

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
September 29, 2008**

A meeting of the Indian Hill Village Council was held on September 29, at 7:30 p.m. The meeting was held in the Council Chamber of the Village Administration Building.

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.	Paul C. Riordan, Clerk/Comptroller
Mr.	Don Crain, Frost Brown Todd Solicitor

MINUTES: The Minutes of the regular meeting of August 25, 2008 had previously been distributed to each Council member. Mayor Rixey declared the minutes accepted with changes as issued.

FINANCE COMMITTEE REPORT: Council member Tullis directed Council's attention to a memo entitled "Finance Committee Meeting Report" dated September 20, 2008. He reported that the Finance committee met on September 18 to review and discuss several matters in advance of the Council meeting.

Council member Tullis reported that the first item considered was the August 31st financial statements. He noted that the estate tax is still lagging behind the estimates for the year, but it is expected that we will receive at least \$930,000 which is about half of the projected revenue for the year. Most other revenues and expenditures are on track with the budget.

Council member Tullis explained that the excess of receipts over disbursements is budgeted at \$2,467,000 for the year. He said, however, the overage will be short of this because of the potential \$1,000,000 short fall in estate taxes and because of a shortage in income tax receipts in the range of \$100,000 to \$200,000. He highlighted that the total of budgeted expenditures in the CIRF fund on the financial statement is \$2,799,000. He said that this budget has been increased based on adding the cost of the construction manager at \$150,000, the cost of the geothermal system for the new building of \$122,000, and the Blome Road bridge painting of \$30,000. He explained that there are approximately \$2,000,000 additional funds to be spent by year end which will bring the CIRF fund balance down to approximately \$1,500,000.

Council member Tullis also reviewed the Water Works Financial statements which reflected normal operations for the month. He pointed out in the statement of cash and investments & fund balances, that the balance in the income tax fund at the end of the year should be approximately \$5 million after reflecting income tax receipts and transfers to the General fund and CIRF fund. He also pointed out that the CIRF fund which currently reflects a balance of \$3,457,000 will have a balance at the end of the year of approximately \$3,900,000

after recording the transfer from the General fund of approximately \$2,500,000 and expending an additional \$2,000,000 by the end of the year. He said that he had talked to Council member Ottenjohn and they will be meeting on Friday with the Finance committee and Village staff to look at revenue projections for 2009 as well as a more detailed look at the impact the building project will have on the 2009 budget.

Council member Tullis also directed Council's attention to a statement entitled "Inheritance and Income Tax Summary" for the period of 1996-2006. He pointed out that the total income tax, budgeted for 2008 is \$8,134,000 which is 5% higher than the amount received in 2007. He also directed Council's attention to the taxable income in the year 2002 which declined approximately 12% from 2001, and 2003 which was down 3.86% from 2002. He also highlighted that the total taxable income doubled from the period 2003 to 2008. He explained that the concern is if we have a 10% drop in taxable income for 2008, the Village would have a reduction of income tax receipts of \$800,000 to \$1,000,000. He said that he hopes everyone is in agreement that they will try to keep the income tax at the same rate of .4%.

Council member Tullis directed Council's attention to the budget statements, which were included with the Council packet. He explained that City Manager Burns made reductions in the budget based on meetings held the previous week wherein Council expressed their concern that the budget for 2009 should be kept close to the budget for 2008. He explained that the general fund increase which had been projected at 4.96% has been reduced to 3.25%. The street budget was reduced from an increase of 4.16% to 2.35%. The Water Works budget increase was reduced from 5.61% to 2.5%. When you combine the General Fund increase with the Street Fund increase the increase amount totals \$356,000. The major increases making up this total are fuel, \$60,000, and pay increases, \$256,000. The pay increase reflects 3.5% which is what the Rangers are receiving.

Council member Beech said that he has a problem with comparing budget to budget vs. comparing budget to actual. He said that he believes that most people who run a business compare budget to actual. He pointed out that the budget to actual is an increase of over 7%. He said that this concerns him somewhat.

Council member Tullis said that this will be reviewed.

Mayor Rixey said that we have to be careful to not provide a disincentive for people to reduce spending and penalizing them the next year in their budget.

City Manager Burns said that when he started with the Village the culture was that the department heads believed if they didn't spend the money they would not get it back, and it took him a long time to change this thinking.

Council member Tullis summarized the following reductions in the budget:

General Fund

- Removed salaries and personnel costs for part time employees \$56,000
- Reduced Fire Department budget \$50,000
- Moved \$12,000 request in parks for three fountains to CIRF

- Removed request for new vehicle \$29,000 (Ford Escape)

Streets,

- Removed request for new truck \$30,000

Water Works

- Removed request for increased part time hours \$4,900
- Moved request for two new trucks to the Water Works Capital Improvement Fund \$115,000

Water Works Capital

- Reduced the materials storage to \$10,000 from \$100,000 for engineering costs only

Grand Valley

- Reduced by \$300,000 to \$128,600 for entrance improvements and two composting toilets

The Financial statements for August 2008 had previously been distributed to each Council member. There being no exception noted, the financial statement was accepted as issued.

Council member Tullis also directed Council's attention to a letter from the state of Ohio which basically stated that the investments in Fannie May and Freddie Mac are invested in bonds which are secure.

“A RESOLUTION ACCEPTING AMOUNTS AND RATES AS SET FOR THE VILLAGE OF INDIAN HILL BY THE BUDGET COMMISSION, AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR” was presented and read.

City Manager Burns explained the reason for this resolution and also explained that this is an annual requirement by Hamilton County.

Upon motion by Council member Tullis, seconded by Council member Beech, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution No. 11-08 adopted.

Council member McLean complimented Council member Tullis and the Finance Committee for reviewing the Fannie May and Freddie Mac investments in the month of August.

LAW COMMITTEE REPORT: Council member Rabenold directed Council's attention to a memo entitled “Law Committee Meeting Report” dated September 19, 2008. He explained that the Law committee met on this date to review and discuss several topics in advance of the Council meeting.

Council member Rabenold explained that the committee discussed current litigation matters in executive session.

Council member Rabenold explained that City Manager Burns provided a background review on the proposed deep limestone mine in Anderson Township. City Manager Burns expressed to the committee his opinion that there were four major areas of concern from the

Village's perspective regarding the mine. First, while the noise studies indicate a maximum of 65 dbA at the property lines, he is concerned that this noise may project differently to nearby residences on the hillsides of south Indian Hill. Second, there are very bright lights proposed in the area dedicated to the exterior crushing operation. These lights will be very visible from many south Indian Hill residences, and the presence of such lights indicates that this has the potential to be a 24 hour operation. Third, there are concerns about dust in the area as a result of the crushing, blasting, and trucking operations. Finally, heavy truck traffic from the operation may have detrimental effects on major thoroughfares adjacent to Indian Hill.

Council member Rabenold said that the committee members agreed with all the concerns and asked City Manager Burns to draft a resolution of opposition to the proposed mining operation. They also asked City Manager Burns to collaborate with Mr. Phillips on a letter of opposition to the application which would accompany the resolution for submittal to the Anderson Township Board of Zoning Appeals. They also asked City Manager Burns to testify at the meeting in Anderson Township.

City Manager Burns explained to Council that he discussed this situation with the Mayor of Terrace Park and officials from Newtown. He said that Newtown passed a motion expressing the same concerns as outlined in our proposed resolution. He also said that the Mayor of Terrace Park said that he will be testifying on behalf of Terrace Park.

City Manager Burns said that he does not expect any decision by Anderson Township on Thursday; they will probably put it off to approximately the first Thursday in November.

“A RESOLUTION EXPRESSING OPPOSITION TO THE GRANTING OF A CONDITIONAL USE PERMIT AND RELATED VARIANCES WHICH WOULD ALLOW MARTIN MARIETTA MATERIALS, INC. TO OPERATE AN UNDERGROUND LIMESTONE MINE AND TO STORE AND USE EXPLOSIVES IN THE VICINITY OF BROADWELL ROAD AND ROUND BOTTOM ROAD IN ANDERSON TOWNSHIP” was presented and read.

Upon motion by Council member Rabenold, seconded by Council member Beech, the resolution was passed by unanimous voice vote. Mayor Rixey declared resolution No. 13-08 adopted.

GROUNDS COMMITTEE REPORT: Council member McLean directed Council's attention to a memorandum entitled “Grounds Committee Meeting Report”, dated September 19, 2008. She explained that the Grounds Committee met on September 17 to review and discuss several topics in advance of the Council meeting.

Council member McLean reported that Mr. Sullivan presented the proposed 2009 Public Works/Grounds Operating Budget. Mr. Sullivan noted that the projected overall increase over 2008 was 3.72% for all the affected funds.

Council member McLean noted that the proposed budget for the Historical Society subsidy did not reflect the amount that was requested in a letter from IHHS President Barb Hauck. The subsidy would increase from \$13,000 to \$16,000 and retains the \$1,000 line item for Historic Preservation Assistance.

City Manager Burns advised that all departmental budgets are preliminary at this stage of the process.

Council member McLean also reported that Mr. Sullivan reviewed the Grounds related items proposed for inclusion in the 2009 CIRF budget. She noted also that the budget does not include the funding for the Ranger/Admin building project which will be included in the next review phase.

Council member McLean reported that Mr. Kipp provided a project status report, a copy of which is attached to the minutes. She highlighted that in the Project management report that final plans and specifications by Cole + Russell for the Indian Hill Rangers/Administration bldg. improvements are to be completed by October 8, 2008 for submittal to the Village of Indian Hill for approval. The project will be bid in November and construction is scheduled to begin January 5, 2009

Council member McLean reported that Mr. McQueen provided a Grand Valley Preserve activity report, a copy of which is included with the minutes. She highlighted that there are discussions for leasing two parcels of land from ODNR. She explained that this is for two lots totaling twenty acres, the lease would be \$1.00 per lot for 99 years. This is very highly desirable land between Grand Valley and the Little Miami River.

Council member Ottenjohn requested City Manager Burns to review any negative restrictions on the property that may affect the use of Grand Valley.

Council member McLean said that City Manager Burns advised the committee that he would like to secure authorization for bidding the Rangers/Administration project, especially the geothermal drilling at the Council meeting. City Manager Burns explained to Council that he only intends to proceed with the geothermal drilling at this time, and this would be accomplished under a state contract pricing plan and negotiated with an approved vendor. He said even if the wells are not used for several years, it is very important that they be done at this time. City Manager Burns said that each well costs about \$3,500 and it is expected that it will take 30 to 40 wells.

“A RESOLUTION AUTHORIZING THE MANAGER TO ADVERTISE FOR BIDS AND AWARD CONTRACTS FOR THE INDIAN HILL RANGER AND ADMINISTRATION BUILDING EXPANSION PROJECT” was presented and read.

Upon motion by Council member McLean, seconded by Council member Holzapfel, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution 14-08 adopted.

Council member McLean reported that the new members for the Green Areas Advisory Committee are, Mr. John Hassan, Mrs. Linda Parlin, and Mrs. Carol Scallan.

WATER WORKS REPORT: Council member Holzapfel directed Council's attention to a memo entitled "Water Works committee Meeting Report" dated September 19, 2008. She explained that the Water Works committee met on August 17 to review and discuss several matters in advance of the council meeting.

Council member Holzapfel reported that Mr. Davis provided the committee with an activity report for the Water Works Department, a copy of which is attached to the minutes.

Council member Holzapfel highlighted that during the recent storm, power was lost at the Public Works/Water Works facility. The generator provided backup service and performed flawlessly for over 29 hours, keeping the treatment plant in operation and aiding the Public Works department in their recovery efforts.

Council member Holzapfel also reported that the bid opening for the new Chemical Feed facility is scheduled for September 25. The project is estimated to cost a total of \$625,000 with \$411,000 being funded this year under the 2005 construction bond, with the remaining \$214,000 being paid from the Water Works CIRF under the 2009 budget. Once awarded, the project should take approximately eight months to complete.

Council member Holzapfel also reported that City Manager Burns provided a general update on the preliminary recommendations from Burgess and Niple for system needs and improvements. There are two main scenarios for the improvements.

Scenario #1 involves changes to our existing pressure zone, actually reducing the size of the zone because the engineers are of the opinion that it is too large, and a reduction would improve fire flows in a broader area of the Village. This scenario also involves the installation of several new upsized water mains in order to increase the supply of water to the existing tower and ground storage facilities on Miami Road. The estimated cost of implementing this scenario is approximately \$3.3 million. The downside of this option is that some residents, who will be removed from the pressure zone, will see a marginal drop in pressure, and peak use periods will continue to bring supply problems during drought conditions.

Scenario #2 involves the construction of a new tower at a new and higher location. This option would also require various main improvements. The costs vary between \$5.3 and \$5.5 million depending upon the route selected for the new distribution mains.

Council member Holzapfel reported that another scenario being considered will include but not be limited to

1. Increase regular supply of Greater Cincinnati Water Works (GCWW) water during summer months;
2. Contracting with GCWW for the supply of all of our water and/or the operation of our water plant as a supplemental supply for their system.

Council member Holzapfel noted that these alternatives are not preferred by staff, but its felt that they must be explored in order to present a comprehensive and accurate view of the alternatives.

Council member Holzapfel also reported that the committee reviewed the 2009 budget, a copy of which is included in the Council packet. She said that Council member Tullis has reviewed the reductions made since the meetings. She also pointed out that one of the significant increases in the budget is due to the cost of the increase in chemicals which is approximately 300%; therefore, the committee recommends passage of a resolution for the purchase of softener salt and zinc orthophosphate.

“A RESOLUTION AUTHORIZING MANAGER TO ADVERTISE FOR BIDS FOR ROCK SALT FOR THE WATER WORKS DEPARTMENT OF THE VILLAGE OF INDIAN HILL” was presented and read

Upon motion by Council member Holzapfel, seconded by Council member Ottenjohn, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution 15-08 adopted.

“A RESOLUTION AUTHORIZING MANAGER TO ADVERTISE FOR BIDS FOR ZINC ORTHOPHOSPHATE FOR THE WATER WORKS DEPARTMENT OF THE VILLAGE OF INDIAN HILL” was presented and read.

Upon motion by Council member Holzapfel, seconded by Council member Ottenjohn, the resolution was passed by unanimous voice vote. Mayor Rixey declared Resolution 16-08 adopted.

“AN ORDINANCE AMENDING ORDINANCE NO. 12-99 PROVIDING FOR THE PROVISION OF MUNICIPAL SERVICES TO MUNICIPAL DEPARTMENTS AND PROPERTIES OWNED AND OPERATED BY THE CITY OF THE VILLAGE OF INDIAN HILL, AND FOR CERTAIN OTHER PUBLIC USES” Was presented and read for the third reading.

Upon motion by Council member Holzapfel, seconded by Mayor Rixey, the ordinance was passed by unanimous roll call vote. Mayor Rixey declared Ordinance No. 14-08 enacted.

PUBLIC WORKS REPORT: Mayor Rixey directed Council’s attention to a memo entitled “Public Works Committee Meeting Report” dated September 11, 2008. He explained that the Public Works committee met on September 10 to review and discuss several topics in advance of the Council meeting.

Mayor Rixey reported that Mr. Sullivan presented the proposed 2009 Public Works budget, a copy of which is included in the Council packet. He said that since then there have

been some changes made to the original budget proposed an increase of 5% over the 2008 budget. He said that the committee is comfortable with the changes made.

Mayor Rixey also reported that Mr. Davis gave a departmental activity report, a copy of which is included in the Council packet.

Mayor Rixey reviewed the normal activities for the department and highlighted that the annual road painting program was awarded to A&A Safety based on their low bid in the amount of \$23,416.

Mayor Rixey also explained that the recycling program has been successful; reporting an increase of 48.94 tons in the amount of material being diverted when compared to the first half of 2008. This brings the recycling percentage to 21.9% of all solid waste collected and qualifies the Village for an increase of \$4.00 per ton through Hamilton County's RRI program. The Village received a check in the amount of \$14,551.85 from the County for the first half of 2008.

Mayor Rixey reported that the road rock salt bids were opened on August 28. Unfortunately, none of the six companies that usually participated in the bidding process chose to provide a bid on behalf of the Village. In fact, of the 105 communities that are part of the cooperative only 51 received bids. Another unfortunate fact is that prices came in as high as \$154 per ton for those that received bids.

Mayor Rixey said that Cargill, our current supplier, would only provide 1000 tons of the 1500 that was ordered, so we are currently at about 75-80% of our storage capacity.

City Manager Burns explained to Council that he has decided to hold off purchasing additional salt because he believes we have enough to get through the winter. He said he would take another look at the salt situation in early spring.

SAFETY COMMITTEE REPORT: Council member Beech directed Council's attention to a memo entitled "Safety Committee Meeting Report" dated September 19, 2008. He reported that the committee met on September 16 to review and discuss in advance of the Council meeting.

Council member Beech said that the committee reviewed Fire and EMS activity reports for August which had been provided by Chief Ashbrock, a copy of which is attached to the minutes. He also said that the Fire budget will be reviewed later this week and it will be the main topic at the October committee meeting.

Council member Beech also reported that Colonel Schlie provided a police report for the month of August, a copy of which is attached to the minutes. He reported that the bulk of the meeting was spent on the proposed 2009 operating budget for the Police Department. He noted that the budget proposal reflected an overall increase of 2.52% when compared with the 2008 budget.

Council member Beech remarked that there was some discussion regarding a number of the line items, however, one item of particular note was \$10,000 proposed for the Employment/Physicals. This amount has been changed on the revised budget.

Council member Beech also reported that Colonel Schlie also advised that the department would like to rebuild the police range rifle shelter under the CIRF budget at a cost of \$60,000. He said the proposal initiated a discussion about whether it would be appropriate to charge the 60+ other agencies who utilize the facility a user fee to help pay for the improvement. Staff will develop a recommendation on how to implement such a fee, and the project will be reconsidered as the budget review process moves forward.

PLANNING COMMISSION REPORT: Council member Ottenjohn reported that the Planning Commission did not meet in September and therefore, there is no report.

CITY MANAGER'S REPORT: City Manager Burns reported that the Public Works Department has been working very hard to clean up the Village right of ways and have not been able to clean up the residents properties. Over 300 residents have called for pickups. The Public Works employees have put in over 685 overtime hours which has cost the Village over \$27,000. The Village also spent \$10,000 on disposal costs.

City Manager Burns explained that the overtime hours would be cut back by the end of the week and therefore, brush may not be picked up as quickly as liked. A disaster has been declared as a result of this storm and therefore, the Village could receive money from FEMA.

Council member Beech asked if it would be appropriate to have something special for the Public Works Department. City Manager Burns said that he recommends a luncheon which he will organize in the next few weeks.

City Manager Burns also reported that there was a variety of opinions on the responses of Duke Energy to the storm and on their communications. He said their representative kept him informed and kept it very straight.

City Manager Burns said that he has had two calls from residents requesting that under grounding of the utilities be considered. He also said that he had calls from residents that the Village use a different power provider. City Manager Burns said that this is impossible under regulations. He said he recommended to Duke that they assign one of their employees to each community to help them keep their roads open during storm situations.

Mayor Rixey said that he feels it is important to push this and to emphasize the safety needs of the residents.

Council member McLean said that she had discussions with Council member Ottenjohn on the possibility of hiring retired Duke Energy employees to help out in these types of situations. City Manager Burns said that Duke would not take on the liabilities and would not allow the use of retired employees.

Council member Beech said that Duke did very well compared to Dayton Power and Light which is headquartered in Dayton.

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