

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
January 31, 2011**

A meeting of the Indian Hill Village Council was held on January 31, 2011 at 7:00 p.m. The meeting was held in the Council Chamber of the Village Administration building.

Officials present:

Mr.	David T. Ottenjohn, Mayor
Mr.	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.	Donald L. Crain, City Solicitor
Mr.	Paul C. Riordan, Clerk/Comptroller

Visitors present:

Mr.	John Babcock, 6885 Stague Road, Loveland, OH 45140
Mr.	Rob Dowdy, Community Press
Mr.	Andrew Szames, 7715 Loveland-Madeira
Mr.	Sammy Szames, 7715 Loveland-Madeira

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

MINUTES: The Minutes of the regular meeting of December 20, 2010 had previously been distributed to each Council member. Council member Tullis made a motion to accept the minutes which was seconded by Council member Rabenold and was approved by unanimous voice vote.

Mr. John Babcock, a master of the Camargo Hunt Club, appeared before Council and reviewed the history of the Camargo Hunt. He directed Council's attention to a copy of the Camargo Book, which was published on the Camargo Hunt's 75th anniversary. He explained that "The Hunt" was founded in Indian Hill in 1925 by Mr. Julius Fleischmann. He said they still hunt in Indian Hill and that they value their ability to hunt in the Village. He further explained that they do not shoot foxes or coyotes and they adhere to all the rules of the master hunt which prohibits such activities. He invited Council to attend the Hunter Trials which are held in October. Mr. Babcock informed Council that a number of Club members are Village residents. He said that they emphasize the "chase" and they do not hunt dropped foxes or coyotes. The club is interested in forming a headquarters in Indian Hill and the ability to hunt hounds in the Village of Indian Hill is part of the Charter. They respect people's property and require members to purchase trail passes. He thanked the Village employees; Public Works, Police, and EMT's for all their help over the years.

FINANCE COMMITTEE REPORT: Council member Tullis directed Council's attention to a memo titled, "*Finance Committee Meeting*" dated January 27, 2011. He reported that the Finance committee met on January 26, 2011 to review several items in advance of the Council meeting.

Council member Tullis directed Council's attention to the financial statements which were included in the Council packet. He explained that \$781,000 of income tax receipts were received in December 2010 with the bulk of the receipts being pre-payments for 2011 taxes. The total income tax receipts for the year, without \$990,000 of pre-payments, were \$5,089,000 which is a shortfall of \$244,786 from budget. This is a reduction from 2009 receipts of 18.9%.

Council member Tullis reported that \$1,685,000 of estate tax receipts were received in December bringing the year-to-date total to \$3,711,000, which is \$1,711,000 over budget. There are known estate tax receipts of \$790,000 to be received in 2011.

Council member Tullis reported that disbursements for the year totaled \$10,160,000, which is \$612,000 or 5.7% under budget. He explained that \$1,000,000 was transferred to the CIRF leaving an overage of \$976,000 for the year.

Council member Tullis reported that the CIRF balance was brought up to \$1,941,000 by the transfer in of \$1,000,000 from the general fund. He noted the original budget forecasted a transfer of \$2,000,000; however, the additional \$1,000,000 was not needed because the budgeted CIRF expenditures were cut by \$1,008,000 during the year. He also stated that included in all Council member's packets was a summary of Capital Improvement Reserve Fund Receipts and Fund Payments since the Fund's inception, dating back to 1941.

Council member Tullis reported that the Water Works revenues continue to grow marginally because of the dry weather. The total revenues for the year were \$4,756,000, which is \$159,000 or 3.3% over budget. Disbursements for the year were \$3,498,000, which is \$292,000 or 7.7% under budget. He said that after the transfer of \$514,000 made to the Water Works CRF there was an excess of receipts over disbursements for the year of \$744,780.

Council member Tullis said the Water Works CRF was brought up to \$593,000 after transferring in \$514,000 from the Water Works Fund. He reported that \$385,000 was expended from the Water Works Bond Fund leaving a balance of \$239,583 at the end of the year.

Council member Tullis informed Council that total cash and investments increased to \$16,042,000 from \$14,715,000. This increase for the month of approximately \$1,400,000 can be attributed to the collection of the pre-payments for income taxes and the large estate taxes received in December.

Council member Tullis reported that the Rowe Arboretum Fund balance on a cost basis decreased from the beginning year balance of \$1,716,000 to \$1,709,000 for 2010. The total market value of the Rowe investments is \$2,076,937, which is an increase of approximately \$215,000 from the beginning of the year. He also reiterated to Council that the planned General Fund subsidy of \$55,000 was reduced to only \$14,700 for the year due to cost cutting efforts, and that no subsidy is budgeted for 2011. He said the total stock dividends and bond interest received totaling \$78,000 was only down several thousand dollars from the budgeted amount.

Council member Tullis reported that the Green Areas and Recreational Fund balance on a cost basis decreased only slightly from \$1,268,021 to \$1,267,760 for 2010. The total market value of the Green Areas and Recreational Fund is \$1,511,534, which is an increase of approximately \$140,000 from the beginning of the year.

Council member Tullis directed Council's attention to the 2011 Budget Overage/Shortfall Summary Statement. He explained that this report will not be included in 2011 financial statements until after April 2011 when the majority of income tax receipts are known. It will be included each month going forward from April. He said that the statement reflects the actual income tax receipts received with the pre-payments taken out, actual expenses compared to the budget for the year, along with future projected budgets for the next several years with projected surpluses or deficits. For 2010, the total operating fund receipts totaled \$11,146,000, the disbursements totaled \$10,160,000,

and the CIRF expenditures totaled \$1,452,000. Combined operating and CIRF expenditures totaled \$11,613,000. The budgeted shortfall was \$3,611,000 however; the actual was only \$466,000 which is a positive difference of \$3,144,000. This improvement is attributed to spending \$600,000 less in the operating fund and spending \$1,000,000 less in the CIRF along with additional estate taxes of \$1,700,000 received over budget.

Mayor Ottenjohn stated that he thanked Mrs. Weber, Mr. Riordan, and Mr. Burns for their work in preparing the summary just reviewed because it was much easier to understand from previous statements. Council member Tullis said he was also very appreciative of the new statement.

The financial statement for December 2010 was previously distributed to each Council member. There being no exceptions noted, the financial statement was accepted as issued.

Council member Tullis reported that the Ohio Department of Transportation, (ODOT), recently sent a bill for \$18,000 for inspection fees they attributed to work their inspectors completed in connection with a 2006 pier wall project on State Route 126. The Village previously reimbursed \$432,000 for costs incurred as part of a cooperative agreement to bid the pier wall at the same time ODOT completed a culvert replacement project on the road. The additional billing, now four years after the completion of the project, is a surprise to Village officials. City Manager Burns will draft a letter to ODOT expressing the opinion that the Village is not liable for paying the inspection fees.

Council member Tullis said that the Finance committee discussed a continuing request by Mr. William Sloneker for the Village to prepare a ten year history on per capita spending by department.

Council member Tullis directed Council's attention to the statement enclosed in the Council packet titled, "*Estimated Per Capita and Per Household Expenditures - 2000-2010*". He explained that this report had been sent to Mr. Sloneker, but Mr. Sloneker was requesting that the expenditures be broken down by department and calculated per capita and per household. Council member Tullis said that the Finance committee asked the Village staff to prepare such an analysis for 2008 through projections of 2011 to determine if such an analysis had merit going all the way back to 2000. The statement was prepared by the Village staff and that statement is included as well. Council member Tullis said that the Finance committee believes that the statement does have merit and it would be beneficial to continue this statement in the future. The statement also includes expenditures of the CIRF. Once the format is set-up it will be easy to update on an annual basis.

Council member Tullis said the Finance committee felt that going back to prior years and conducting a further per capita analysis would not be beneficial. He said that it is a tremendous amount of work for the Village staff to prepare, and that Council had no control over what previous Council's thoughts were at that time. He said he did feel that whatever previous Council's judgments and decisions were that they were justified based on the information they had available to them at the time.

Council member Feigelson said that since there have been accounting changes over the years, it would be cumbersome to perform a study and analyze the information that far back. He said the Finance committee feels there is no value to go back further and try to break out all the numbers. He is very comfortable with the report and he thinks it is very interesting to review.

Council member Tullis said Mr. Sloneker felt that the budget is out of control and it had gone up 50% over the last ten years. Council member Tullis stated that in reviewing the 10 year analysis,

he noted that the budget increased 40% between 2000 and 2005 and the budget increased 10% between 2005 and 2010. The expenditures are actually down 3% from 2008 to 2010. Council member Tullis said to say that the budget is out of control is not correct. He said that this is the fifth year that the income tax rate has remained flat at .4%; and that he is proud of what Council and staff have done in making budget cuts and keeping the budget under control. Council member Tullis said when you look at 2007 and 2008, the Village received almost \$8,000,000 in income tax receipts each year, or almost \$16,000,000 for those 2 years. For 2009 and 2010, the combined income tax receipts totaled only \$11,000,000 which is a \$5,000,000 decline from 2007 and 2008 combined. He stated that it is a true credit to the Village that it has been able to keep the income tax rate the same at .4% even with the steep decline income tax revenue. He said the work is not done and will continue on.

Mayor Ottenjohn pointed out that the per capita cost of \$2,008 in 2008 decreased to \$1,945 per capita in 2011, which is a 3% decrease. He said that this does mean that the Village is doing a respectable job in controlling its expenses.

Council member Tullis said there is a concern about a reduction in Village services with the budget cuts over the past tow years, especially with the road resurfacing budget. He said he believes that Village residents are an industrious group and that their income should start to rise in the years to come, therefore, the income tax receipts will also rise. He believes that the Village services have not declined and that a number of roads will be scheduled for resurfacing in 2011, and that he is comfortable where the Village has been and where it is going.

Council member Tullis also stated that the Finance committee reviewed the Ordinances related to the transfer of \$726,000 from the Water Works Capital Reserve Fund to the CIRF, however this will be reviewed by Council member Feigelson.

Council member Tullis reported the Finance committee also discussed a draft of a bill in the State Legislature to repeal the estate tax effective January 1, 2011. He said if the estate tax is eliminated it will dramatically effect the revenues of the Village. He said it would be better if they phased it out rather than eliminate it at one time which would give the Village the ability to plan for the reduction in revenue. He also stated that the Finance committee will continue to monitor this situation closely.

LAW COMMITTEE REPORT: Council member Rabenold directed Council's attention to a memo titled, "*Law Committee Meeting*" dated January 26, 2011. He reported that the committee met on that date to review several issues in advance of the Council meeting.

Council member Rabenold reported that the committee discussed the recent Magistrate's ruling on the Martin Marietta appeal in Executive session and decided to ask Mr. Robert Malloy to attend a future meeting to discuss the matter more fully.

Council member Rabenold reported that the Law committee also discussed the ongoing State of Ohio septic system rules and regulations. A meeting was held with Mayor Jay Gohman and Council member Tom Tepe, both from Terrace Park, to discuss the rulemaking process. Mayor Gohman and Council member Tepe indicated to the committee that the septic tank regulations really have affected their area because they have so many renovations going on in their community. The cost of the septic regulations plays a large role in whether residents can finance the renovations. In many cases the residents are asked to put in a whole new system for an addition such as a bedroom. Terrace Park is very interested in tracking these new rules and they want to continue meeting with the Village to monitor the rulemaking process. Council member Rabenold explained to Council that

there will be another meeting this Wednesday with the same group and Hamilton County Health Commissioner, Mr. Tim Ingram.

Mayor Ottenjohn said there is no reason why we can not continue to add other communities to the discussion in the future, if we so desire.

GROUNDS COMMITTEE REPORT: Council member McLean directed Council's attention to a memo titled, "*Grounds Committee Meeting*" dated January 27, 2011. She reported that the Grounds committee met on January 26, 2011 to review several items in advance of the Council meeting.

Council member McLean reported that Mr. McQueen provided a Grand Valley report, a copy of which is attached to the Grounds committee meeting minutes. She explained there are plans to purchase water and ice rescue apparatus with funds which have been donated to the Preserve.

Council member McLean informed Council that Messrs. Kipp and Adkins provided departmental activity reports, copies of which are attached to the Grounds committee meeting minutes.

Council member McLean reported that the Grounds committee reviewed a recommendation from the Green Areas Advisory committee regarding a request by Turner Farm to graze and hay the front green area field adjacent to Grob Farm and across from Turner Farm on Given Road. Turner Farm has previously been given permission to graze and hay the rear field on the same Green Area tract. Council member McLean reported that Mrs. Black, who also attended the meeting, indicated that she was in attendance to support the request of Turner Farm. Council member McLean said that after a discussion, the committee unanimously agreed to accept the GAAC recommendation to allow Turner Farm to install a temporary fence, and to graze and hay the front field.

Council member McLean reported that the Grounds committee recommends passage of a resolution accepting Green Areas gifts totaling 11.2 acres which were received from generous donors in 2010.

"A RESOLUTION ACCEPTING 2010 GREEN AREAS GIFTS" was presented and read.

Upon motion by Council member McLean, seconded by Council member Tullis, the resolution was passed by unanimous voice vote. Mayor Ottenjohn declared resolution number **01-11** adopted.

Council member McLean reported that Messrs. Kipp and Couch provided a recap of the January 18, 2011 Planning Commission discussion regarding the Administration/Ranger building parking lot lights. Work is continuing on this project and will be reviewed again by the Planning Commission next month.

Council member McLean reported that the Grounds committee reviewed the Veterans Memorial project. She said that the Veterans committee and Council are in agreement that the preferred site is "Option 3", located in the south central area of the Bird Sanctuary. To date, \$72,000 has been collected of the estimated project cost of \$120,000. The Veterans committee will be focusing on raising the additional funds. She stated that if this is not accomplished in the near future,

the dedication of the Memorial may have to be shifted from July 4 to a later date, such as November 11, 2011.

Mayor Ottenjohn said that it is a big accomplishment that the Village has \$72,000 cash in hand for this project and it is on the right track. He also said that he has spoken with an individual who will give a sizeable donation in February.

Council member Tullis said that Mr. George Kipp and the Public Works are due a “big thank you” for their work on this project. He said this is one example of why what we have in Indian Hill is so special.

WATER WORKS REPORT: Council member Feigelson directed Council’s attention to a memo titled, “*Water Works Committee Meeting*” dated January 26, 2011. He reported that the committee met on that date to review several issues in advance of the Council meeting.

Council member Feigelson said the first item of discussion was a review of an Ordinance expressing the Village’s official intent to reimburse the Capital Improvement Reserve Fund (CIRF), \$726,000 in Water Works Funds in order to transfer the liability for water system improvements paid from the CIRF in 1984. The ordinance also provides that any future payments of tap-in fees be credited to the Water Works Capital Replacement Fund rather than the CIRF. He noted that the 2011 Appropriation Ordinance provides for this reimbursement, but the declaration of intent is technically necessary for auditing purposes.

Council member Feigelson also directed Council’s attention to the statement titled, “*Water Works Overage (Shortfall) Summary Statement*” which was included in the Council packet. This statement shows that even after the transfer of \$726,000, there will still be healthy fund balances for the Water Works Operating Fund and the CRF Fund.

AN ORDINANCE DECLARING THE OFFICIAL INTENT OF THE CITY OF THE VILLAGE OF INDIAN HILL FOR THE WATER WORKS OPERATING AND MAINTENANCE FUND TO REIMBURSE THE CAPITAL IMPROVEMENT RESERVE FUND MONIES USED TO IMPROVE THE WATER SUPPLY TO THE NORTHERN AREA OF THE VILLAGE OF INDIAN HILL was presented and read for the first reading.

Council member Feigelson reported that the Water Works committee also reviewed an Ordinance which sets the tap-in fee schedule for the benefitting parcels affected by the 1984 improvements. He said that Council typically passes an Ordinance setting the fee schedule annually based on the current interest rate the Village is earning on Certificates of Deposits. He reported that the committee indicated support for the Ordinance with an amended interest rate of .2%. The committee recommends reading of the Ordinance of the first reading. The Ordinance would become effective June 1, 2011 after the three readings.

AN ORDINANCE AMENDING SECTION 51.26 OF THE CODE OF ORDINANCES BY DELETED ATTACHMENT “A” THERETO AND SUBSTITUTING A NEW ATTACHMENT “A” was presented and read for the first reading.

Mayor Ottenjohn explained that 91 sites are sharing the cost of the tap-in fees.

Council member Feigelson reported there is still work to be done on a water supply contract with Madeira and both City Managers have asked the respective Councils to authorize a one year continuation of the current contract in order for them to work out how future major Madeira system repairs and replacements will be funded. He said that the committee recommends emergency passage of the Ordinance and expressed hope that the staff will work out the new agreement as early as possible in 2011.

“AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A LIMITED CONTRACT EXTENSION WITH THE CITY OF MADEIRA TO SUPPLY WATER TO THE CITY OF MADEIRA AND ITS RESIDENTS, AND DECLARING AN EMERGENCY” was presented and read.

City Manager Burns said the only change in the contract was making it a one year contract instead of a ten year contract.

Upon motion by Council member Rabenold, seconded by Council member Tullis, the rules were suspended by unanimous roll call vote. Upon motion by Council member Feigelson, seconded by Council member Beech, the ordinance was passed by unanimous roll call vote. Mayor Ottenjohn declared Ordinance number **02-11** enacted.

Council member Feigelson reported that Mr. Adkins provided a Departmental Activity Report and a notable item was that a transformer which feeds electricity to wells two and three failed. This failure allowed 12,000 volts of electricity to surge power wires, control panels, and SCADA equipment. Fortunately, the damage to control panels and SCADA equipment was minimal. However, the power surge caused the feed wires to get extremely hot and melt their coatings. Capital Electric was hired to restring the new power feed wires and to replace the failed transformer.

PUBLIC WORKS COMMITTEE REPORT: Mayor Ottenjohn directed Council’s attention to a memo titled, “*Public Works Committee Meeting*” dated January 26, 2011. He reported that the committee met on January 25 to review several items in advance of the Council meeting.

Mayor Ottenjohn reported that Mr. Adkins provided a Departmental Activity Report, a copy of which is attached to the Public Works committee meeting minutes. He highlighted that the Village has used 2,066 tons of salt for snow events and the staff has worked very hard to keep the Village in great shape. He said it appears some adjustments may be made to the financial budget because there is a possibility that more is being spent than budgeted for snow removal.

Mayor Ottenjohn reported that Mr. Adkins provided a Project Management Report and most of the work was typical for this time of year. He also reported that the committee reviewed the \$18,000 ODOT inspection fee invoice which had previously been covered in this Council meeting.

Mayor Ottenjohn also reported that Mr. Adkins advised that Hamilton County has asked the Village to enter into an agreement related to Storm Water Services. He said City Manager Burns is working this issue and it may take some time to resolve.

SAFETY COMMITTEE REPORT: Council member Beech directed Council’s attention to a memo titled, “*Safety Committee Meeting*” dated January 26, 2011. He reported that the Safety committee met on January 25 to review several items in advance of the Council meeting.

Council member Beech reported that the December Activity Report had not been prepared for the Safety Committee meeting; however, it has been subsequently received. A copy of the report is included in the Council packet. He explained that fire losses had fortunately been at a minimum for the year in Indian Hill and Madeira with total losses under \$150,000.

He said that the department was very busy with EMS runs with a total of 1,103 for 2010 versus 1,048 for 2009.

Council member Beech reported that the fire department is in the process of vetting candidates to fill an open EMS/Firefighter position which is open due to the promotion of Francisco Caceres to Lieutenant upon the retirement of Lieutenant Paul Ketterer.

Council member Beech informed Council that Colonel Schlie supplied a Ranger's Activity Report for December providing some comments on specific cases of interest. Colonel Schlie also advised the committee that the department is working on a promotional test to replace Captain John Cresie who recently retired. Council member Beech said the committee reviewed a draft resolution of appreciation to Captain John Cresie. The committee recommends passage of the resolution.

“A RESOLUTION OF APPRECIATION TO CAPTAIN JOHN L. CRESIE FOR HIS SERVICE TO THE VILLAGE OF INDIAN HILL”
was presented and read.

Upon motion by Council member Beech, seconded by Mayor Ottenjohn the resolution was passed by unanimous voice vote. Mayor Ottenjohn declared resolution number **02-11** adopted.

PLANNING COMMISSION REPORT: Council member Raines directed Council's attention to a memo titled, "*Planning Commission Report*" dated January 18, 2011. She reported that the Planning Commission met on December 21, 2010 to consider two items.

Council member Raines explained that the Commission tabled the request by Mr. and Mrs. John Spangler at the December 21, 2010 meeting which was proposing to add a second floor addition, in-ground pool, and several renovations to their non-conforming residence. She stated that following the Commission's advice, the Spangler's revised their original plan by eliminating the proposed garage expansion which would have worsened the existing front and rear yard setbacks. The revised plan also eliminated the need for a lot coverage variance by reducing the impervious surface below the 20% maximum lot coverage for District "B". The Commission approved a variance for the second floor addition and the in-ground swimming pool.

Council member Raines reported the committee reviewed the parking lot lighting at the Indian Hill Ranger and Administration building. Concerns from the adjacent property owners will be heard. She said that the Planning Commission was opposed to spending money on any new lighting given the Village's budget constraints. She explained the plan is to put shields on back of the lights to determine if that would eliminate the light source from the neighboring properties.

CITY MANAGER'S REPORT: City Manager Burns said he wrote an article on the estate taxes and has sent it out to Council for any comments they may have. He will be publishing the article in the Village Bulletin.

City Manager Burns said he sent a copy of an invitation to Council from a group, which includes the Hamilton County Township Association and the Hamilton County Municipal

Association for a meeting next Monday to discuss estate taxes. City Manager Burns stated that all Council is welcome; however, he will attend the meeting. City Manager Burns said there will be other changes as the State attempts to balance a ten billion dollar shortfall on the backs of communities.

Mayor Ottenjohn reported that he recently received a letter from Council member Beech resigning his position as "*Vice Mayor*". Mayor Ottenjohn was disappointed to receive the letter though he understood the circumstances for his resignation.

Council member Beech explained to Council that for personal reasons he could not stand for re-election in November. Therefore, he said it does not make sense for him to continue as "*Vice Mayor*". He requested that his resignation be accepted at the meeting and he recommended that Council member Tullis be appointed to be his successor. Mayor Ottenjohn seconded the motion and it was carried by unanimous voice vote.

Council member Tullis said that he thanks all Council members for their support and if called upon to step in for Mayor Ottenjohn he will do so in a professional manner. Council member Tullis said that he and all of Council are very saddened that this transition has to take place. Council member Tullis said he has a passion for serving on Council because of the people he works with including Mr. Burns, his staff and all Council members. He stated that Council member Beech has become a good friend during the past 5 years, and he wishes him, his wife and their family all the best.

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