

**MINUTES OF MEETING  
INDIAN HILL VILLAGE COUNCIL  
June 15, 2009**

A meeting of the Indian Hill Village Council was held on June 15, 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.  Susan K. Holzapfel, 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.    Don Crain, Solicitor

Officials absent:           Mr.    Paul C. Riordan, Clerk/Comptroller

Visitors present:           Ms. Kari Zenni, Indian Hill Mayors Court Clerk

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

**MINUTES:** The Minutes of the regular meeting of May 18, 2009, 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 June 11, 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 reviewed the Statement of Receipts and Disbursements. He highlighted that the Income Tax Receipts year for May 2009 totaled \$57,565 compared to \$384,824 for the same month in 2008. The reason for the difference was that there were a couple of large checks received in May of last year instead of April. This is important because the estimates that staff prepared showing anticipated income tax receipts for the rest of 2009 were based upon the 2008 receipts for the same time period and most of the \$384,824 should have been taken out of the estimates. This has now been corrected and the 2009 Income Tax revenue estimate has been adjusted to \$6.2 million, which is \$1.1 million under budget. The earlier estimate was for a deficit of \$900,000, so we are now projecting an additional shortfall of \$200,000. He reported that \$146,000 of Inheritance Tax was received in May and it is known that the total receipts, year to date, are \$2,400,000 which is \$400,000 over budget. He also commented that it is possible that the Village will receive additional Inheritance Taxes as the year goes on.

Council member Tullis also reviewed the notes to the financial statements highlighting that \$266,000 was received in the form of FEMA reimbursements for expenditures the Village made in connection with the hurricane damage in 2008. A companion receipt of \$16,000 is also reflected in the Water Works financial statements. He also noted a small number of timing related discrepancies related to payments which were expended in May in 2008 but in June in 2009. The net effect of all the receipts and disbursements for the month reflects a negative \$147,345 in cash flow.

Council member Tullis noted that most of the expenditure lines in the Capital Improvement Reserve Fund reflected zeros for the month of May. This is largely due to the current freeze on most expenditures. The exceptions were the expenditure of \$41,034 for the architect/construction manager for the building project, \$397,556 for building improvement costs, and \$76,361 for a wheel loader which was ordered before the freeze was put in place. Finally, he also noted that a principle and interest payment of \$43,054 was made during May on the Public Works, Water Works, and Phinney House bonds. Mr. Tullis advised that the first payment on the recently issued Administration/Ranger Building and Water Works bonds will be due in December of 2009.

Council member Tullis reported that the Water Works statement reflected water receipts of \$325,228 for May, 2009 vs. \$226,580 for May of 2008. The revenue is higher principally because more water bills were paid in May of 2009 and the sewer charges were also higher. He also noted that the 2004 bonds were now paid off, so the timing is right for issuing additional debt related to the planned 2009-2010 improvements. There was not a great deal of activity in the Water Works Capital Reserve fund in May 2009. The meter changeover program expenses were \$36,085 and the payment on the principal and interest on the building bonds was \$7,360.

Council member Tullis highlighted in the statement of cash and investments that the Income Tax Fund had a May 31, 2009 balance of \$11,816,798. The total balance of all funds is \$19,456,000 which is down from the April 30 balance of \$20,967,000. He also advised that the next statement will include the new 2009 bond issuance in the lower left hand corner and the zero balance on the recently retired bonds will go off the report.

Council member Tullis also reviewed the Rowe Arboretum Fund and the Green Areas and Recreational Funds and highlighted that the market value of the investments for both funds has continued to increase since the low point in February 2009. The Rowe Arboretum Fund value now stands at \$1,587,000 and the Green Areas and Recreational Fund Vanguard investments are now at a value of \$769,984.

The Financial statement for May, 2009 had previously been distributed to each Council member. There being no exceptions noted, the financial statement was accepted as issued.

Council member Tullis directed Council's attention to the 2010 Tax Budget contained in the Council packet. The budget forecast is required to be filed with the Hamilton County Budget Commission each July. It is a preliminary budget which will be finalized during the upcoming budget review process. The Tax budget is based upon keeping anticipated Inheritance Tax Revenues at \$2 million for the 2010 budget year. Income Tax revenues are now projected to be

down 15% more than the 10% estimated for 2009, or 25% overall against 2008. The Finance Committee spent some time discussing what estimate to use for 2010 and determined that estimating another 10% decline would be prudent given the current economic conditions. As a result, the 2010 Tax Budget reflects a \$5,562,899 estimate for Income Tax revenues. The 2010 Tax Budget is also based on ending the 2009 year with total expenditures of \$8,414,338 instead of the budgeted \$8,966,697. This reflects the \$550,000 in General Fund operating expense freezes implemented by staff. This does not include the CIRF freezes.

Council member Tullis explained that the 2010 General Fund expenditure budget has been estimated at \$8,750,912 which is a 4% increase over the estimated actual 2009 expenditures. He highlighted a couple of the key expenditures items which were cut during 2009, including: fuel; mulch grinding, and holding open two vacancies in the Public Works Department. The net effect of the budgeting forecast is that the Village would end up \$1.8 million in receipts over disbursements for the coming year. About \$2.3 million would be retained in the Income Tax Fund at the end of 2010 and \$1,761,795 would be transferred into the CIRF. This transfer would enable the Village to keep just slightly under the desired \$2 million balance in the CIRF at the end of 2010. He also noted that \$1.2 million has been frozen in the 2009 CIRF budget. \$500,000 of this was street repair money and another large amount was dedicated to Grand Valley improvements. Some of the frozen items, primarily the street repair amount, will have to go back into the 2010 budget. The 2010 CIRF budget will include the \$509,000 in principal and interest for the 2005 bonds as well as the new \$230,467 payment on the 2009 bonds. Council member Tullis commented that the Finance Department did a good job of presenting a lean budget for the coming year. The Village is hopeful that actual 2010 revenues will be better than anticipated, but it is best to keep the estimates as conservative as possible in these difficult economic times. Finally, Council member Tullis called Council's attention to an attached spreadsheet presenting possible Income Tax scenarios. The Finance Committee used this spreadsheet to determine the 2010 Income Tax projection. The highlighted center column presents the -10% amounts which were used to construct the 2010 Budget.

At the conclusion of the 2010 Tax budget review, Council member Tullis made a motion to approve the 2010 Tax Budget for submittal to the Budget Commission. The motion was seconded by Mayor Rixey and approved by a unanimous voice vote of the members.

Council member Tullis recapped the closing memorandum attached to the Finance Committee report. He advised that the Village netted \$5,920,295 out of the sale of bonds related to Water Works and the Administration/Ranger Building improvements. The interest rate came in lower than expected and the Village will save \$226,000 in interest payments over the life of the debt. The debt service on the building bonds will be about \$226,000 per year for 10 years, and the Water Works debt service will be \$276,000 per year for 20 years. Council member Beech asked where the money will be invested during the short term. Mr. Burns advised that the Finance Department will ladder the money out in treasuries based upon the cash flow needs. Vice Mayor Ottenjohn asked whether the Village knew how many bonds were purchased by Indian Hill residents. Mr. Burns advised that staff did not have that information at this time.

Council member Tullis next reported on the health insurance renewal for the 2009-2010 plan year. He noted that the first renewal proposal came in at an 11.7% increase. After

examining various options and discussing the situation with the Employee Relations Committee, Mr. Burns proposed eliminating the expensive Diamond Plan option, eliminating the HRA contribution to the Emerald Plan, and keeping the Health Savings Account (HSA) plan in its current form. By making these plan changes the net increase was reduced to 3.25%. The new plan is also a self-funded pool arrangement. Mr. Burns hopes that the changes will help stabilize rates by encouraging employees to participate in the HSA plan which costs the Village approximately \$1,500 less annually than an Emerald plan for a family. Council member Tullis expressed the opinion that fully funding the health insurance premiums is quite unusual in the private sector and becoming less common for public sector employers. Mr. Beech asked what the annual premium was for each of the family plans. Mr. Burns responded that the HSA plan will cost the Village \$13,555 per family and the Emerald plan will cost \$15,048 per family. The plan changes are intended to try to equalize the Village's contribution for either plan. There was additional discussion about the current economy, the state of the health care insurance industry, possible government intervention, and a desire to remain competitive with other communities in terms of the total wage and benefit package offered to employees.

Mr. Burns also advised that the new plan will convert the Village over from a fully insured plan to a partially self-funded pool. The pool members hope that the self-funded arrangement will stabilize rates over the longer term. Mayor Rixey questioned the Village's liability exposure if the pool has significant experience losses. Mr. Burns responded that the stop loss coverage should protect the pool from losses for significant claims, but it will be incumbent upon the members and their employees to manage claims and encourage healthy lifestyles in order to limit liabilities related to day to day claims. Mr. Ottenjohn pointed out that the Village's HSA deductible contribution becomes an asset of the employee and goes with them when they retire or leave employment with the Village. Mayor Rixey added that an employee contribution into the fund would increase their awareness of what the Village is providing and causes them to be better stewards of the health insurance plan. There was additional discussion regarding the operational mechanics of the HSA program and how it encourages participants to manage their claims.

**“A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENROLL THE CITY OF THE VILLAGE OF INDIAN HILL AS A MEMBER OF THE CENTER FOR LOCAL GOVERNMENT BENEFITS POOL FOR PARTICIPATION IN THE COOPERATIVE PURCHASE AND POOLING OF MEDICAL AND LIFE INSURANCE BENEFITS FOR VILLAGE EMPLOYEES was presented and read”**

Upon a motion by Council member Tullis, seconded by Vice Mayor Ottenjohn, the resolution was presented for a voice vote. Under discussion, Council member Beech questioned whether all the possible scenarios for limiting the Village's exposure to losses have been fully examined by staff. Mr. Burns replied that the pool appears to be very solid and the stop loss coverage is adequate, but there is always a risk/reward variable under a self-insured plan. On the risk side of the equation, if there are multiple claims under the stop loss limit, there could be a liability. On the reward side, lower than expected claims could result in the Village receiving a credit toward future premiums, or even a rebate of any excess retention dollars. The 500 plus lives in the pool make the experience estimates much more credible as compared to self-insuring

on our own with 80 lives. After some discussion, it was agreed that the Finance committee will meet with representatives from the insurance brokers and the pool to better understand all the safeguards that are built into the financial structure of the pool for explanation to the rest of Council. The motion was then considered for a vote and the resolution passed by a unanimous voice vote. Mayor Rixey declared Resolution No. -09 adopted.

**LAW COMMITTEE REPORT:** Council member Rabenold directed Council's attention to a memo entitled "Law Committee Meeting Report" dated June 11, 2009. He reported that the Law committee met on June 5 to review and discuss several topics in advance of the Council meeting.

Council member Rabenold reported that the Martin Marietta testimony continues to be heard by the Anderson Township Board of Zoning Appeals. The public comment sessions began on June 4<sup>th</sup> with approximately 400 people in attendance. There were 61 people who testified in opposition to the project and only 1 who spoke in favor of the mine. Another public comment session is scheduled for June 17<sup>th</sup>. It is now anticipated that the public hearings will continue into the fall.

Council member Rabenold reported that Mr. Burns advised that there have been several complaints about noise reportedly coming from Greenacres Arts Center events over the last 2 years. Only two of these complaints could actually be traced back to Arts Center events. Others were traced to All Saints Church and elsewhere. It was noted that Carter Randolph has been very proactive and cooperative in responding to any concerns and measuring noise levels.

Council member Rabenold advised that the Law committee discussed the Green Areas property encroachment involving adjacent private property on Beech Street in Columbia Township. He asked Mr. Burns if there was an update on the discussions with the neighbor. Mr. Burns reported that there were a few issues to work out with the easement agreement, but he is recommending that Council pass an ordinance authorizing the agreement tonight with the understanding that the Law committee will review and approve the final agreement language before he executes the agreement.

**"AN ORDINANCE AUTHORIZING THE MANAGER TO CONVEY AN EASEMENT TO JANE PIRMAN FOR THE MAINTENANCE OF AN EXISTING SEPTIC SYSTEM AND THREE RETAINING WALLS LOCATED ON VILLAGE-OWNED PROPERTY LOCATED ON A GREEN AREAS PROPERTY ADJACENT TO 4225 BEECH STREET IN COLUMBIA TOWNSHIP"** 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 Tullis, seconded by Council member Holzapfel, the motion was carried by unanimous roll call vote. Mayor Rixey declared Ordinance -09 enacted.

Council member Rabenold also reported that the committee reviewed a report by Mr. Burns regarding the possible undergrounding of electric on a small section of Graves Road. The

cost estimate for this work was approximately \$21,000 per home and Duke Energy was willing to pick-up \$5,000 of this amount, so the net cost would be about \$16,000 each. By comparison, the cost of installing a small stand-by emergency generator would run about \$5,000 per home. It was noted that Mr. Burns will be meeting with the affected property owners to discuss any interest in participating.

Council member Tullis asked whether the Village would be pursuing a group purchase of stand-by generators. Mr. Burns advised that the June Bulletin will include an article gauging resident interest in a group purchase.

**GROUNDS COMMITTEE REPORT:** Council member McLean directed Council's attention to a memo entitled "Grounds Committee Meeting Report", dated June 11, 2009. She reported that the Grounds committee met on June 10, 2009 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 was attached to the Grounds Committee meeting minutes. She especially noted an Eagle Scout bluebird house project and a problem with vehicles speeding through the preserve. Repeat offenders will be subject to having their access card deactivated for a period of time.

Council member McLean advised that Mr. Couch reported Green Areas Advisory Committee (GAAC) concerns about the quality of water in certain streams in the community, especially Redbird Hollow. He noted that the nearby septic systems have all checked out as being in good operating condition. Some of the problems are related to erosion and sedimentation resulting from storm water runoff. Mr. Couch also indicated that the GAAC supported utilizing native plants in the landscape plan for the Ranger /Administration building project.

Council member McLean also reported that Mr. Kipp provided a progress report on several projects. She highlighted that:

1. The west wing area of the Ranger Station is now under roof and very close to being dry enough to complete the drywall work.
2. The north wing area of the Rangers Station is "roughed-in" and the drywall and paint work is being completed.
3. Site work started this past week, including the raising of the drive and the parking areas.
4. The Chemical Feed building at Water Works is ahead of schedule and due for completion early in July.

Dugan & Meyers Construction Co. still feels that it will be able to make up for the most part the lost time during Phase 2 and complete the project by the scheduled December 15, 2009 date.

Council member McLean reported that Mr. Davis provided a departmental activity report, a copy of which was attached to the Grounds committee meeting minutes. She highlighted that the department has been busy with normal seasonal activities and getting Stephan Field ready for the July 4<sup>th</sup> festivities.

Council member McLean reported that the Grounds committee also heard the same report as the Law committee with regard to the possible undergrounding of electric on Camargo club Drive and a small section of Graves Road.

Council member McLean reported that the Recreation Commission has some surplus funds which they would like to utilize to construct an additional shelter at Camp Dennison Park. Staff will be researching the costs and any building constraints for review by the Recreation Commission and the Grounds Committee later this year.

**WATER WORKS REPORT:** Council member Holzapfel directed Council's attention to a memo entitled "Water Works Committee Meeting Report" dated June 11, 2009. She reported that the Water Works committee met on June 10, 2009 to review and discuss several topics in advance of the Council meeting.

Council member Holzapfel reported that Mr. Kipp reported on the progress of the chemical feed building project under the Grounds report, so she would not repeat it for Water Works.

Council member Holzapfel reported that Mr. Davis provided a departmental activity report, a copy of which was attached to the Water Works meeting minutes. She highlighted that the distribution crews have repaired 4 main breaks and 5 hydrants during the last month. Plant personnel have also installed 37 radio read meters, responded to 124 customer service calls and collected 16 bacteria samples in addition to cleaning two brine tanks.

Council member Holzapfel also reported that Henderson Bodwell engineers have completed the survey phase of the contract related to the phase 1 water main improvements. They are now commencing with the design phase and the work should be ready to bid September 1<sup>st</sup>.

**PUBLIC WORKS REPORT:** Mayor Rixey directed Council's attention to a memo entitled "Public Works Committee Meeting Report" dated June 11, 2009. He reported that the Public Works committee met on June 9, 2009, to review and discuss several topics in advance of the Council meeting.

Mayor Rixey reported that Mr. Kipp provided a project status report, a copy of which was attached to the Public Works Committee meeting minutes. The report summarized possible Municipal Road Fund and State Capital Improvement funding sources for future projects.

Mayor Rixey reported that the Public Works Department took delivery of a 2009 Caterpillar Model 906H rubber tire loader. The cost for the unit was \$76,293, which was under the original estimate of \$95,000. This unit was purchased under the state purchasing contract before the CIRF was frozen.

Mayor Rixey also reported that Mr. Davis provided a departmental activity report for the month of May, a copy of which was attached to the committee minutes. He especially noted that

the department received bids on the supply of salt under the SWOP4G group purchase bid. The bids came in at \$59.80 per ton, which is up from the \$43 per ton cost in 2007, but significantly lower than the \$139 per ton bid which was rejected by the Village in the fall of 2008. He noted that it certainly appears that Public works made the right decision in not ordering salt late last year.

**SAFETY COMMITTEE REPORT:** Council member Beech directed Council's attention to a memo entitled "Safety Committee Meeting Report" dated June 11, 2009. He reported that the Safety committee met on June 9, 2009 to review and discuss several topics in advance of the Council meeting.

Council member Beech reported that Chief Ashbrock provided a fire and EMS activity report for the month of May, a copy of which was attached to the Safety Committee meeting minutes. He noted that mutual aid runs received were up substantially due mainly to a recent very large response by surrounding departments to a May 29<sup>th</sup> storm incident. He also provided a summary of Chief Ashbrock's comments on a recent "Cincy Magazine" article rating safety in area communities. The Chief is of the opinion that some of the statistics reported are difficult to compare because the individual communities log the start of a response differently.

Council member Beech also reported that Colonel Schlie provided the Police activity report for the month of May, a copy of which was attached to the Safety committee meeting minutes. Nothing reflected in the report was out of the ordinary.

He also noted that the committee received the same report on underground electric that was presented by other committees.

**PLANNING COMMISSION REPORT:** Vice Mayor Ottenjohn reported that the May Planning Commission meeting was canceled. The June 16<sup>th</sup> agenda includes a review of a request by Armstrong Church for a site clearance permit related to the proposed expansion of the main church building.

**CTY MANAGER'S REPORT:** Mr. Burns reminded the Council members that the July 4<sup>th</sup> parade will begin forming at CCDS between 9:15 and 9:30 a.m. on the 4<sup>th</sup>.

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

Respectfully submitted,

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Eppa Rixey IV, Mayor

ATTEST:

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Michael W. Burns, Pro-Tem Clerk