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Minutes for the Lebanon City Council Meeting
October 5, 2021
7:00 p.m. 50 S. Broadway, Lebanon, Ohio

Council of the City of Lebanon met in a work session meeting in the Council Chambers at the City Building. The meeting was called to order at 7:00 p.m. on October 5, 2021, with the following members present: Mayor Brewer, Vice Mayor Messer, Mr. Cope, Mr. Mathews, Mrs. Monroe, Mr. Shafer and Mr. Shope. Present from the City Staff was Manager Scott Brunka, Attorney Mark Yurick, and Auditor/Clerk Dan Burke. The Pledge of Allegiance was recited.

Previous Business - None

New Business

Resolution – Designating Lebanon as a Purple Heart City. Mr. Brunka stated that a special meeting of City Council has been scheduled for 6:00 p.m. on October 12 at the Veterans Memorial to consider this legislation. At least 4 City Council members need to be present for that meeting and it is open to the public. All of City Council sponsored legislation for the next City Council meeting.

Ordinance – Approving a new bargaining unit agreement with AFSCME for the streets, parks, and auto maintenance division employees. Mr. Brunka explained the changes found in this contract compared to the current contract. The wage component of the contract was completed in 2020. Employees will still have the option to opt-out of the union dues payments. In response to a question from Mr. Cope, Mr. Brunka stated that this contract proposal is not scheduled for Council consideration until the union membership has signed off on the changes. Mayor Brewer, Vice Mayor Messer, Mr. Cope, Mr. Shafer and Mr. Shope sponsored legislation for the next City Council meeting.

Ordinance – Approving an economic development agreement with EPC, Inc. to support the expansion of their facility at 315 S. West Street. Mr. Brunka explained the economic development incentives. This is one of the older manufacturing facilities in Lebanon and City Council is pleased that the owners are willing to stay, invest and grow their Lebanon operations. In response to a question from Mr. Cope, Mr. Brunka stated that a formula is used to determine the value of the incentives for the city and the school district. The tax abatement is only calculated on the building improvement increment. Since this business is in one of the city's "pre- 94" C.R.A. zones, the business is automatically entitled to this property tax abatement. Mr. Yurick explained that the electric kilowatt tax is unique because it can be deposited into the General Fund and is eligible as an development incentive. Mr. Brunka stated that the kilowatt hour tax incentive is also a positive differentiator for Lebanon since it is only available in cities that have an electric utility. Mayor Brewer, Mr. Cope, Mr. Mathews and Mr. Shope sponsored legislation for the next City Council meeting.

Ordinance – Approving the final plat for Autumn Ridge Section 2-A creating 15 single-family residential lots. This has been approved by Planning Commission. Mayor Brewer, Mr. Cope, Mr. Mathews and Mr. Shope sponsored legislation for the next City Council meeting.

Ordinance – Authorizing a change order to the New Street Reconstruction Project adding the replacement of a section of water main on N. Broadway Ave. to the project. There was a significant water main break on N. Broadway earlier this year and it makes sense to replace the rest of that pipe now. The funding is available

in the budget. In response to a question from Mr. Cope, Mr. Brunka stated that residential damage claims from water main breaks are referred to the city's insurance company to determine liability. If the city is not aware that a problem exists, the homeowner is typically liable for their damage. Vice Mayor Messer, Mr. Cope and Mr. Mathews sponsored legislation for the next City Council meeting.

Ordinance – Establishing the charging rate for the City's EV charging station. Mr. Brunka has determined that a fee of .3 / kWH is customary, the same amount is charged at the Golden Lamb stations. The payment portal requires an app. Vice Mayor Messer estimated that a 100-mile charge would cost about $7.00. Vice Mayor Messer, Mr. Cope and Mr. Mathews sponsored legislation for the next City Council meeting.

Ordinance – Authorizing the City Manager to execute an Amendment to the Master Services Agreement with American Municipal Power (AMP) to allow the city to participate in the 2022 EcoSmart Choice Program. Mr. Brunka stated that the city currently participates in this program. Participating businesses can voluntarily opt into this program to access renewable energy sources. In response to a question from Mr. Shafer, Mr. Brunka stated that the buy-back component for excess energy generation is complicated, Shawn Coffey is the best person to discuss that concept. Mr. Yurick stated that determining an efficient pass-through rate for businesses who generate excess alternative source power is very complicated. Mayor Brewer and Vice Mayor Messer sponsored legislation for the next City Council meeting.

General Discussion Topics

2020 Operating Budget Presentation
The 2020 Operating Budget was distributed to City Council and will be posted on the website. A first reading is scheduled for November 9 with a final reading scheduled for November 23. This schedule allows the city to get the budget approved before January 1. Mr. Brunka reviewed the goals and objectives. 2022 is the first year that the budget has exceeded 100 million dollars of estimated revenue and planned expenses. The distinction between restricted funds and income tax supported funds was discussed. The following concepts were reviewed: debt reduction; additional staffing in five departments; fund balance trends; grant revenue projections; street and sidewalk reconstruction; park improvements; bike trail expansion; the current water and sewer rate study; a police facility study; parking meter enhancements; and major capital expenditures. The city's historic property tax assessed valuation was shown. The city's income tax rate of 1.00% is still among the lowest in the region. The presentation has been attached to these minutes.

Mr. Brunka reminded everyone that the city facilities are closed on Monday, October 11 for Columbus Day. Mr. Mathews stated that he is looking forward to the Pooch Parade and Oktoberfest events on Saturday, October 9.

Executive Session

At 8:26 p.m. a motion to adjourn into Executive Session pursuant to Section 121.22 G (1) to consider the appointment, employment, or compensation of a public employee or official was made by Mr. Shafer, seconded by Mr. Mathews. Roll call vote was approved unanimously. At 8:31 p.m. Mr. Mathews made a motion to adjourn out of Executive Session, seconded by Mr. Cope. Roll call vote was approved unanimously.

There being no further business to come before this Council a motion to adjourn the meeting was made by Mr. Shope, seconded by Mrs. Monroe. Roll call vote was approved unanimously. Meeting adjourned at 8:31 p.m.

Passed: October 12, 2021

Mayor

Clerk

Proposed 2022 Operating Budget Overview

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Budget Calendar

Oct. 5 – Nov. 8	Budget Review by City Council
Nov 9	1st Reading of Legislation
Nov 23	Council adopts Operating Budget

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Budget Goals

1. Ensure all essential government services are properly resourced in a manner consistent with the Council's 2022 Goals & Objectives.

2. Sustain adequate cash reserves in the General Fund, Capital Improvement Fund and General Obligation Bond Fund as outlined in City's Fiscal Policy.

3. Reduce existing debt obligations

4. Continue to maximize the amount of resources being directed towards the annual road improvement program.

5. Execute Capital projects including Glosser Rd. Pump Station, Downtown Parking Meter System, Southern bike trail extension, Parkside Park Project, etc.

6. Enhance public safety services

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Operating Budget Overview

- **Total Revenues: $101.77 million**
- **Total Expenditures: $103.69 million** *(Based on full execution)*

Key Factors Why Expenditures Exceed Revenue:

1. ***Budgeting to pay off $2.2 million in existing roadway debt***
2. **Electric System Capital Improvements – Glosser Rd. Sub**
3. **Utilize TIF Fund cash reserves to pay down debt**

Income Tax Rates in Surrounding Communities

City	Rate (%)	Credit (%)
Oakwood	2.50	Full
Centerville	2.25	Full
Miamisburg	2.25	Full
Xenia	2.25	Full
Hamilton	2.00	Full
Monroe	2.00	Full
Franklin	2.00	Full
Middletown	2.00	Full
Oxford	2.00	Full
Carlisle	1.50	Full
Fairfield	1.50	Full
Wilmington	1.50	Full
Springboro	1.50	1.0
Blue Ash	1.25	Full
Mason	1.12	Full
Milford	1.00	None
South Lebanon	1.00	0.5
Lebanon	***1.00***	***0.5***
Loveland	1.00	Full

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Fund Overview

Restricted Funds:

Enterprise Funds (Utilities): ***$62.7 million***
Special Revenue Funds (Fire, Streets, TIF, Impact Fees): ***$8.7 million***
Improvement Funds (Reserve & Replacement, System Improvements): ***$1.0 million***
Internal Service Funds (Self Insurance, Auto Maint.): ***$2.9 million***
Trust & Agency Funds: ***$.3 million***

Income Tax Supported Funds:

General Obligation Fund (Debt Service): $2.6 million
Capital Improvement (Road Program, Facility): $6.1 million
General Fund (Police, Parks, Planning, General Govt.): $19.4 million

Note: City legally cannot use restricted funds for general government services such as police, roads, bridges, debt, etc.

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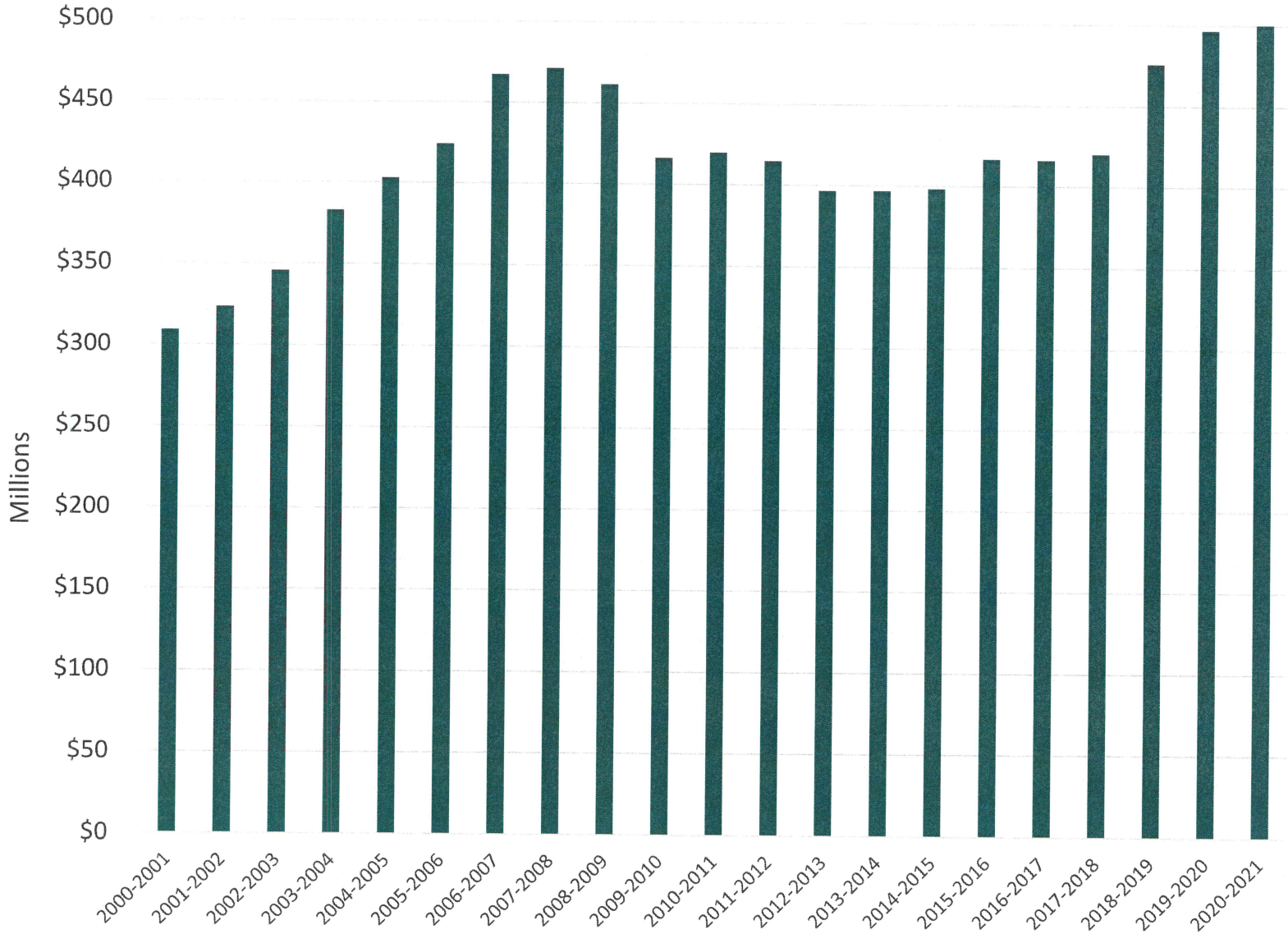
Development

2019 Total Investment	2020 Total Investment	2021 Total Investment YTD - September
Commercial = $18,290,530	Commercial = $79,457,327	Commercial = $38,310.524
Residential = $6,356,505	Residential = $14,651,186	Residential = $12,277,751
Total = $24,647,035	**Total = $94,108,327**	**Total = $50,588,275**

Assessed Valuation

Historical Values Since 2000



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2022 Road Improvement Program

Proposed 2022 Operating Budget includes a total spend on Roadway related infrastructure of $5.33 million

Major Roadway Projects:

N. Mechanic St. Reconstruction: Roadway, Sanitary & Storm Sewer, Water Main:
Cost: $1.33 million

2022 Roadway Resurfacing Program – Various Locations:
Cost $4.04 million

*Note: An additional **$300k** is being transferred from GF to CIF to support the road program in 2022*

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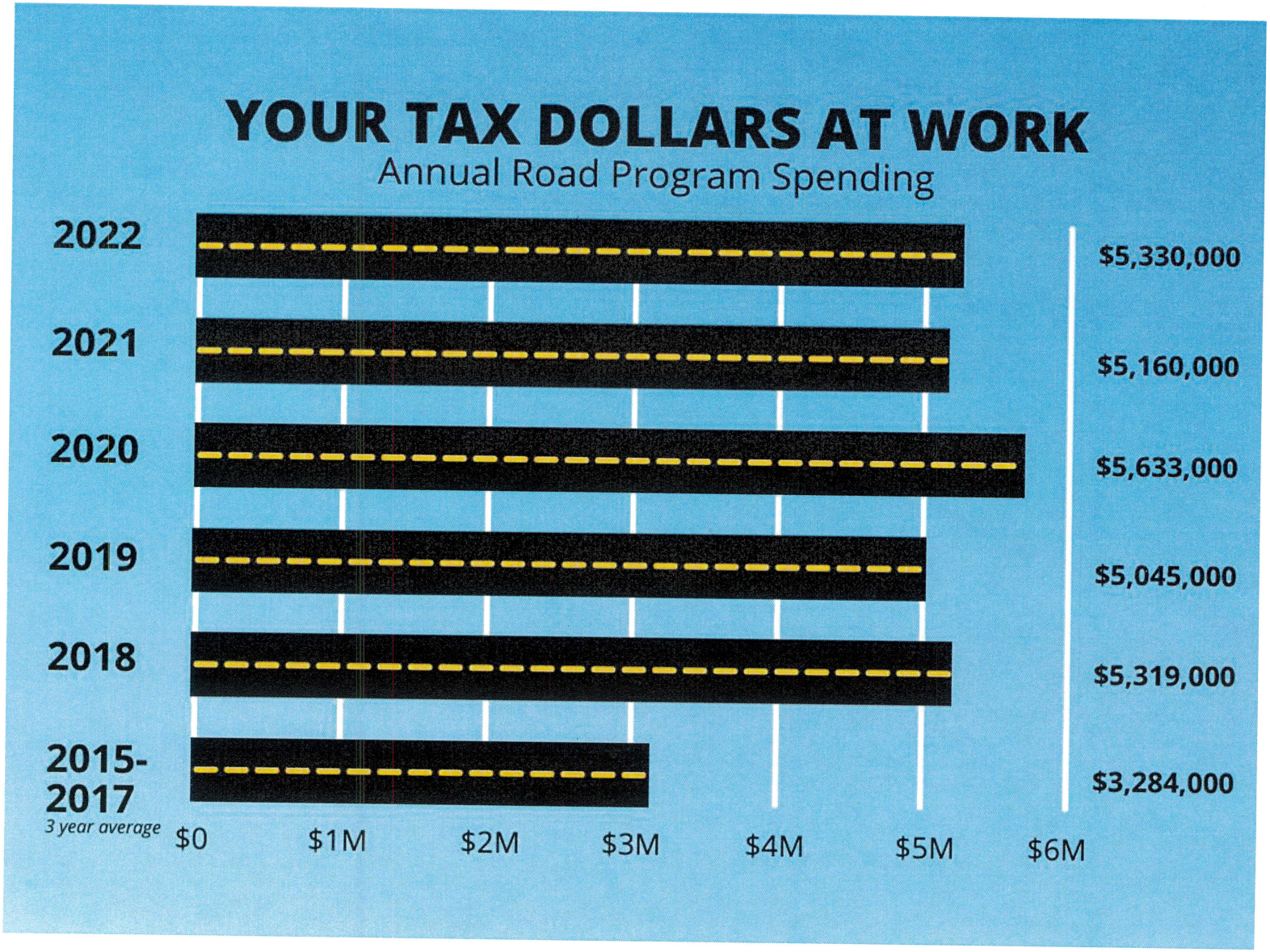
2022 Road Improvement Program



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Roadway Funding Analysis

1. Income Tax Credit Reduction generates approx. $1,072,000 / yr.

2. Based on # lane miles and current funding levels, current CIP road program budget now being adequately funded (prior years 60% - 70% shortfall)

3. 2023 ODOT Urban Paving Program (2024 program authorized and 2026 Program Pending):
   - 2023: S.R. 63 – West Corp limits to N. Broadway (S.R. 48)
   - 2024: S.R. 48 – Main St. To US 42 (Warren St.)
   - 2026: US 42 – N. Broadway to Miller Rd.

ODOT Funding:	$1.5 Million
OKI STP Grant:	$1.2 Million *(secured)*
City Funds:	$1.23 Million

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Misc. Projects

- Southern Bike Trail Extension - $1.3 million *($900k OKI Grant Secured) – Project includes decorative railing on Turtlecreek Union Rd. Bridge*
- Bike Park Trail Expansion - $200k *($150k NRAC Grant Secured)*
- Parkside Park Acquisition and Development - $2.4 million ($2.3 million NRAC Grant Secured)
- Harmon Park Playground Replacement - $350k (ARPA Funds and Harmon Civic Trust Donation)
- Downtown Restrooms - $325k – ($175k State Budget Grant and ARPA Funds)
- Downtown / Parks Surveillance Camera Expansion - $75k

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Misc. Projects

- Glosser Rd. Pump Station / EQ Basin - $9.8 million *(Grant and OEPA Low Interest Loan pending)*
- S.R. 63 Sanitary Sewer Extension - $685k *($500k in ARPA Funds)*
- Glosser Rd. Substation Rebuild - $2.9 million
- Railroad Bridge 4.10 Engineering - $70k

2022 Operating Budget includes $4.2 million in grant support

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General Revenue Fund Analysis

General Fund:

Revenues: $18.20 million

Expenses: $19.02 million *(Based on 98% execution rate)*

Note: Includes transfer of $1.1 million to pay off $2.2 million GO Bond Fund Debt

GO Bond Fund:

Revenues: $1.89 million

Expenses: $2.59 million

Note: Includes paying off $2.2 million Road Improvement Debt

Capital Improvement Fund:

Revenues: $6.08 million

Expenses: $6.07 million

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Proposed Staffing Changes

Additions:

Conversion of 3 PT Fire / EMS Positions to Full-time

Hire 2 additional Patrol Officers

Admin. Assistant Position in Public Works to handle Cemetery sales, etc.

Create new Deputy Director of Technical / Engineering Services Position in Electric

Additional position in Sanitary Sewer Division to manage new OEPA requirements and succession planning

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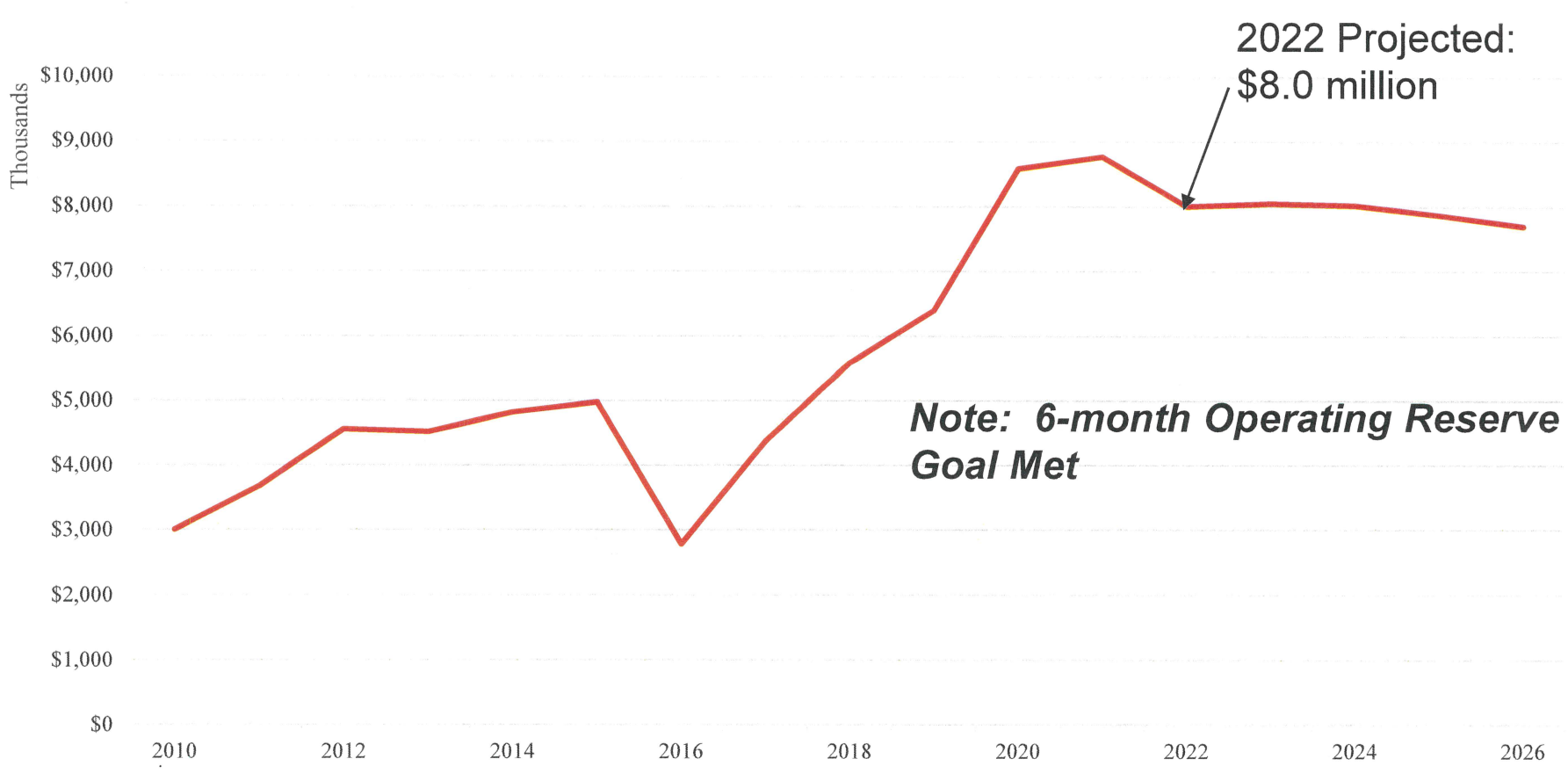
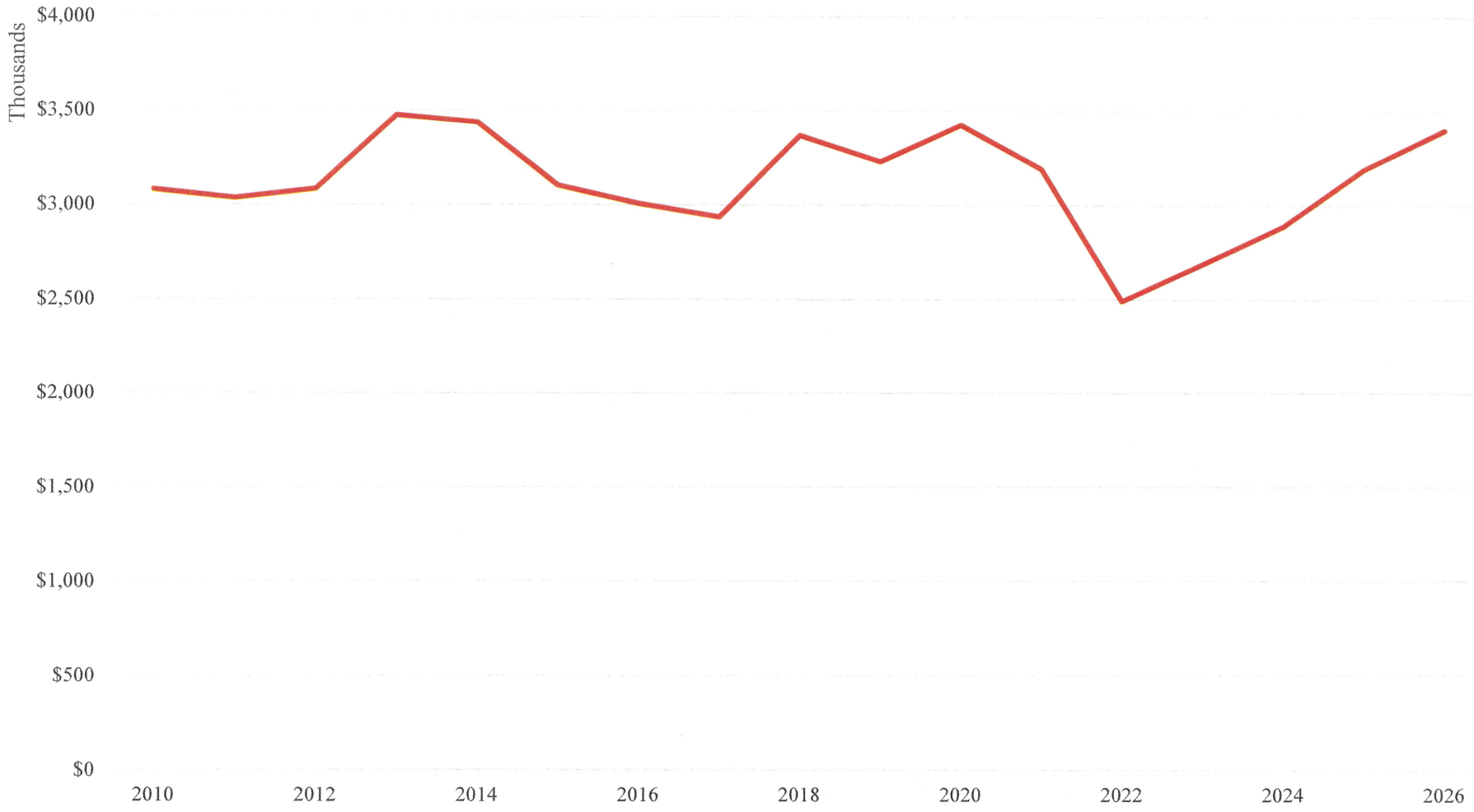
General Fund Cash Balances
2010 - 2026



GO Bond Fund Cash Balances
2010 - 2026



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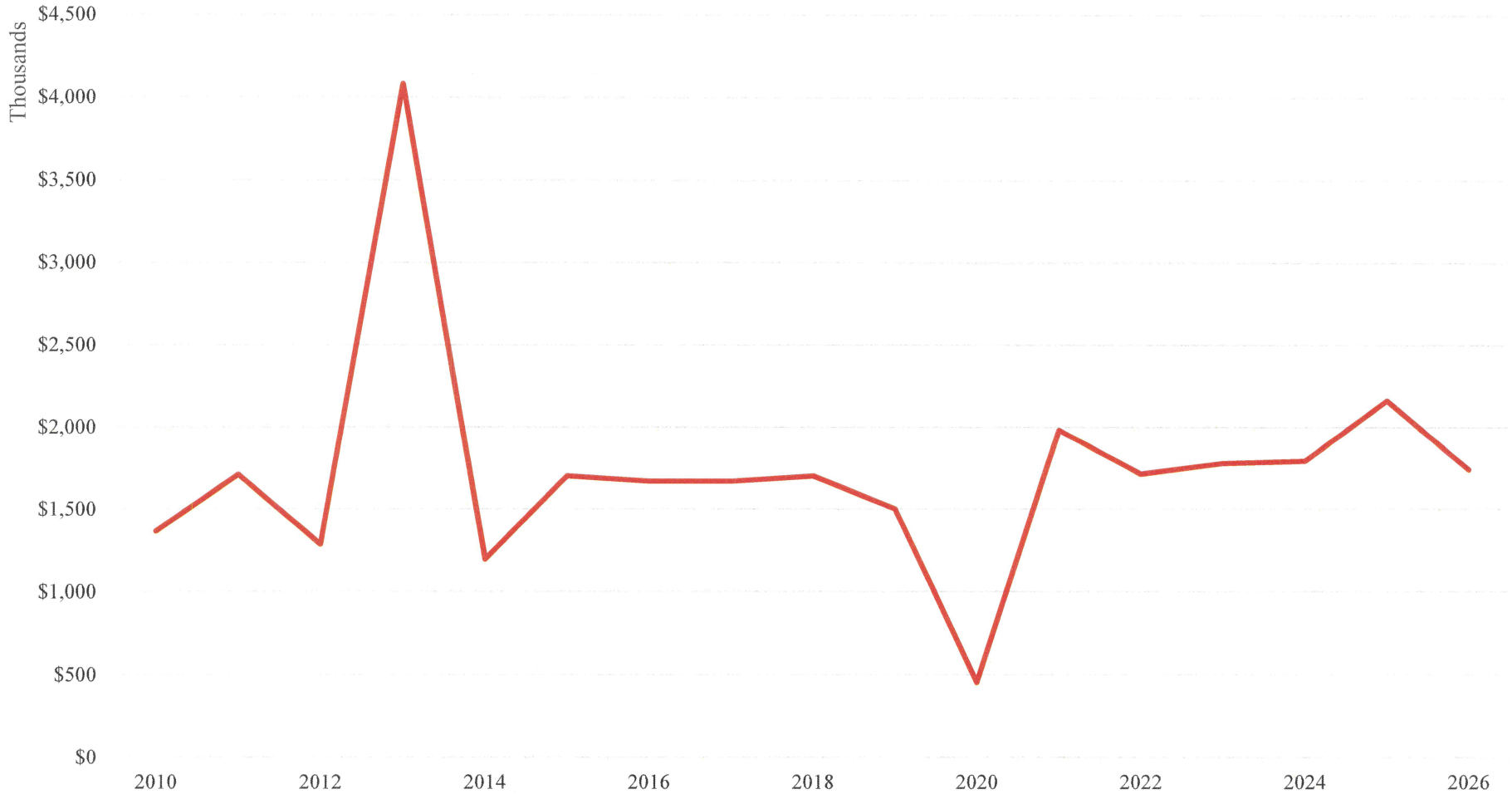
Capital Improvement Fund Cash Balances
2010 - 2026



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Service Rate Changes Reflected in Proposed Operating Budget

- Water: TBD – Rate Study In Progress
- Sewer: TBD – Rate Study In Progress
- Electric: No change
- Sanitation: Per Ordinance
- Storm Water: 4% rate adjustment

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2022 City Council Goals Checklist

- Grow Cash Reserves: GF and CIF cash reserves projected to be stable in 2022; *6-month operating reserve goal has been met*
- Pursue Grant Opportunities: *$4.2 million in grant revenue included*
- Evaluate Opportunities for Debt Reduction: *$2.2 million GO Debt paid off*
- Fund Rail Bridge Replacement: *Engineering included; grants to be pursued*
- Execute Projects in CIP: *2022 CIP Projects funded*
- Police Dept. Facility Assessment: *Assessment funding included*
- Fund Property Acquisition / Redevelopment: *$75k allocated*
- Construct Public Restrooms, Parking Meter Upgrades, Harmon Park Playground Replacement, Expand Security Cameras: *All Projects Included*

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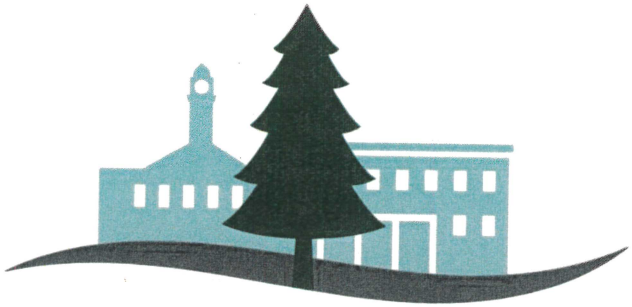
2022 City Council Goals Checklist

- Construction Southern Bike Trail Extension, Bike Park Expansion: *Project Funded*
- Improve Roadway System: *$5.33 million programmed for roadway (street, curb, pedestrian) infrastructure*
- Direct Additional Revenue into Roadway: *$300k from GF Directed to CIF*
- Support Quality Growth Initiatives – *Parkside Project Included*



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