

CITY OF OAKWOOD
STATE OF OHIO
DECEMBER 8, 2014

The Council of the city of Oakwood, State of Ohio, met in a work session at 6:30 p.m. in the conference room of the city of Oakwood, 30 Park Avenue, Oakwood, Ohio, 45419. Council then met in a regular session at 7:30 p.m., in the council chambers of the city of Oakwood.

The Mayor, Mr. William Duncan, presided, and the Clerk of Council, Ms. Lori Stacel, recorded. Mayor Duncan opened the meeting by asking all present to participate in the Pledge of Allegiance.

Upon call of the roll, the following members of Council responded to their names:

MR. WILLIAM D. DUNCAN.....PRESENT
MR. STEVEN BYINGTONPRESENT
MR. ROBERT P. STEPHENS.....PRESENT
MRS. ANNE S. HILTON.....PRESENT
MR. CHRISTOPHER B. EPLEY.....PRESENT

Officers of the city present were the following:

Mr. Norbert S. Klopsch, City Manager
Mr. Robert F. Jacques, City Attorney
Mr. Jay A. Weiskircher, Assistant City Manager
Ms. Carol Collins, Leisure Services Director
Mr. Alex Bebris, Director of Public Safety
Mrs. Cindy Stafford, Finance Director
Ms. Lori Stacel, Clerk of Council

The following visitors registered:

Andrew Lethander, 107 Aberdeen Ave.
Dorothy Rhodes-Kupka, Oakwood Winter Market
Mike Haverland, Oakwood Winter Market
Theresa Barnes, Oakwood Winter Market
Lindsay Montel, Oakwood Winter Market
Amanda Robb, Oakwood Winter Market
Stefanie Campbell
Brian Barr, Oakwood Register
Katherine Wright, Cox Media Group

Mrs. Hilton advised Council she had read the meeting minutes of the November 3, 2014 regular and work sessions and November 17 work session. Mrs. Hilton reported she found the minutes correct and complete. Therefore, it was moved by Mrs. Hilton and seconded by Mr. Stephens that the minutes of the sessions of Council aforementioned be approved as written and the reading thereof at this session be dispensed with. Upon a viva voce vote on the question of the motion, same passed unanimously and it was so ordered.

STATUS REPORTS

Proclamation – Mayor Duncan recognized and congratulated Oakwood resident Robert M. Connelly on completing the Chicago and Athens Marathons and in raising \$56,171 in support of the Ronald McDonald House Charities.

House Bill 5 – Mayor Duncan provided the following update on House Bill 5:

“Last week the Ohio Senate passed H.B. 5. The Ohio House is expected to concur with the Senate’s action this week and Governor Kasich is expected to sign the bill this month. This is the latest assault on local governments and their revenue sources by the Ohio General Assembly.

The history of this legislation is important. In January 2013 the proponents introduced this bill as a municipal tax uniformity bill. It soon became apparent the proponents did not care about uniformity; instead they called this legislation municipal tax reform. Cities across Ohio supported uniformity efforts and worked in good faith with the sponsors to draft legislation supported by all stakeholders. In fact, we had 29 separate public meetings with House Ways and Means Committee Chairman Peter Beck and offered alternative language to address our concerns with H.B. 5 in a revenue-neutral way. I attended many of these meetings.

But the sponsors, along with their lobbyists, continued to work in secret, did not even read our improvements and offered an 11th hour amended bill worse than the original and passed it in November 2013. I commend our Representative Jim Butler who courageously voted against this flawed legislation.

H.B. 5 sat in the Ohio Senate this entire year without any hearings or deliberations on the negative effects the bill has on local governments. They instead waited until their lame duck session, introduced over 20 amendments to the bill last week and passed it before anyone could read the entire document. The Ohio Revised Code on municipal income taxes is currently 23 pages. H.B. 5 is 167 pages. This legislation remains poorly written, will not reduce complexity for businesses, will not create jobs and is absolutely not revenue neutral. I also commend our Senator Peggy Lehner for being the only Republican Senator to oppose this legislation.

We estimate this bill will reduce our municipal income revenue by \$300,000 annually. Because we have not had time to analyze all the amendments passed by the Senate, most of which were harmful to cities, our revenue loss will probably be higher than our initial estimate.

It is now clear the Ohio General Assembly is not our partner in providing services to the citizens of Ohio. They are, in fact, an existential threat to local governments protected by the 102 year home rule provisions in the Ohio Constitution. They believe if they eliminate our revenue sources local governments will be forced to consolidate with other jurisdictions. We believe in and participate in regional cooperation; we oppose forced consolidation.

We are very concerned the next General Assembly will continue their assault on local governments. We know they want to eliminate municipal income taxes entirely or, absent that, eliminate our ability to collect taxes locally and set our own rates and credits for taxes paid to other cities. We will watch them closely."

VISITORS

Dorothy Rhodes-Kupka, Oakwood Winter Market – Mrs. Rhodes-Kupka shared that this was the first year for the Oakwood Winter Market and with the help of many sponsors, it was a success. She explained that Assistant City Manager Jay Weiskircher brought everyone together for a meeting after the idea was presented, which was very helpful to get things started. She introduced other members of the committee including Mike Haverland, Matthew Summage, Theresa Barnes, Lindsay Montel and Amanda Robb. She added that each member brought a special talent, which helped bring everything together.

Mayor Duncan thanked the Oakwood Winter Market Committee for all of their efforts. He explained that the event was not conducted by the city although the city assisted as needed. He shared that the event was a great idea and he hopes they do it again. Mayor Duncan recognized the following sponsors: White Allen Dealerships, the City of Oakwood, Oakwood Rotary, The Kettering Foundation, The Oakwood Mom's Group, Heidelberg Distributing, University of Dayton, Jessup Financial Management, First Financial Bank, Pickrel, Schaeffer and Ebeling, 10 Wilmington Place, St Albert's Church, The Oakwood Register, D&G Management and Henny Penny Corporation.

Mayor Duncan also thanked Linda Weprin for raising over \$8,000 through the Dayton Foundation for the wintertime lighting in the Far Hills Business District. He added that he appreciates Mrs. Weprin's efforts and hopes the tradition continues.

LEGISLATION

AN ORDINANCE

BY MR. STEPHENS NO 4795
TO APPROVE CURRENT REPLACEMENT PAGES TO THE OAKWOOD TRAFFIC
AND GENERAL OFFENSES CODES.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Mr. Stephens explained that each year, Council passes an annual house-keeping ordinance to keep the local traffic and criminal ordinances consistent with changes that have been made at the state level. This ordinance adopts 2014 replacement pages for the Traffic Code and the General Offenses Code, and it is being presented as an emergency ordinance so the new pages can be distributed as quickly as possible.

Thereupon, it was moved by Mr. Stephens and seconded by Mrs. Hilton that the ordinance be passed.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....	YEA
MR. STEVEN BYINGTON.....	YEA
MR. ROBERT P. STEPHENS.....	YEA
MRS. ANNE HILTON.....	YEA
MR. CHRISTOPHER EPLEY.....	YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

AN ORDINANCE
 BY VICE MAYOR BYINGTON NO 4796
 TO AMEND THE CITY'S ORGANIZATION AND STAFFING SCHEDULE, AND TO
 DECLARE AN EMERGENCY.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Vice Mayor Byington explained that this is an ordinance to update the Organization and Staffing Schedule to reflect the city's current staffing needs.

The updated schedule includes the following changes:

- Creates a Public Works Foreman/Inspector classification;
- Eliminates the positions of Public Safety Major; Engineering Technician; Dispatcher/Records Clerk; Part-time Records Clerk; Utility Clerk; and the Custodian position from the Administrative Staff;
- Changes the full-time Dispatcher count from 3 to 4, the Account Clerk II count from 2 to 3; the Public Safety Officer count from 23 to 22; and the Truck Driver I count from 2 to 1.
- Eliminates the Deputy Clerk position from the Municipal Court and changes the Part-time Clerk classification to Part-time Bookkeeper.

Thereupon, it was moved by Vice Mayor Byington and seconded by Mrs. Hilton that the ordinance be passed.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....	YEA
MR. STEVEN BYINGTON.....	YEA
MR. ROBERT P. STEPHENS.....	YEA
MRS. ANNE HILTON.....	YEA
MR. CHRISTOPHER EPLEY.....	YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

AN ORDINANCE
 BY VICE MAYOR BYINGTON NO 4797
 TO REPEAL ORDINANCE NUMBER 4744 AND ESTABLISH AN AMENDED
 PERSONNEL SCHEDULE DATED DECEMBER 8, 2014, AND TO DECLARE AN
 EMERGENCY.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Vice Mayor Byington explained that this is an ordinance to update the city's personnel schedule. As part of the city's ongoing efforts to cut costs, all office, management, part-time, seasonal and support employees have had a two-year wage freeze. This updated personnel schedule will authorize an increase of 1.5% for 2015, and also includes the following:

- Establishes a top rate of compensation for the newly created Foreman/Inspector classification;
- Confirms the procedure to be used in those years when there are more than the standard 26 bi-weekly pays;

- Increases by \$2,000 the maximum annual compensation for the horticulturist classification;
- Clarifies that medical benefits may be provided through a High Deductible Health Plan with Health Savings or Health Reimbursement accounts to which the city may annually contribute an amount to be determined by the city manager.

Thereupon, it was moved by Vice Mayor Byington and seconded by Mr. Stephens that the ordinance be passed.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....YEA
 MR. STEVEN BYINGTON.....YEA
 MR. ROBERT P. STEPHENS.....YEA
 MRS. ANNE HILTON.....YEA
 MR. CHRISTOPHER EPLEY.....YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

AN ORDINANCE
 BY VICE MAYOR BYINGTON NO 4798
 TO SET THE MAXIMUM COMPENSATION OF THE CITY OF OAKWOOD
 MUNICIPAL COURT CLERK, BOOKKEEPER AND BAILIFF, AND TO
 DECLARE AN EMERGENCY.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Vice Mayor Byington explained that by law, the Oakwood Municipal Judge determines the actual salary for each court employee, but Council is responsible for setting the maximum amount to be paid for each job classification within the court. These rates have not been increased since 2011. This ordinance will increase the maximum compensation for the municipal court clerk and bookkeeper job classification by 1.5% and the bailiff position by 6.62%.

Thereupon, it was moved by Vice Mayor Byington and seconded by Mr. Stephens that the ordinance be passed.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....YEA
 MR. STEVEN BYINGTON.....YEA
 MR. ROBERT P. STEPHENS.....YEA
 MRS. ANNE HILTON.....YEA
 MR. CHRISTOPHER EPLEY.....YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

AN ORDINANCE
 BY VICE MAYOR BYINGTON NO 4799
 TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER
 EXPENDITURES OF THE CITY OF OAKWOOD, STATE OF OHIO, DURING THE
 FISCAL YEAR ENDING DECEMBER 31, 2015.

A copy of the ordinance, having been placed on the desks of each member of Council prior to introduction, was read by title.

Vice Mayor Byington explained that this is the annual budget ordinance, which appropriates the city's funding for 2015. This ordinance is required under Section 6.05 of the City Charter and, when adopted, provides formal authorization to the city manager to spend public dollars in providing city services.

The 2015 budget reflects non-enterprise spending at about \$130,000 more than the 2014 budget. While this is a slight increase, it follows five years in a row of consecutively decreasing spending.

The city budget is divided into four parts with budgeted spending in each as follows:

Water Utility:	\$ 1,223,100
Sewer Utility:	\$ 1,611,878
Stormwater Utility:	\$ 266,659
All other City Services:	\$12,810,057

Oakwood has a citizen budget committee that currently includes 35 members. That committee met four times this year and endorses this 2015 budget.

Vice Mayor Byington then asked City Manager Norbert Klopsch to make a presentation on the 2015 budget.

City Manager Norbert Klopsch referenced a PowerPoint presentation on the 2015 budget. Mr. Klopsch shared that the 2015 budget is conservative and reflects a little more spending than the 2014 Budget. It is the first time since 2008 that the city is budgeting to spend more than the previous year.

The city was able to decrease spending by cutting capital expenses and full-time staff. In 2004, the city had 95 full-time employees and the city currently has 82 full-time employees, which represents a 14% drop.

The budget does not include raising any taxes or fees in 2015. As a result, this budget does not include any new tax revenue nor does it include any new revenue generated by water, sewer, stormwater or refuse utilities. The last increases included income taxes in 1984; property taxes in 2013; water rates in 1994; sewer rates in 2009; stormwater rates in 2013; and, refuse rates in 2013.

The budget does not include cuts in services. It reflects a modest 1% growth in Non-Enterprise spending, this after decreased spending over 5 consecutive years from 2009 to 2013; projects that 2014 spending will be just 2.1% above 2013; estimates \$6.5 million in the eight primary operating funds beginning in 2015; and, reflects 2015 Non-Enterprise expenses at \$428,000 above revenues. Six months of operating expense is the generally acceptable beginning year cash balance for cities. Currently, our primary operating funds have about seven months.

In response to the Estate Tax repeal and other State cuts, the city has reduced spending for five consecutive years; cut full-time workforce by 14%, from 95 to 82; frozen pay for two years; established a stormwater utility, implemented a 100% fee based refuse service; approved a 3.75 mill Property Tax issue; and, moving forward, the city needs to address the income tax issue in one of two ways. The city could ask voters to increase the income tax rate, or to place a limit on the credit for taxes paid to other local jurisdictions.

In the 2015 budget, \$6.5 million is projected in income tax. The Ohio Legislature will pass House Bill 5, which changes the Ohio Municipal Income Tax Code, resulting in an expected loss of around \$300,000 annually. A full 50% of the municipal tax paid by Oakwood residents is remitted to the taxing jurisdictions where Oakwood citizens work and Oakwood loses revenue every time another community raises their tax rate. As an example, in May, 2014, the voters in Moraine approved a tax increase from 2.0% to 2.5%. With this increase, Moraine's tax rate is now the same as Oakwood's rate, which means that 100% of the municipal taxes paid by Oakwood residents working in Moraine go to the city of Moraine and zero dollars come to Oakwood. The city receives 9% of property taxes, which is a very small percentage of total property taxes that Oakwood citizens pay.

Sugar Camp and Pointe Oakwood are important developments. Every new home that is sold brings additional revenue to our city. At Sugar Camp, the two office buildings in the back of the property are fully occupied and the office building closest to W. Schantz Avenue is partially filled by two medical groups and there are two new medical groups planning to move in.

Income taxes and property taxes are the two primary sources of revenue for the city. The Ohio estate tax had been a significant source of revenue to pay for local government services until it was repealed in January, 2013. The revenue the city received from the estate tax between 1998 and 2013 was enough to pay the costs for city services for three years. Estate taxes were extremely important to bedroom communities, like Oakwood, where there is no industry and where very few people come from neighboring cities to work. Property taxes had major changes between 2008 and 2009 due to a decision by the city to let a property tax issue expire. At the time, there were good reserves and the estate tax was still in place.

The Residential Real Estate Tax breakdown consists of 69.0% to Oakwood Schools; 1.7% to Montgomery County; 0.3% to Developmental Disabilities; 1.8% to Metro Parks; 13.4% to Human Services; 3.3% to Sinclair; 9.0% to the city of Oakwood; and, 1.5% to Wright Library.

In terms of spending, 42% of the budget represents Public Safety, 20% to Public Works 12% to Parks and Recreation Department, 12% to Administration/Law/Finance, 8% to Capital Expenditures, 4% to miscellaneous and 2% to Court.

The "Non-Enterprise Funds" account for all city services and operations except the Water, Sewer and Stormwater utilities. The police account is the largest fund in the budget. In addition to the General Fund, there are eight funds used to pay for the primary services provided by the city. There are also special funds that are earmarked for specific categories and only go toward items related to the specific projects.

The 2015 Budget includes about \$1 million for capital improvements and capital equipment. The major capital expenses include public service radios – \$130,000 for dispatch center equipment; two fully equipped police cars – \$32,000 per vehicle; two refuse collection vehicles – \$32,000 per vehicle; Far Hills Business District Tree Replacement – \$65,000; asphalt pavement repairs – \$450,000; Orchardly Park basketball court reconstruction – \$20,000; Shafor Park tennis court repairs – \$25,000; and, sidewalk, curb and apron repairs – \$120,000.

Mr. Klopsch referenced a slide with a breakdown of \$12.81 million in total expenses for the 2015 budget. The city continues to operate with zero long-term debt.

The Water Utility has gone 20 years without raising rates. The 2014 regional rate survey shows Oakwood as having the 4th lowest water rate out of 66 jurisdictions in the region and is in full compliance with Ohio EPA requirements. 2015 expenses are projected at \$280,000 more than revenues.

The Sewer Utility projects 2015 expenses of \$65,000 more than revenues. The 2014 regional rate survey showed Oakwood as having the 35th lowest rate out of 63 jurisdictions. 75% of expenses are paid to Montgomery County and the city of Dayton for wastewater treatment.

The Stormwater Utility, which is now two years old, has a balanced ledger and projects 2015 expenses equaling revenues.

Capital expenses for Water, Sewer and Stormwater include a Water Meter AMR System – \$52,500 Water and \$52,500 Sewer; a Water Valve Replacement Project – \$50,000; and, sanitary sewer repairs – \$40,000.

Mayor Duncan thanked Mr. Klopsch and the department heads for putting the conservative budget together and for continuing to effectively manage resources. He asked Mr. Klopsch to explain the Budget Review Committee.

Mr. Klopsch explained that the Citizen Budget Review Committee typically meets four times a year. The first meeting is usually earlier in the year for a mid-year financial update and the other three meetings in the fall to focus primarily on annual spending and the budget. He added that there are a total of 35 members on the committee distributed amongst the seven voting precincts with 5 members in each precinct.

Mayor Duncan reemphasized that the city of Oakwood has zero debt.

Thereupon, it was moved by Vice Mayor Byington and seconded by Mr. Epley that the second reading be waived and that the ordinance be passed.

Upon call of the roll on the question of the motion, the following vote was recorded:

MR. WILLIAM D. DUNCAN.....	YEA
MR. STEVEN BYINGTON.....	YEA
MR. ROBERT P. STEPHENS.....	YEA
MRS. ANNE HILTON.....	YEA
MR. CHRISTOPHER EPLEY.....	YEA

There being five (5) yea votes and no (0) nay votes thereon, said ordinance was declared duly passed and it was so ordered.

STAFF REPORT – NONE

CITY MANAGER'S REPORT– Mr. Klopsch thanked all of the department heads for their hard work in preparing the budget and for continuing to work through the financial challenges with which the city has been faced.

Mr. Klopsch introduced Tom Long, the new Foreman/Inspector/Engineering Technician. He shared that Mr. Long has jumped in with both feet and has been a great addition to the Oakwood staff.

The leaf pick-up season is a little behind schedule due to the recent snow storm. The collection should be back on schedule by the end of next week.

Mr. Klopsch reported that the city has enough deicing salt for an average winter. He asked that citizens understand the need to be conservative with the deicing salt. He explained that it wasn't the city that didn't purchase enough salt, but it was that the salt wasn't available for purchase.

COUNCIL COMMENTS

Mrs. Hilton reported that the annual Holiday at the Homestead sponsored by the Oakwood Historical Society is on Sunday, December 14 from 1 - 4 p.m.

Mr. Stephens thanked Mayor Duncan for being a strong voice for our community and cities around the state regarding House Bill 5. Mr. Stephens thanked Mr. Klopsch and his staff for their work on the 2015 budget. He commended the Winter Market Committee and added that he felt the Winter Market was somewhat like a smaller version of "That Day in May". Mr. Stephens wished everyone a safe holiday season.

Vice Mayor Byington thanked Mayor Duncan and city staff for their involvement with House Bill 5. The Shafor Park Tree Lighting ceremony is on Sunday, December 14 at 6:30 p.m. He congratulated Alter and Wayne for their participation in the state football playoffs.

Mayor Duncan reported that the 2015 Budget will be available on the city website. He then commented on a recent presentation given to a Oakwood High school class and read the following letter aloud:

"Thank you for being a guest speaker in my accounting class. I still can't believe I work in a place where the Mayor will make time for my class. Oakwood is such a great place. You brought fantastic insights to the accounting profession and were truly inspirational. Thank you again. Go Oakwood Lumberjacks and Wright State Raiders!"

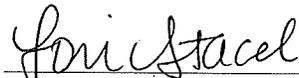
Mayor Duncan shared that he will be meeting with the Webelos Boy Scout Pack 101 on Thursday, December 11 to discuss citizenship.

The public meeting concluded at 8:32 p.m.



MAYOR

ATTEST:



CLERK OF COUNCIL