

**MINUTES OF MEETING
INDIAN HILL VILLAGE COUNCIL
March 21, 2016**

A meeting of the Indian Hill Village Council was held on March 21, 2016 at 6:30 p.m. The meeting was held in the Council Chamber of the Village Administration building.

Officials present: Mr. Daniel J. Feigelson, Mayor
 Mr. Mark D. Kuenning, Vice-Mayor
 Mrs. Molly R. Barber, Council member
 Mrs. Melissa S. Cowan, Council member
 Mr. Donald C. McGraw, Council member
 Mr. Abbot A. Thayer, Council member

Officials absent: Mr. John B. Armstrong, Council member

 Ms. Dina C. Minneci, City Manager
 Mr. Donald L. Crain, City Solicitor
 Mr. Paul C. Riordan, Clerk/Comptroller

Visitors present: Mr. Nate Clayton, 761 Wooster Pike, Terrace Park, Ohio 45174
 Mr. Greg Fry, 9120 Meadow Grove Lane

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

MINUTES: The minutes of the regular meeting of February 22, 2016 had previously been distributed to each Council member. Council member Kuenning made a motion to accept the minutes, which was seconded by Council member Barber and was approved, 6-0.

FINANCE COMMITTEE REPORT: Council member Kuenning directed Council's attention to a memo titled, "*Finance Committee*". He reported that the Finance and Water Works committees met for a combined meeting on March 11, 2016 in order to review several items in advance of the Council meeting.

Council member Kuenning reported that the Finance committee reviewed the water rate analysis which had been started in the previous month. He explained that he would hold off on reporting on this issue and let Mayor Feigelson report on the findings during the Water Works committee report.

Council member Kuenning directed Council's attention to the February 2016 financial statements which were included in the Council packet. He reported the following financial report.

- a) **Income Tax Receipts:** The Village received \$88,626 which is very similar to receipts received in February 2015. Year-to-date cash receipts are 5.7% of budget. He explained that it is too early to predict the total receipts for the year until the receipts are received in April.
- b) **Real Estate Tax:** The Village received \$220,000 which is \$30,000 less than received in February 2015.

- c) **Operating Disbursements:** Total February operating disbursements totaled \$799,245 which is \$47,000 less than February 2015. This difference is due to timing of various payments which are explained in the notes of the financial statements.
- d) **CIRF:** Disbursements for the month totaled \$119,053. This disbursement includes the purchase of a Skid Steer and engineering contracts.
- e) **Water Works Receipts:** Water usage receipts for February were \$171,320 which is approximately \$4,000 less than February 2015 receipts.
- f) **Water Works Disbursements:** Total February operating disbursements of \$132,614 was \$11,000 less than February 2015. This was due to the one time purchase in 2015 of \$12,000 SCADA equipment.
- g) **Water Works CRF:** February disbursement was \$4,165. This represents a disbursement for transformer repairs.
- h) **Cash and Investments:** Total month-end cash and investments were \$30,501,370 compared to \$30,878,873 in January 2016 and \$23,763,175 in February 2015. This increase over last year is due to the inclusion of the firehouse donation which continues to decline with construction of the Madeira station.
- i) **Rowe Funds:** The market value as of February 29, 2016 was \$2,947,818. The unrecognized gain was \$424,362. Total monthly net investment income equated to \$9,291. Monthly operating expenses totaled \$7,484.
- j) **Green Areas Funds:** The market value as of February 29, 2016 was \$2,075,499. The unrecognized gain was \$797,243. Total monthly earnings were \$124 with monthly expenses totaling \$4,600 for dead tree removal.

The financial statements for February 2016 had previously been distributed to each Council member. There being no exceptions noted, the financial statements were accepted as issued.

Council member Kuenning reported that Mr. Gully provided an update on alarm monitoring refunds. On January 1, 2016 any resident who did not replace the alarm transceiver in the prior two year conversation period was disconnected from the Ranger alarm monitoring system. A review was done of those accounts and a refund was sent to anyone who had paid for a full year of Ranger monitoring service. Currently, the refunds amount to approximately \$6,700. However, through this process, many refunds have been returned to the Village as the residents wish to now upgrade their transceivers and remain connected to the Ranger's monitoring system. This refund amount will be evaluated over the next few months to determine the final impact.

Council member Kuenning reported that the Finance committee reviewed a Resolution from 2005 which established the Audit committee. Per the Resolution, there are only four members assigned to the committee. Three of the members are appointed by the Mayor on an annual basis and the fourth is the Chairperson of the Finance committee. Currently, Council member Mark Kuenning (Finance committee chairperson), Mr. Michael Sewell, Mr. Don Siekmann and Mr. George Gibson are the four members. The Audit committee held a pre-audit committee on March 15, 2016. This year, Council member Kuenning explained that there were no issues of note.

Council member Kuenning also explained that the audit for 2015 is under way and that the Auditors have stated that there should be no problem getting an audit statement finished by the end of June which is in accordance with our Ordinance.

Council member Kuenning reported that the Finance committee reviewed a legislative overview of the Ohio City Manager's Association annual conference. Two sponsored bills that are being watched include SB27 which provides firefighters diagnosed with cancer the ability to assume that it is related to work performance duties. The other is SB288 which is revising the law governing how taxes on income from pass through entities is reported. Council member Kuenning said that he has reviewed SB288 and he does not believe that it will have a substantial effect on income tax receipts.

LAW COMMITTEE REPORT: Ms. Minneci, in Council member Armstrong's absence, directed Council's attention to a memo titled, "*Law Committee*". She explained that the Law committee met on March 10, 2016 to review several items in advance of the Council meeting.

Ms. Minneci reported that Mr. Crain presented the February/March legal activity report to the Law committee. The report included updates on real estate questions, zoning compliance, environmental regulations and upcoming contract negotiations. Previous Mayor's Court cases were also discussed.

Ms. Minneci reported that she presented to the Law committee a request for a public hearing and draft Resolution to renew an agricultural district permit for Turner Farm on Given Road. An agricultural district permit provides protection from nuisance lawsuits over agricultural operations, deferment of taxes and allows for additional review of land if being reviewed for eminent domain. Land can qualify if it is at least 10 acres, is being used for agricultural production and is enrolled in federal government's conservation program. Turner Farm has held the agricultural district permit for many years, but it is required, per the Ohio Revised Code, to have it renewed every five years. The renewal must be presented to Council for approval after a public hearing takes place. There have been no concerns brought by residents or the Village while Turner Farm has held this permit. Proper legal notice has been met and adjacent property owners have been notified with individual letters about the upcoming public hearing. As long as there are no issues brought forth during the public hearing, she said that the Law committee agreed to recommend approval of the permit.

Mayor Feigelson opened up the public hearing on the renewal of the agricultural history permit for Turner Farms. Mr. Greg Fry an adjacent property owner to Turner Farm said that he was in favor of the permit. There were no further comments. Mayor Feigelson closed the public hearing.

A RESOLUTION TO APPROVE THE APPLICATIONS OF MARY ELIZABETH MITSUI TR., THREE WELLS LLC. AND ROBERT GRAY EDMISTON TR., TO RENEW THE DESIGNATION OF THEIR 58.24, 15.14, 123.41 AND 33.62 ACRE PARCELS TOTALING 230.41 ACRES ON GIVEN ROAD (as more particularly described in

the four applications filed with the Clerk of Council) AS AN AGRICULTURAL DISTRICT was presented and read.

Upon motion by Mayor Feigelson, seconded by Council member Thayer, the Resolution was passed by unanimous voice vote. Mayor Feigelson declared Resolution **09-16** adopted.

Ms. Minneci reported that she presented to the Law committee a draft Memorandum of Understanding (MOU) with the Hamilton County Health District that staff and Chris Habel of Frost Brown Todd have been working on with Health District representatives. This MOU is to clarify the transition process for septic inspections and compliance within the Village is being brought about due to the recent changes in state laws. Last year, the Law committee evaluated its option regarding the future of septic inspections due to these state changes. At the time, it was recommended to maintain our current contract with the Health District but include adjustments that would be needed to accommodate the new state regulations. This MOU encompasses those adjustments as well as provides a timeline for future transition upon the anticipated retirement of the Village's part-time septic inspector within the next couple years. She said that after discussion, staff will obtain additional clarification from legal counsel and provide an update at next month's meeting.

Ms. Minneci reported that she presented to the Law committee a legislative overview she received at the Ohio City Manager's Association annual conference. She said that two sponsored bills that are being watched include SB27 which provides firefighters diagnosed with cancer the ability to assume that it relates to work performance duties. The other is SB288 which is revising the law governing how taxes on income from pass through entities is to be reported.

BUILDINGS & GROUNDS COMMITTEE REPORT: Council member Cowan directed Council's attention to a memo titled, "*Buildings and Grounds Committee*". She reported that the Buildings and Grounds committee met on March 15, 2016 to review several items in advance of the Council meeting.

Council member Cowan reported that Mr. Adkins provided the Buildings and Grounds committee with the departmental activity report, a copy of which is included in the Council packet. She said that he highlighted the maintenance performed throughout the buildings and parks.

Council member Cowan reported that Mr. West provided the Buildings and Grounds committee with the Project Management report, a copy of which is included in the Council packet. She said that he noted that 100 Christmas trees have been placed in the lake at Grand Valley. In addition, he gave a construction update on the Ranger building at Grand Valley.

Council member Cowan reported that Mr. West presented the Buildings and Grounds committee with a request for a public hearing and draft Resolution to renew an agricultural district permit for Turner Farm on Given Road which had been considered previously in the Council meeting.

Council member Cowan reported that Mr. West presented to the Buildings and Grounds committee a request for a sanitary sewer easement through the green area parcel located at the end of Crabtree Lane. Initially, if installed, the sanitary sewer line would serve six homes on Crabtree Lane. It could then be extended to serve the rest of the homes on Crabtree Lane. Buildings and Grounds committee members asked staff to initiate discussions on a donation for consideration of granting an easement in addition to ensuring ground restoration.

Council member Cowan reported that Ms. Minneci provided the Buildings and Grounds committee with an update on the part-time Manager position for Rowe Arboretum. She explained that due to Chris Daeger's upcoming retirement in 2017, a part-time position was budgeted in 2016. This position would work alongside Mr. Daeger to understand the day to day operations, to take part in evaluating and updating the Arboretum's Master Plan and to understand Council's and Rowe Arboretum Advisory Committee's vision for the future. After evaluation throughout the year, the candidate would be looked to as the potential replacement for the full time manager position. The Village received seven applications and will be interviewing four candidates this month.

PUBLIC WORKS COMMITTEE REPORT: Council member Barber directed Council's attention to a memo titled, "*Public Works Committee*". She reported that the Public Works committee met on March 15, 2016 to review several items in advance of the Council meeting.

Council member Barber reported that Mr. Adkins provided the Public Works committee with the departmental activity report, a copy of which is included in the Council packet. She explained that Mr. Adkins provided an update on routine maintenance throughout the Village. He also informed the Public Works committee about a tree that was uprooted on Given Road last week due to saturation from heavy rains. Given Road had to be closed for a short time in order to remove the tree. Council member Barber reported that Mr. Adkins provided the statistics regarding the 2015-2016 snow season. The snow accumulation and expenditures incurred thus far is about 50% less than last year. The Village has about 350 tons of salt to purchase to bring the salt barn to capacity. The department will wait until June to determine whether to purchase the salt under current pricing or the new bid amounts.

Council member Barber reported that Mr. Adkins provided the Buildings and Grounds committee with the Project Management report, a copy of which is included in the Council packet. The Weil Road pier wall project will begin on March 28, 2016 with an anticipated road closure of 53 days (weather permitting). All residents, communities and organizations affected by this closure have been notified and will be reminded closer to the date. The department also is working on curb repairs in the area of Shadyglen Road and Chinquapin Lane.

Council member Barber reported that Ms. Minneci indicated that a job announcement for the City Engineer/Project Manager position has been posted. Applications are being accepted through the end of the month. Interviews will take place in April with an anticipated start date of early May.

WATER WORKS REPORT: Mayor Feigelson directed Council's attention to a memo titled, "*Water Works and Deregulation Committee*". He reported that the Finance and Water Works and

Deregulation committees met for a combined meeting on March 11, 2016 to review several items in advance of the Council meeting.

Mayor Feigelson reported that the Water Works departmental activity report was distributed to the Water Works committee prior to the meeting, a copy of which was included in the Council packet. He explained that the Water Works committee did not have any questions.

Mayor Feigelson reported that staff provided the Water Works committee additional information for the annual review of the Village's water rate. Information included water rate benchmarking which showed that Indian Hill's rate is consistently in the bottom third of all other water distribution communities. In addition, other communities routinely had water rate increases on a yearly basis, even during the seven years that Indian Hill did not have increases. The increases ranged from 3% to 12%, and there is no indication that such increases will cease in the future.

Mayor Feigelson explained that the Water Works committee members agreed that a water rate increase is necessary:

- to continue safe and effective water distribution to customers
- to replace significantly old infrastructure in a timely fashion
- to ensure sufficient reserves which maintain integrity of the 10 year capital improvement plan and 54 year infrastructure replacement program
- to prepare for an increase in water inspection mandates

Mayor Feigelson asked if there were any questions and whether it makes sense to go further and talk about raising the rates. There were no questions and everyone was in agreement and that the water rates need to be raised. He explained that the Water Works committee discussed the different philosophies for raising the rates over the next 10 years. He explained that the water rate is reviewed each year but it is actually a long term plan for the infrastructure. Mayor Feigelson explained that the Water Works committee considered smaller consistent rate increases each year and the committee also considered a big increase up front with smaller, periodic increases every other year. He explained that in reviewing the philosophies, the Finance and Water Works committees centered on the following areas of concern:

- being conscientious of accumulating Water fund reserves
- having sufficient resources to implement much needed infrastructure improvements
- being prepared for unanticipated repairs and inspection mandates
- ensuring enough resources to implement the long term capital improvements in a timely fashion
- distributing the increases in an equitable manner among current and future customers

Mayor Feigelson reported that the Finance and Water Works committees also reviewed the budgetary effects of implementing different water rate increases to determine what is needed to efficiently run the Water Works department while evaluating how any potential increase impacts

water customers. He said that Mr. Scott Gully did a great job of providing a financial analysis that the committees could update in real time during the review. Mayor Feigelson also said that Pauline Edwards, the Water Works clerk, did a great job providing background information of the water rates in comparison to other communities in the area.

Mayor Feigelson explained that after a very thorough discussion, a majority of the Water Works and Finance committee members recommended, for Council's consideration, a 5% increase in the water rate beginning July 1, 2016. He said that this is the slow and steady rate option. He said that staff and committees will continue to perform an annual review on the rates and monitor receipts affected by wet or dry years. He said that the majority also recommended that a stipulation be added to the Ordinance that, for the foreseeable future, a 5% increase will be implemented on an annual basis for the next ten years. An annual rate review will still be performed. The review will include actual revenues from the previous year to account for wet or dry years. Changes to the anticipated 5% increase will still be considered, but only if significant fluctuations in Water Works reserves occur.

Council member Kuenning said that the analysis and review basically contains the two approaches for raising the rates. He explained that both proposals get to the same point in ten years. The Water Works reserve and financial position would be the same. The goal was to not dramatically reduce or weaken the financial condition of the Water Works as a result of the ten year plan. He said that there was consensus that the math worked with either proposal. It is known that our water rate is low based on future capital needs not only for the next ten years but for the next fifty years. He explained that the Village has a history of larger increases in the water rates in prior years, however, not recently. He said that the question is – is it more palatable to the Water Works customers to have the rate spread out a little bit slower. Council member Kuenning said that he doesn't see a significant problem raising the rates either way. He explained that the average water bill increase would be approximately \$20.00 per quarter with an 18% increase and \$5.75 per quarter with a 5% increase. He said that the majority of the Finance and Water Works committee members decided to smooth out the rate increase, however, he is of the opinion that he is conservative in the fact that the Village has a story and we know that the water rate is low so get the bulk of the rate increase done. He said that there could be unforeseen things that could occur which put the Village in the position to increase the water rate even more. He explained that what is not in any of the analysis is building in any inflationary increases for operating costs. The analysis is strictly capital-related. He said that however, both proposals work.

Mayor Feigelson said that the Water Works committee also discussed making the Ordinance a multi-year Ordinance. Mayor Feigelson said that what Council member Kuenning said was correct. He said that however, the money is not needed today and it is not known if there would be an emergency next year and we think we have enough reserves to cover our needs therefore the slow and steady increase seems to be equally conservative in their minds. He said that we can see how the weather goes and how receipts come in and we may not have an extra-large reserve in the bank account which may not be needed. He said that there is no wrong answer but the majority of the committees selected the slow and steady approach.

Mayor Feigelson directed Council's to the Ordinance and explained that there would be three readings of the Ordinance. This gives the public plenty of opportunities to give Council

their opinion and time for Council to continue their research. He explained that the reason there are three readings is to give people time to study the situation. There is no rush on it however, it is good to have it in effect in July to be consistent with rate increases in prior years. Mayor Feigelson read the Ordinance for the first reading.

AN ORDINANCE CHANGING THE RATES TO BE CHARGED FOR WATER SUPPLIED TO CUSTOMERS BY AMENDING SECTION 51.55 RATES OF THE CITY OF THE VILLAGE OF INDIAN HILL, OHIO CODE OF ORDINANCES was presented and read for the first reading.

Ms. Minneci explained that the Ordinance would raise the rate 5% effective July 1, 2016. The Ordinance also has paragraph "C" which states Council anticipates a similar increase to be effective on an annual basis for the next ten years; however, an annual water rate review will take place to ensure such rate increases meet the Water Fund's operating and capital needs. Such rate increase may be adjusted as necessary to ensure appropriate reserves exist to maintain safe and effective water distribution.

SAFETY COMMITTEE REPORT: Council member McGraw directed Council's attention to a memo titled, "*Safety Committee*". He reported that the Safety committee met on March 10, 2016 to review several items in advance of the Council meeting.

Council member McGraw reported that Chief Ashbrock presented the February Fire/EMS report, a copy of which was included in the Council packet. He explained that Chief Ashbrock highlighted that EMS runs are slightly lower during the first two months of the year compared to last year. There were 180 total runs compared to 188 through February 2015. He also provided an update on issues that have developed with changes made to Hamilton County's dispatching system. Such issues are being resolved.

Council member McGraw reported that Chief Ashbrock provided an update on the fire station construction. At this time, it is anticipated that the Madeira station will be completed sometime in May. Bid documents for the Indian Hill station are anticipated to be ready for review by March 18th. After the construction team and Indian Hill staff have reviewed them. Advertising is anticipated in early April. Chief Ashbrock also provided the Safety committee with an overview of the Annual Fire Company meeting and dinner. The Chief also is working on an EMS reimbursement analysis to determine where the Fire District's EMS rates are compared with other communities.

Council member McGraw reported that Colonel Schlie presented the Rangers' Activity Report for February, a copy of which was included in the Council packet. He reported that nine more coyotes have been dropped in February. Mayor Feigelson said that several residents provided the funds for the Fire District dinner and that Council thanks them for their generosity.

PLANNING COMMISSION REPORT: Council member Thayer directed Council's attention to a memo titled, "*Planning Commission*". He reported that the Planning Commission met on March 15, 2016 to review several issues.

Council member Thayer reported that the Planning Commission approved a special exception request for the Greenacres Foundation at 8500 Spooky Hollow Road which is under the continuing jurisdiction of the Planning Commission. He said that the request was for the conversion of an existing pond into a wetland, construct viewing docks and boardwalks and a walking path in support of Greenacres mission related activities of education.

CITY MANAGER'S REPORT: Ms. Minneci explained that the Village Annual Reports had been distributed to each Council member. She said that Kari Zenni does a great job putting these reports together and the department heads all do an excellent job putting their reports together. Council expressed their appreciation and approval of the reports.

Ms. Minneci said that on March 25, 2016 the offices would be closed in observance of Good Friday.

Ms. Minneci reported that on April 17, 2016 there will be a Grand Valley Bird Watch beginning at 9:30 a.m. and on April 30, 2016 there will be the Grand Valley Annual Fishing Tournament from 7:00 a.m. until 12 noon.

Ms. Minneci reported that on Sunday, May 22, 2016 there will be a New Resident Reception from 4:00 p.m. until 6:00 p.m. at the Little Red Schoolhouse.

Mayor Feigelson announced that May 5, 2016 is National Day of Prayer and a service will be held at McDonald's Park in Madeira. He invited the Council members to attend.

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

Respectfully submitted,

Daniel J. Feigelson, Mayor

ATTEST:

Paul C. Riordan, Clerk