tullis explained that total Income Tax Receipts, year to date through April 19, total \$4,712,000 which is 19% below the amount collected last year. The budget projected a reduction of 15%; therefore, the actual receipts are running below budget. It is estimated that the Village will receive an additional \$400,000 of Income Tax Receipts over the rest of the calendar year which would result in a shortfall of approximately \$230,000 for the year. He also explained that the Village Inheritance Tax Receipts totaled \$473,000 through March 31 which compares to the \$1,202,000 collected in 2009 for the same period. He highlighted that known Inheritance Tax Receipts total approximately \$500,000 year to date which is approximately one quarter of the \$2,000,000 budget for the year. He also pointed out under expenditures, that there were three payrolls paid in the month of March vs. only two payrolls in March of 2009. He also highlighted that the year to date expenditures under the snow removal account totaled \$178,000 vs. the budget of \$195,000 for the year. The shortfall of excess of Disbursements over Receipts for the operating funds totaled \$584,000 for the month of March.

Council member Tullis also reported that the \$180,000 received for the sale of water in March was up slightly from the same period in 2009. He also explained that the quarterly sewer reimbursement of \$426,000 was paid in the month of March. He highlighted that March disbursements exceeds receipts by \$151,809.

Council member Tullis explained that the total cash and investments totaled \$16,932,000 at the end of March, 2010, which is down approximately \$955,000 from the previous month balance.

Council member Tullis also reported that the total shortfall in the operating reserves year to date is \$864,000. The total budgeted shortfall for the year is \$3,149,000 which includes a transfer to the CIRF of \$2,000,000. The projected shortfall is before accounting for any planned cuts and expenditures or shortfalls in revenue.

Council member Tullis reported that the market value of the investments for both the Rowe Arboretum Fund and the Green Areas Fund have increased in March.

The Financial Statement for March 31, 2010 had previously been distributed to each Council member. There being no exceptions noted, the Financial Statement was accepted as issued.

Council member Tullis reviewed a statement included in the packet which forecast the Revenues and Expenditures for 2010, 2011, and 2012. He explained that the projection for 2010 is a worst case scenario. The projection reflects Inheritance Tax Receipts of only \$1,000,000 vs. the budgeted \$2,000,000 and Income Tax Receipts of \$5,100,000 vs. the budget of \$5,334,000. The projection for 2010 also reflects potential cuts of \$673,000 in operating Fund expenditures and \$956,000 in CIRF expenditures. The cuts total \$1,632,000. He highlighted that the total Fund Balance for the General Fund, Income Tax Fund, and CIRF would be \$6,330,000 at the end of 2010 assuming all the cuts are made. This total fund balance would be approximately \$400,000 higher than the original forecasted amount. He said that there is confidence in receiving at least \$1,000,000 of Inheritance Tax for the year, especially if you consider the Inheritance Taxes received over the past 10 years.

Council member Tullis also directed Council's attention to a statement entitled "2010 Budgeted Items on Hold". He explained that the statement also indicates the priority for reinstatement for items put on hold. He explained under the caption "Furlough Days" that each employee of the Village, including the City Manager would be required to take one day per month unpaid furlough. This is in fact a 3% salary reduction. The savings, as a result of the furlough days, would be \$168,000 for 2010 and \$252,000 per year for 2011 and 2012. These are big numbers which have to be considered. He said the question was raised that since it is not known if we will receive additional Inheritance Taxes by year end, instituting furlough days immediately the wrong thing to do. The concern being that it sends the wrong message to our Village employees and that it would certainly hurt morale. He said that all Council Members think very highly of the employees and that this would be the last cut made. He said the Finance Committee decided to hold off on the furloughs until at least July until there is a better understanding of the Inheritance Tax Receipts.

Council member Tullis also explained that the Rowe Arboretum subsidy would be cut \$30,000 per year. He said that no cut would be made to the subsidy for the Historical Society because the funds are used for the maintenance of the Little Red School House and it would be unwise to cut expenses which would harm the assets of the Village. He also highlighted that the mailed Bulletins would be eliminated saving the Village \$40,000 per year. The Bulletin would then only be available on line. It is requested that the Bulletins would be sent out on an e-mail chain and that a fee of \$25.00 be charged to residents if they want a hard copy mailed to them. The Bulletin is presently posted on line.

Council member Tullis explained that the Finance Committee also had a lengthy discussion on the elimination of the July 4th fireworks which would save approximately \$20,000 per year. He expressed his concern that if you initiate furlough days and make other significant cuts, how does it look if you turn around and shoot off \$20,000 worth of fireworks. On the other hand, he said, "you can make a strong case that this is a long standing tradition in the Village and we don't want to look like we are panic stricken because we are not." He then went on to say that we are trying to be very frugal with the resources we have and would like other Council members input on the merits of having or not having the fireworks this year.

Mayor Ottenjohn explained that he thought there were three options: (1.) the fireworks could be eliminated entirely (2) they could be continued as if no change is made or (3.) they could be changed to something such as a "short blast", which would cost less. His recommendation would be to continue with the fireworks, however, to spend less money on it, and explain this to the residents.

City Manager Burns explained that there would be approximately \$1,600.00 paid for overtime for Village employees working during the fireworks. The Council members had mixed opinions on the idea of cutting the July 4 fireworks.

After a lengthy discussion, Mayor Ottenjohn asked for a motion on the fireworks. Council member Beech moved that the fireworks be held for 2010 at a cost of not to exceed \$13,000. The motion was seconded by Council member Rabenold and was carried by majority voice vote of 4 to 3.

Council member Tullis also reported that the Finance Committee discussed the Tap In Fee ordinance which is typically passed each year. This ordinance resets the interest rate and fee schedule for tap in fees in the north Indian Hill benefit area. These fees are intended to reimburse the Capital Improvement Reserve Fund for a 1987 expenditure of \$450,000 paid on behalf of the Water Works system when the benefit area was converted over to Cincinnati Water Works. There was extensive discussion about whether it would be appropriate to pay off some or all of the balance owed to the CIRF from the Water Works Funds. The balance has increased over the years to \$733,000. He explained that the Finance Committee decided to hold additional discussion on the topic and therefore, the ordinance was pulled off the April agenda.

Council member Tullis also reported that the Finance Committee briefly discussed the Rowe investment policy and the committee would like to invite interested Council members for an update on this issue by City Manager Burns. The meeting would be held immediately after the May Finance Committee meeting.

"A RESOLUTION AUTHORIZING THE MANAGER TO CONTRACT WITH HAMILTON COUNTY FOR THE SALE OF EXCESS VILLAGE EQUIPMENT THROUGH THE HAMILTON COUNTY INTERNET SURPLUS AUCTION, TO ACCEPT BIDS FOR THE PURCHASE OF SAID EQUIPMENT, AND TAKE ALL OTHER NECESSARY ACTIONS TO SELL SAID EQUIPMENT" was presented and read.

Upon motion by Council member Tullis, seconded by Council member Raines the resolution was passed by unanimous voice vote. Mayor Ottenjohn declared Resolution No. 05-10 adopted.

Council member Tullis also reported that City Manager Burns informed the Finance Committee that he had a couple of meetings with Northwestern Mutual Representatives regarding a proposal to evaluate health insurance alternatives for individual employees. He said that after discussion the committee agreed that while Northwestern Mutual is an excellent insurance company such a review is not a good idea at this point in time. It would be better to hold such a review until a later time.

Council member Tullis said that he wanted to thank City Manager Burns and his staff for all the work they have done over the last several weeks for the open house and the new residents' party. He said we should all be very proud of this building and complimented City Manager Burns on putting together a very good team of Village employees. He said the building is only brick and mortar and that it is the people who work for the Village and provide the services for our residents that makes the Village a special place. He said he wanted to go on the record and state that the absolute last cut that would be made would be to furlough employees, and that if furloughs had to be made, they would be the first cuts reinstated.

LAW COMMITTEE REPORT:

Council member Rabenold directed Council's attention to a memo entitled "Law Committee Meeting" dated April 21, 2010. He reported that the committee met on April 14 to review several issues in advance of the Council meeting.

Council member Rabenold reported that Mr. Scholler advised the committee that the Anderson Township Board of Zoning Appeals has not yet rendered a decision on the Martin Marietta limestone mine case. They are continuing to meet and discuss the case in executive session, and there is no indication as to when they are expected to conclude their deliberations and come to a decision. He said the Law Committee discussed potential appeal scenarios in executive session.

Council member Rabenold also reported that Mr. Scholler advised that there was a recent settlement hearing with the parties of interest in the Indian Run foreclosure case. Another hearing is set to take place within the next two weeks, and he believes that the judge will move the case to trial if the parties do not reach a settlement.

Council member Rabenold also reported that the committee was updated in executive session on the recent union negotiations with the patrol officers.

Council member Rabenold also reported that the Law Committee reviewed the resolution and related agreement with Duke Retail Electric services for an Opt-in endorsement program which had been previously covered in the Council meeting.

Council member Rabenold reported that City Manager Burns suggested that the Law Committee shift its meetings to a morning session at the Administration building due to budget concerns. The committee was receptive to this switch.

Mayor Ottenjohn expanded on this, stating that it has been past practice for the Law Committee over numerous years to either meet at the Banker's Club and the **Queen City Club** and it was felt that because of the budget constraints it would be **best** to cut this expense.

JOINT GROUNDS, PUBLIC WORKS, AND WATER WORKS REPORTS: Council member McLean directed Council's attention to a memo entitled "Joint Grounds, Public Works and Water Works committee meeting dated April 21, 2010. She reported that the Grounds, Public Works and Water Works committees met jointly in the Public Works lunch room on April 21 to discuss several topics in advance of the Council meeting.

Council member McLean reported that Mayor Ottenjohn commented to the committees on the current financial status of the Village. He advised them that the Finance Committee of Council would be reviewing Mr. Burns' proposed cuts on Thursday morning and making recommendations to all of Council. Mayor Ottenjohn expressed his opinion that the economy will come back, but the Village needs to hold expenses down in order to offset revenue shortfalls over the near term.

Council member McLean reported that Mr. Kipp provided a project status report for both departments and all three committees. A copy of the report was attached to the minutes.

Council member McLean reported that Mr. Adkins provided a Water Works activity report and identified several projects he will be discussing with the Water Works committee in May. She reported that Street Foreman David Yeager presented a report on Public Works activities for the preceding month, Parks Foreman Jerry Hensley presented a report on Grounds crew activities for the preceding month and Will McQueen presented a report on Grand Valley activities and issues. A copy of these reports were attached to the minutes.

Council member McLean reported that the committee also reviewed the resolution authorizing the sale of excess Village equipment on Hamilton County's internet sale site and a list of the equipment to be sold. This resolution was passed previously in the Council meeting.

PUBLIC WORKS REPORT: Mayor Ottenjohn reported that significant improvements will be made to Remington Road and Loveland – Madeira intersection. He reported that Mr. Kipp is running through the final punch list for the Ranger/Administration building and remodeling. He also said that he had very positive comments from residents who have toured the Ranger/Administration building at the open houses. He also thanked Village staff for their work involved in the open houses and for providing the tours. He also said there was a meeting scheduled for the Grand Valley committee on May 17 at 6:30 p.m.

WATER WORKS REPORT Council member Feigelson reported that \$770,000 (26%) has been spent on the water distribution infrastructure improvement project. The work on Graves is completed. The work on Shawnee Run Road is progressing rapidly with very little complaints from residents.

SAFETY COMMITTEE REPORT: Council member Beech directed Council's attention to a memo entitled "Safety Committee Meeting" dated April 21, 2010. He said that the Safety committee met on April 20 to review and discuss several topics in advance of the Council meeting.

Council member Beech reported that Chief Ashbrock provided a normal report on Fire and EMS activities. He reported that runs in both categories are down compared to last year. He also advised that the District is completing the candidate reviews for replacing the four officers who have or will retire in the near term. A copy of the report was attached to the meeting minutes.

Council member Beech also reported that Colonel Schlie provided a summary report on Ranger activities for the past 6 weeks. He said they also reviewed the recent resident survey conducted by the Rangers. There will be additional discussions regarding the survey responses at the next Council meeting.

Council member Beech also reported that City Manager Burns updated the committee on the ongoing union contract negotiations with the Patrol Officers in executive session.

PLANNING COMMISSION REPORT:

Council member Raines reported that the Planning Commission did not meet in the month of April and therefore there is no report. She said that the Commission will meet on May 18.

The Planning Commission will review and discuss the Administration campus lighting and review the lighting plans at Armstrong Chapel.

City Manager Burns said that staff is working on improving the lighting at the Administration campus. It may be necessary to replace the fixtures. He said that he is working with another lighting consultant on this issue.

City Manager Burns also reported that the Indian Hill High School representatives approached him with the idea that they want to replace their scoreboard with a video scoreboard and this request will be put on the Planning Commission agenda.

CITY MANAGER'S REPORT:

City Manager Burns reminded Council that May 6 is the National Day of Prayer service to be held at 7:30 a.m. in Madeira. He also said he would like to update Council in executive session on the on going personnel negotiations.

Council member Beech made a motion that Council move to executive session to discuss a personnel issue. The motion was seconded by Council member Tullis and was carried by unanimous roll call vote. Council moved to executive session.

Council returned from executive session. 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