

**XENIA CITY COUNCIL  
REGULAR SESSION  
MEETING MINUTES  
JUNE 27, 2019  
6:00 P.M.**

**1. CALL TO ORDER:** President Engle called the June 27, 2019, Regular Session to order at 6:03 p.m. in the City Council Chambers, City Administration Building.

**2. INVOCATION:** Pastor Dan Jordan, Xenia Grace Chapel, provided the Invocation.

**3. PLEDGE OF ALLEGIANCE:** Vice President Edgar Wallace led those present in the Pledge of Allegiance.

**4. ROLL CALL:** Vice President Edgar Wallace, Councilman Dale Louderback, Councilman Wesley Smith, Councilman Levi Dean, Mayor Sarah Mays, and President Michael Engle were present. Councilman Will Urschel was absent.

Motion by Mayor Mays, seconded by Vice President Wallace, to excuse Councilman Urschel from the meeting. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

**5. APPROVAL OF MINUTES:** Motion by Councilman Smith, seconded by Councilman Louderback, to approve the June 13, 2019, Regular Session meeting minutes as written. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

**6. SPECIAL PRESENTATION(S):** None.

**7. AUDIENCE COMMENTS:** President Engle explained the procedures for audience comments and invited anyone who wished to speak to come forward. No one came forward to speak.

**8. OLD BUSINESS:**

**A.** President Engle presented **ORDINANCE 2019-14 LEVYING ASSESSMENTS FOR THE IMPROVEMENT OF CITY STREETS AND PUBLIC WAYS BY THE LIGHTING THEREOF WITHIN LIGHTING DISTRICT #3 FOR THE YEARS 2020-2022**, originally introduced by Vice President Wallace, and it was read for a second time.

Motion by Vice President Wallace, seconded by Councilman Smith, to adopt Ordinance 2019-14 as read. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

**B. President Engle presented RESOLUTION 2019-P ACCEPTING DEDICATION OF A CONSERVATION EASEMENT ON THE PROPERTY LOCATED AT 809 LUTHER DRIVE FROM TRADITIONS OF XENIA**, originally introduced by Councilman Louderback, and it was read for a second time.

Motion by Councilman Louderback, seconded by Councilman Dean, to adopt Resolution 2019-P as read. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

**C. President Engle presented RESOLUTION 2019-Q ACCEPTING DEDICATION OF A SIGN EASEMENT ON LOT 1 OF XENIA INDUSTRIAL AND COMMERCE PARK SECTION II FROM GDP INVESTMENTS, LLC**, originally introduced by Councilman Louderback, and it was read for a second time.

Motion by Councilman Louderback, seconded by Vice President Wallace, to adopt Resolution 2019-Q as read. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

## **9. PUBLIC HEARING(S):**

**A. Introduction of Resolution 2019-R Adopting the Tax Budget of the City of Xenia, Ohio, for the Fiscal Year beginning January 1, 2020, Authorizing the Finance Director to submit it to the Greene County Auditor.** City Manager Brent Merriman said Ohio law requires municipalities to annually complete and submit a tax budget for the ensuing fiscal year. The tax budget is a first-look, best estimate at likely revenues and expenditures for the coming year. The tax budget must be submitted to the Greene County Auditor by July 15 after which the Greene County Budget Commission will use this and other local tax budgets for the determination of local government revenue shares, inside mileage distribution and other such determinations in order to issue a Certificate of Estimated Resources. Staff tends to be very conservative in preparation of the tax budget and has worked very closely with the Budget and Finance Committee to develop priorities, align funding to promote those priorities, and maintain sound financial footing through good stewardship. He noted the tax budget does not approve any specific funding for next year; instead, it establishes the blueprint for the final budget, which will be presented to City Council this fall for more thorough consideration. The 2020 tax budget totals \$63,913,890.50 and is not an expectation of actual spending; rather, it is a budget total inclusive of expenditures and transfers which must be accounted for as required under Generally Accepted Accounting Principles. All funds in the tax budget project positive ending balances; however, the present tax budget does not meet the City's internal policy for reserve funding. As always, staff will monitor revenue trends and carefully evaluate projected expenditures as they move toward the final budget to ensure a responsible spending plan for FY 2020. Staff requests Council hold the required public hearing and then introduce Resolution 2019-R, approval of which at the next meeting will allow the timely submittal of the tax budget to Greene County.

President Engle opened the public hearing at 6:11 p.m. and invited those speaking in favor of the 2020 Tax Budget to come forward to speak. No one came forward to speak. He then invited those speaking against the 2020 Tax Budget to come forward to speak. No one came forward to speak. He then invited those speaking neither for nor against the 2020 Tax Budget to come forward to speak. No one came forward to speak.

President Engle closed the public hearing at 6:13 p.m. and invited Council comments. Hearing none, he entertained introduction of Resolution 2019-R.

Vice President Wallace presented RESOLUTION 2019-R ADOPTING THE TAX BUDGET OF THE CITY OF XENIA, OHIO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2020, AUTHORIZING THE FINANCE DIRECTOR TO SUBMIT IT TO THE GREENE COUNTY AUDITOR, and it was read for the first time.

## 10. NEW BUSINESS:

A. President Engle presented **ORDINANCE 2019-15 AMENDING ORDINANCE 2019-10 TO PROVIDE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE CITY OF XENIA, OHIO, FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019, AND DECLARING AN EMERGENCY**, and asked the Finance Director for his staff report. Mr. Duke said one of the primary topics in the Council Budget Committee meetings has been the condition of the streets and options to address the issue. Before a more detailed plan can be developed, it is necessary to contract for services to update the Pavement Condition Index (PCI). The last PCI study was conducted in 2014. There seemed to be a consensus that staff should proceed with a PCI update; therefore, staff requests an \$80,000 appropriation to proceed with the update. He noted the increased revenue from gas taxes to be collected later this year are intended to pay for this expenditure.

President Engle entertained a motion to pass Ordinance 2019-15 as an emergency.

Motion by Councilman Louderback, seconded by Mayor Mays, to adopt Ordinance 2019-15 as read. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

B. President Engle presented **RESOLUTION 2019-S ADOPTING AN UPDATED RESIDENTIAL ANTI-DISPLACEMENT & RELOCATION ASSISTANCE PLAN, AS REQUIRED BY THE OHIO DEVELOPMENT SERVICES AGENCY'S CDBG SMALL CITIES PROGRAM, AND DECLARING AN EMERGENCY**, and asked the City Manager for his staff report. Mr. Merriman said the Ohio Development Services Agency's CDBG Small Cities Program requires all communities receiving CDBG funds to adopt a Residential Anti-Displacement & Relocation Assistance Plan. In plain terms, the plan requires the City to replace all occupiable low- and moderate-income dwelling units demolished or converted to a use other than such housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974. HUD regulations have extended this plan requirement to the HOME Program as well. Development Services Agency requires the plan to be updated every five years, and the last update to the City's Residential Anti-Displacement and Relocation

Assistance Plan was in June 2013. The adoption of the updated plan is a housekeeping activity and will keep the City in compliance with ODSA regulations, allowing the City to continue to apply for and receive CDBG Funds. While the updated plan is required, the City has no intentions to pursue any projects with program funds that would result in the elimination and replacement of LMI units. There is a bit of a lapse in the maintenance of the plan due to the Neighborhood Services Coordinator position transition last year, and this task was lost in that shuffle. As a result, staff recommends Council consider approval of a resolution adopting the plan as an emergency to bring the City into full compliance as soon as possible.

President Engle entertained a motion to pass Resolution 2019-S as an emergency.

Motion by Vice President Wallace, seconded by Councilman Smith, to adopt Resolution 2019-S as read. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle  
Nays: None motion carried.

**C. Introduction of Resolution 2019-T Authorizing the City Manager to Execute a Lease Agreement with U.S. Bank for the purpose of financing the Springhill and Patton Street Water Towers Painting Project.** Mr. Duke said on June 13, 2019, Council awarded a bid and authorized the City Manager to execute a contract with Worldwide Industries Corporation for the Springhill & Patton Street Water Towers Painting Project. The Finance Department recommends that this project, totaling \$1,016,020.00, be financed via a capital lease. The Finance Department solicited quotes from various institutions who were encouraged to provide the best debt service option they had available. Only two institutions responded with 10-year quotes as follows: US Bank @ 2.542% and Huntington @ 3.140%. He was very pleased with this rate, which is a percentage point less than the rate received for a capital lease that was secured last year. He respectfully requested introduction and subsequent passage of a resolution authorizing the City Manager to enter into a capital lease agreement with US Bank to finance the capital project over a ten-year period at a rate of 2.542%. Estimated annual principal and interest debt payments will be \$115,703.02, which will be budgeted in the Water Fund (611).

President Engle entertained introduction of Resolution 2019-T as presented.

Councilman Dean presented RESOLUTION 2019-T AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH U.S. BANK FOR THE PURPOSE OF FINANCING THE SPRINGHILL AND PATTON STREET WATER TOWERS PAINTING PROJECT, and it was read for the first time.

President Engle asked if it was possible to refinance last year's project to save 1%. Mr. Duke said he did not believe so.

**D. Administrative Motion Authorizing the City Manager to Execute a Contract for Governmental Natural Gas Aggregation.** Mr. Merriman said Ohio law allows municipalities to enter into exclusive contracts for aggregate utility services if such aggregation is approved by voters. In November 2005, Xenia residents passed a ballot measure authorizing the City to implement a Natural Gas Aggregation Program and enter into service agreements for the sale and purchase of natural gas. For various reasons, and most specifically because of competitively low

market prices, the City has not sought a natural gas aggregation arrangement over the ensuing years. In the last few years, Council has expressed some interest in positioning the City to take advantage of a natural gas aggregation program if pricing would provide for substantive savings for local consumers. As a result, in January of last year Council adopted and submitted a Plan of Governance for gas aggregation. The plan was approved, and since that point, the City has gone through several RFP processes to determine if proposed pricing would promote community savings. A recent RFP, dated May 31, 2019, included four natural gas suppliers that were able to provide natural gas at a savings to Xenia residential and some commercial users that, while marginal, could be meaningful savings on the whole. Because of this, Council instructed staff to draft and present the necessary legislation to pursue the launch of a gas aggregation program this year if updated pricing warranted such. With our energy consultant, Palmer Energy, a bid refresh was completed on June 26<sup>th</sup>, which again demonstrated pricing that would bring some level of community savings and were a bit lower than the May quotes. In light of all of this, this administrative motion would authorize staff to execute a contract and move forward with gas aggregation, likely for a 24-month initial term. Approval of the motion will authorize execution of a contract with the firm that offers the best price available for a fixed rate on the next refresh. A pricing refresh will be required and solicited immediately. If, for some unexpected reason, there is no savings in the rates submitted on the refresh date, the City is not obligated to enter into a contract and can restart the RFP process again later. If comparable savings are presented, he would move forward with a contract and the City will essentially commit to a gas aggregation program. He noted that participation in this aggregation program is voluntary; however, the aggregation program as prescribed will automatically incorporate residential customers unless they opt-out. Every eligible customer will have the opportunity to decline to be a participant (or “opt out”) of the program and remain with their current supplier through Vectren, or to enter into a natural gas supply contract with another supplier. There are no contracts or termination fees required of individual consumers. Again, the current pricing is not necessarily the pricing they will see with the refresh, but he was seeking direction on how to proceed with the prospect of the natural gas aggregation program.

President Engle entertained a motion.

Motion by Councilman Louderback, seconded by Vice President Wallace, to authorize the City Manager to execute a contract with Volunteer, AEP Energy, or IGS if there is a cost savings in the 24-month fixed price natural gas rates given on the refresh date, with the terms and conditions of the contract to be as approved by the Law Director. Brief discussion followed. Councilman Louderback said the voters decided that they wanted natural gas aggregation, and if the program can offer a small savings, then they should pursue it because every little bit of savings helps. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle  
Nays: None motion carried.

**E. Administrative Motion Approving the Schedule of Bills in the amount of \$538,120.95.**  
Mr. Duke requested the payment of bills in the amount of \$538,120.95.

President Engle entertained a motion.

Motion by Councilman Louderback, seconded by Councilman Smith, to approve the schedule of bills in the amount of \$538,120.95. No discussion followed. The Roll on this was the following:

Ayes: Wallace, Louderback, Smith, Dean, Mays, Engle

Nays: None motion carried.

## **11. APPOINTED OFFICIALS REPORTS AND COUNCIL COMMENTS:**

### **A. City Manager, Finance Director, and Law Director:**

Mr. Merriman reminded residents that the bulk pickup program was altered to allow one bulk item per week on their regular pickup day. Also, City offices will be closed on July 4<sup>th</sup>, and First Fridays and the Kevin Sonnycalb Memorial Fireworks Festival will be held on Friday, July 5<sup>th</sup>. There will be many activities at both events. He thanked all sponsors, especially the Sonnycalb family and Xenia Rotary.

Mr. Duke said he and Finance staff are wrapping up the City's 2018 audit. He expected a clean audit, and the 2018 Comprehensive Annual Financial Report should be on the City's website shortly, a copy of which will be provided to Council. He noted that income tax collections are up about 3% on the year, which is a fairly good number and indicates positive growth. Withholding numbers are up, which speaks to local employment, and direct taxes are also up. However, they are still trying to figure out the issue with estimated tax payments from the State of Ohio.

Ms. Fisher had nothing further to share. Vice President Wallace asked if the City has received any response on the letters/resolutions that were sent to the State of Ohio. Ms. Fisher said to her knowledge, the City did not receive a direct response. However, the budget bill must be signed by June 30<sup>th</sup>, so they should know very soon if the changes they want will actually stay in the bill. Mr. Merriman concurred and added that the Ohio Municipal League came back with a favorable report with regard to local government funds and the income tax piece. Ms. Fisher said a response may not have been provided, but the effort may have had an effect. President Engle said he received a letter from Governor DeWine that spoke to the things he had done related to concerns about local government funds. Unfortunately, while the letter was helpful, it did not address the key point of restoring the local government funds.

### **B. Mayor and City Council:**

Mayor Mays said July 15-19 will be Xenia Kids Community Week, which is a free program similar to vacation bible school and includes games, crafts, bible teachings, music/singing, etc. The program is being put on by seven Xenia churches (Emmanuel Baptist, First United Christian, Zion Baptist, AHOP, Xenia Grace, Xenia Nazarene, Liberty Worship Center) from 10 a.m. to noon at Shawnee Park, which includes lunch, for kids ages 4 through sixth grade. Visit [EBCXenia.org](http://EBCXenia.org) to learn more.

Councilman Louderback, Councilman Dean, and Vice President Wallace had nothing further to share.

Councilman Smith wished everyone a "Happy Independence Day" next week and invited all to First Church of Christ's "*We The People*" free program on June 30, July 1 and July 2 at 6:30 p.m.

