

Held

JANUARY 18,

2011

CONVENE: President Stoker called the meeting to order at 5:30 P.M. to discuss the 2011 Operational Budget. She announced questions would be taken at the end of the presentation, if time allowed. She turned the meeting over to Mrs. Boyko.

Introduction: Mrs. Boyko said the primary funds to be addressed are the Police, Fire & EMS, Roads and the General Fund. Expenditures are proposed by departments and include general administration departments; Community Services, Community Development, Information Technology, Finance, West Chester TV, etc. TIF Funds are not included as operational budget but are referenced as funding sources for certain capital improvement projects. She emphasized the Township's practice to conservatively estimate revenues, plan for potential expenses, plan for unforeseen circumstances, and build a carryover that will benefit the Township's aging infrastructure.

Mr. Keim, Finance Director, displayed charts for the Police Dept. that showed actual figures for the past several years of revenues and expenditures and projected figures for 2011. He noted a drop in carryover for 2010 which he said was typical since the levy had been approved in 2001 and was based on property valuations at that time. As a result of the levy that passed in November, projected revenues for 2011 are \$15-million. Expenditures are projected at \$14.8 million.

Police Chief Niehaus noted that there are now 88 police officers, where just over two years ago there were 92. He said his goal is to maintain the 88 staffing level. Two more are budgeted for 2011, but will be hired only if there is a demonstrated need. He stated he has received data from 2010, showing a decrease in crime; however, there was an increase in calls for service in 2010, but it was still the lowest of the last five. \$350,000 has been budgeted to replace 10 or 11 Crown Victoria patrol vehicles. Two of them will probably be unmarked vehicles. \$12,000 has been budgeted for two police canines if replacement is needed. Some salary increases budgeted are pending due to the outcome of contract negotiations that are currently going on. Overtime budget includes traffic safety enforcement grants to be received estimated at approximately \$59,000. He noted that approximately 17,000 people were served through the programs that were offered last year. **Mr. Lang** asked if Chief Niehaus thought the Police Academy program was cost efficient.

Chief Niehaus responded very positively to this and noted that graduate alumni of the Academy had volunteered their help to make this possible thus reducing reliance on paid police officers. He cited no dollar amount but said he was confident it was paying dividends. **Mr. Wong** called attention to the \$200,000 in overtime for the past years. Chief Niehaus noted that the grant money of \$59,000 is a reimbursement for part of that and the balance is due to officers time spent in court, late calls and some special enforcement. He said it was rare for overtime to be paid to fill a shift. **Mr. Wong** asked Chief Niehaus if it would be feasible to look into using Segways in place of patrol cars, possibly in parades. It would save on gas. Chief Niehaus responded by saying the bicycle patrol has been operating in as many months as possible. He said he believes this will pay huge dividends in meeting citizens and also being used in parades.

Mr. Keim displayed charts showing the Fire Dept. and EMS Fund that ended 2010 with almost \$14.2 million. For 2011, expenses are anticipated at \$12.7 million slightly more than revenue. **Mrs. Boyko** noted that the chart showed carryovers were minimal prior to 2006 when the last levy was passed, and that carryovers are meant to build to accommodate operations far into a levy and level off as the levy ages. **Mrs. Stoker** noted that the chart showed the beginning and the end of the levy.

Fire Chief Goller cited statistics for 2010. 5,614 calls for service – a 6.2% increase over 2009, total property loss for 2010, \$441,248 – total property value of this loss, \$56,294,643, making total property saved \$55,853,395. He gave total credit to the experienced employees serving in his department. He also attributed credit to a strong proactive approach for the fire and safety education programs. These programs start with school age children and include public service announcements available on the local West Chester cable TV channels. He reported these 2011 budget items: hire eight part-time

RECORD OF PROCEEDINGS

0391

Minutes of

2011 OPERATIONAL BUDGET WORK SESSION

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10148

Held

JANUARY 18,

20¹¹

firefighter/EMT paramedics, replace one career firefighter, promote one firefighter to lieutenant, purchase a paramedic unit/ambulance at a cost of approx. \$250,000, purchase video conference equipment which will allow broadcasting training sessions to the various fire stations at a cost of \$85,000, apply for a Federal grant, 80 % Fed., 20% local, to replace five ten-year old defibrillators that have reached life expectancy. These will be purchased in 2012 with or without the grant funding. As part of the contractual physical fitness program, application will be made for five elliptical machines. These will not be purchased in 2011 without grant funding. State and Federal mandated EMS patient reporting software at a cost of \$44,000 will allow all patient care records to follow the patient into a national electronic database. Mr. Wong asked why a half million in overtime. Chief Goller said staffing does not allow anyone off without a replacement. Most of the overtime was lieutenant cost in the past year, due to promotions and injuries, so that there has never been a full staff of fifteen lieutenants since last October, 2009. Mrs. Stoker asked if Federal or State mandates required a certain staffing level for stations or equipment. Chief Goller said there are recommended requirement standards but not mandates. These are used for the efficiency of the unit. Mrs. Boyko said that based on the apparatus that the Fire Dept. operates – a tower, an engine, or a squad, that there are certain recommended staffing allowances per vehicle. Chief Goller confirmed this and said that whether it is a firefighter or a lieutenant, when someone is off, the position has to be filled, thus the overtime. Mr. Lang asked if maintaining two paramedic units and a reserve was a mandate. Chief Goller said it was not, but it is recommended because often paramedic units are down, especially in summer when air conditioning units go out. The unit has to be outsourced for service and it is difficult to get those back quickly, so that one of the front-line units would be out of service, meaning less service to the community. Mr. Lang asked if there were always two in reserve. Chief Goller confirmed this. Mr. Lang asked a percentage of time that there would be two out at the same time. Chief Goller said he could not answer at this time. Mr. Lang said he would like data on that. Mrs. Boyko commented that if there is aging equipment, especially emergency response, that there is something in reserve so as not having to shut down service completely.

Mr. Keim displayed charts and said the General Fund includes Administration, Community Services, Information Technology, Parks and Senior Van. The fund ended 2010 with a carryover of \$10.5 million and greater than 2009, despite the \$1.5 million supplement to the Roads.

Mrs. Boyko noted that the carryover prior to 2004, General Fund balance was dismal, and did not show good best management practices, since this fund is meant to fund general services but also there to subsidize other funds if necessary. In 2004, the Board determined to increase the carryover and in 2007 and 2008 with the present Board, it became more deliberate in assigning funds and reserves for the aging Township infrastructure. The chart showed the results of this planning. Mrs. Stoker said at that time, West Chester had a lawsuit to encourage a more fair distribution of the Undivided Government funds. This meant instead of getting about \$47,000 a year from the State, the Township is now getting as much as \$1.5 million. That lawsuit also helped build up the carryover.

Mr. Keim displayed the chart showing projected figures for 2011 expenditures greater than revenues but well within available funds. The \$1.5 million for the Roads fund is included as an expense item. Also included is consideration for an HR Director and for potential compensation for retirement and separation. He said the Township is consistent in conservatively projecting revenues. These were shown as being down \$2.6 million with a 70% decrease in Local Government funds, decreases in Fuel Tax, Motor Vehicle Tax, Hotel Tax and Interest revenue, all due to the current economic climate. JEDD revenue has been reduced by 20% with a portion of this revenue to be distributed to the Police and Fire funds.

Mrs. Boyko noted that in 2007 and 2008 interest earned was at \$1.5 million plus and in 2009 a decrease to \$500,000 and 2010 interest earned was even lower. JEDD revenues amounted to \$800,000 and a one-time reimbursement of \$500,000 was received from the State for the VOA renovation project. This same amount is anticipated for 2011. She again called

Held

JANUARY 18,

2011

attention to the conservative approach to the revenue projections and said there is a Bill before the State Legislature for repealing Estate tax. The Township receives up to one million from this tax but only \$200,000 is budgeted so that additional money received and not budgeted goes to build the carryover and can be allocated for the aging infrastructure program.

Mr. Lang said that in looking at next year's budget, and the need to cut down, he noted line items for the Trustees for conference, training, etc., that totaled to \$9,000. He suggested cutting these to \$200 and possibly each paying his own way. **Mrs. Stoker** said she had no problem with that but much of this expenditure comes before the Board for approval, but they should look at that. **Mr. Lang** said with taking this out, it would demonstrate to the rest of the organization that the Board is willing to make some sacrifices. **Mr. Wong** said that \$2000 per Trustee is not much at all and to leave it the way it is. It's very minimal. More discussion followed. **Mr. Lang** suggested reducing the total amount for the two line items involved to a total of \$1,000. **Mrs. Boyko** said registrations had been made for the Trustees attending the winter conference in Columbus and that amount might not cover the cost for the trips. **Mr. Lang** said he would reimburse the Township for the difference.

Mrs. Boyko summarized by repeating the importance of maintaining the aging infrastructure, road resurfacing and storm water system. TIF projects identified for 2011 include replacing the roof and structural improvements on the Safety Services building, estimated at \$2.5 million, proposed TIF project to extend the sidewalk from Beckett Ridge Blvd. to St. Rte. 747, estimated at \$300,000, propose extending the Port Union bike trail, this with TIF money for construction only. A proposed sidewalk along Dimmick Rd. is still pending for approval by the Board, repair of the VOA bldg., to be reimbursed through grants already received, and installation of a water line needed for fire suppression. **Mr. Wong** said that he had predicted a few years ago that gas prices would be \$3.00 a gallon. This is surpassed today and in a couple of years from now, it will probably be \$5.00 a gallon. He stressed the importance of sidewalks for the quality of life. Many businesses and hotels have approached him because hotel guests would like to be able to park their cars and walk to the restaurants, stores, etc. He said it would be very prudent to use TIF money to complete the Connections Plan, and the grants that could be used to purchase property along the canal to link up with the Port Union Trail, will be gone forever if not used. These are 80-20 grants. The government pays 80%, the Township pay 20%. It will be a missed opportunity if the Township doesn't take advantage of this. Of all the things, that this type of infrastructure, even though it is small, it is worth the investment, good for property values, business and quality of life. He added that it is very important to maintain the aging infrastructure and the carryover money needed to be properly targeted. **Mr. Lang** said he agreed with **Mr. Wong** on the maintenance issue and that's what has been done in the past few years. This year, the reason the projections for carryover are going down significantly is because it has been planned for the past couple of years, so that this year, a significant amount of money can be spent on maintenance. He said that with potential anticipated loss of revenue to the Township, he didn't want to sacrifice maintenance on existing infrastructure for new infrastructure and new maintenance for that new infrastructure. He said he will explore this and keep an open mind but if the sources decrease the way it is now thought, he would probably not be in favor of building new infrastructure regarding bike paths. **Mr. Wong** said that the Township has been very conservative in anticipating revenue, which is very smart. This is the time to do it and you keep exploring since last year. It's been four years you've been exploring so when are you going to make up your mind or do we have to wait for another lottery jackpot here. **Mr. Lang** asked which hotels **Mr. Wong** has been talking to because he couldn't think of any hotels that didn't have walkable access to the restaurants. This discussion continued with obvious disagreement. **Mrs. Stoker** intervened with her recommendations/comments concerning the Clean Ohio funds available for purchase of land only and the possibility for connecting the Port Union bike trail to the Safety Services parking lot for bikers planning to use the trail. She said she had no problem with using funds for this but could not see doing the Beckett Ridge to Rte. 747 trail because there is infrastructure/shoulder wide enough available and also the parking area at the Tri-County Baptist church could be used. She said this would probably be a 747 TIF project and there is not a lot of money in that fund at this time and it should wait. Basic road maintenance of the

RECORD OF PROCEEDINGS

0393

Minutes of

2011 OPERATIONAL BUDGET WORK SESSION

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10148

Held

JANUARY 18,

2011

roads is most important. Mr. Wong again voiced his disagreement and said the projects he mentioned are imperative and important and it's what the people want.

Mr. Keim displayed charts for the Roads Department that showed 2010 ended with a carryover of \$2.4 million plus. He said planned road expenditures for 2011 are \$4.5 million and more than anticipated revenues at \$3.8 million that include the \$1.5 million from the General Fund.

Mr. Murphy, Superintendent of Roads, Parks & Cemetery reported that his departments will maintain the same staffing levels in 2011 and roads will be resurfaced with black mat slurry to extend the life of roads that are in good condition. The Township is responsible for 220 plus centerline miles of roadway and since 1999 there has been an increase of 30 plus miles of roadway, and in 2011 the plan is to use black-mat slurry or asphalt paving on 16 miles of roadway and curb replacement where needed. This will cost \$1.1 million. \$150,000 has been budgeted for critical curb replacement in 2011, \$360,000 for salt at a cost of \$72.00/per ton, replacement of a '94 salt truck at \$140,000, removal and repair of concrete floors in certain shelters at Keehner Parks, AED's will be installed in the Amphitheater and the Muhlhauser Barn to enhance public safety. **Mrs. Stoker asked** for an explanation of AED's. **Mrs. Boyko said** they are defibrillators. (Clerk's Note: AED= Automatic External Defibrillator) **Mrs. Boyko commended** Mr. Murphy on the expertise and knowledge he has demonstrated over his thirty-three years with the Township and especially due to the growth of the community in that period of time. **Mr. Lang said** that there were many complaints when slurry was first used but this has lessened and asked if it is due to the product getting better or is the Township applying it better or is the community getting used to it. **Mr. Murphy said** in 2005-6 there were problems with the product. Since then the slurry industry made some product changes. There are still minor problems but nothing like the first two years. In 2005, the manufacturer predicted a five-year lifespan. He said he inspected everything this past summer that was done in 2005, and said a 90% plus average is being maintained on the roadways. He said he thought seven years of use will be reached. He said slurry has started to pay-off so that this year it is anticipated to do 2.5 miles of asphalt paving. **Mrs. Boyko added** that the life expectancy of slurry is not as long as paving, the true value of slurry is that it is less costly than asphalt and by applying slurry and preserving the condition of the roadway can lead to higher amounts of roadway mileage. **Mrs. Boyko noted** that aging infrastructure is a challenge to the community to maintain. She said Mr. Wong had told her about a documentary video made in and about the City of Madeira and its approach to the infrastructure challenge. She asked the Board to relate the Madeira experience to West Chester and see the critical aspect of this for discussion after the video. This was a three minute segment of a forty-five minute documentary.

At 6:20 P.M., Mrs. Stoker asked for a few minutes break in the meeting

After the break, Mrs. Boyko displayed a chart showing maintenance demands and the cost for road resurfacing and storm sewer repair cost for the next ten years. These were based on industry life-expectancy for infrastructure standards, after on-site inspection assessments made by the staff. This myriad of information was entered into the Township's CarteGraph automated system and enabled predictions as shown on the chart. She then referred to the Sustainable Infrastructure Fund (SIF) established to support financially the maintenance of Township infrastructure as it ages. Charts were again shown to demonstrate the decrease in carryover in the General Fund due to the transfer of \$1.5 million to the SIF, and the possible decrease in revenue from the State. It was determined that from 2014 and on, the \$1.5 million transfer will no longer be sufficient to maintain the infrastructure. **Mrs. Boyko said** that the charts will have to be refreshed each year, with new information being added, so that at some point more funds will have to be made available, and later in the year another work session should be held on roads and the Township infrastructure. She stressed the importance of the General Fund carryover balance and that its primary function is not only to account for general operating expenses, but also to subsidize other primary funds, such as Fire or Police if needed. She said, generally, in her industry, it has been about 10% of the total operating budget, not just the General Fund. The Township's operating budget,

Held

JANUARY 18,

20 11

including debt service, is about \$70 million, so that would mean \$7 million for the General Fund carryover. She posed things to be considered such as; eliminate discretionary spending from the General Fund. \$314,000 has been earmarked this year for capital improvement projects. \$200,000 of this is for the Dimmick Rd. sidewalk project, or extend the \$1.5 million transfer past the five years and continue to divert the interest earned to the SIF reserve fund, or continue the annual transfer and no longer divert the interest earned away from the General Fund or continue to divert the interest away from the General Fund and not provide the supplement to the roads each year. She also noted that generally TIF district funding can be applied to infrastructure projects that have a fifteen to twenty-year life expectancy, such as new construction of roads, buildings or park amenities. The TIF funds are to be used only in the TIF districts.

Mr. Wong asked how much was in the UCB TIF Fund. **Mrs. Boyko** said about \$15 million.

Mr. Wong asked if this could be used for maintenance of the bike path. **Mrs. Boyko** said it could be used for construction but it would depend on the life expectancy of the repaving of that infrastructure, and it would have to be checked with bond counsel. The 747 TIF has about \$3 million thus much lower than UCB. She asked for the Board's consideration for 2011 and said that the Roads carryover is larger than anticipated at \$2.4 million. To serve operational and personnel costs for the first four or five months, generally needed is \$750,000 to \$1 million. Her suggestion was to let the Roads Fund accommodate the paving and storm sewer improvements for 2011 from its own fund. The other half million of the \$1.5 million estimate could come from TIF. Instead of transferring this from the General Fund to the Roads, transfer it to the SIF. She said the balance in the SIF is about \$850,000. It had been projected to be about \$3 million, thus by transferring the annual supplement to the SIF, puts that fund at \$2.3 million to start off 2011. She asked the Board to schedule another work session for long term financial plans for this expense.

Mrs. Stoker said she would support that with a one-time only approach, and with the understanding that within the next few months, to get more in-depth into the infrastructure and how it will be sustained over the next ten years, with the understanding that it has to be refreshed each year, because it is not now known what kind of revenue we're going to have. It could change several million dollars, one way or the other based on what happens in Columbus. She said she would support moving the \$1.5 million directly to the SIF, allowing Roads to draw down the carryover they currently have. **Mr. Lang** said and supplement the half million from the TIF. **Mr. Wong** said a half million from the TIF and \$2.4 million carryover. **Mrs. Boyko** said the Roads Fund currently has \$2.4 million coming into 2011. That carryover would accommodate the Roads budget being self-sufficient for paving in 2011, but the million can be used for the paving program and storm sewer replacement, and the balance of the estimate of \$1.5 million can be from the 747 TIF. The roads will be Thunderbird, Devitt Dr., Sutton Dr., Circle Freeway and Gold Park. **Mr. Wong** said he would support this. **He also** said that with the Lakota School District busing cutoff, there is a lot of traffic lined up. He emphasized the importance to put emphasis on building walking paths to the schools for the children. He said it is wrong not to build walking paths and asked the Board to think about this, especially with gas prices increasing. Many people have talked to him about this and he's surprised the Board is not for it. **Mrs. Stoker** said Lakota is working with the State on the Safe Walks to School program. She said these are hard economic times and the voters decided Lakota didn't need to have funding for transportation and that's not up to you or I to decide. In Ohio the schools are responsible for the children getting to school. She said we are responsible for Roads, Fire, Police and especially infrastructure, and required, by law, to maintain and will need over the next ten years, tens of millions of dollars to do it, with no discernable adequate revenue source to do it. She said it is not appropriate for the Township to take on Lakota School District's problem. Lakota has a School Board and Lakota has funding. It is our responsibility to build up the commercial property and the most recent information she had showed that Lakota over the lifespan of the TIF's from new development will receive over \$78 million. It's up to the schools to decide where they need sidewalks and lighting and work within the State's budget for safe paths to school. **Mr. Wong** responded by saying that the Connections Plan from Beckett Ridge Blvd. to Kroger is less than one-half mile and is a drop in the bucket, \$200,000, and nothing to do with the school and we have to plan ahead. He said he is very concerned with the infrastructure.

RECORD OF PROCEEDINGS

0395

Minutes of

2011 OPERATIONAL BUDGET WORK SESSION

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10148

Held JANUARY 18, 2011

Mrs. Stoker said she has been concerned with this also, not just roads and storm water, but also with drinking water and the sewer system, but that is the legal responsibility of the Butler County Dept. of Environmental Services. The Township's legal responsibilities are so large and it is not known where the funds will come from to take care of them. She said, as Township Trustees, these have to be taken care of first. Mr. Wong said and also sidewalks.

Mrs. Stoker asked for questions or comments from those present. There was none.

Mr. Keim thanked those who worked with him on the Budget presentation.

Mrs. Stoker thanked everyone and said there would be more workshops coming up and declared the meeting adjourned.

APPROVED:

RESPECTFULLY SUBMITTED:

Catherine Stoker

Catherine Stoker, President

Patricia Williams

Patricia Williams, Fiscal Officer