

Oakwood, Ohio

June 1, 2021

The Oakwood citizen Budget Review Committee (BRC) met at 5:30 p.m. on Tuesday, June 1, 2021. The meeting took place in the Great Room of the Oakwood Community Center, 105 Patterson Road.

The following people attended:

Budget Review Committee

In-person:

Dave Dickerson, Chair
Bill Frapwell, Vice Chair
Howard Boose
John Gray
William Meyer
James Broz
Mark Risley
Steve Brooks
Erika Endsley
Bill Rieger
Mike Ruetschle

Via Zoom:

Beth Ritzert
Yusaku Kawai
Ella Himes
Susie Elliott
Cait Botschner
Nicole Motto

Oakwood City Council

In-person:

Mayor Bill Duncan
Vice Mayor Steve Byington
Councilmember Rob Stephens
Councilmember Leigh Turben

City Staff

In-person:

City Manager Norbert Klopsch
Leisure Services Director Carol Collins
Finance Director Cindy Stafford
Law Director Rob Jacques
Personnel & Properties Director Jennifer Wilder
Engineering & Public Works Director Doug Spitler

Via Zoom:

Public Safety Director Alan Hill

Mayor Duncan opened the meeting with a welcome and invited Chair Dave Dickerson to make opening comments. Mr. Dickerson said it was nice to see everyone again and thanked the committee for their service to the city and asked each person to make a self-introduction. Mr. Dickerson invited City Manager Norbert Klopsch to deliver the meeting presentation.

Mr. Klopsch welcomed the committee members and began his presentation with comments about the current state of Oakwood. He opined that the City is as beautiful as it was when he moved to Oakwood 29 years ago. Citizens care for one another and maintain their property. Public safety is as good as ever, as annual crime statistics confirm, and our finances are in very good shape. Niche.com recently ranked Oakwood as the "Best Place to Live in Ohio".

Mr. Klopsch commented on the use of federal CARES Act money to purchase remote meeting technology and how the new equipment provides for the use of the Zoom.com platform for this meeting, for city council meetings, and for other public meetings, as well as programs at the OCC.

Mr. Klopsch then noted that all committee members had received a copy of the minutes of the December 8, 2020 meeting, and asked if there were any requested edits. There being none, Mr. Klopsch asked for a motion to approve those minutes. Motion to approve by Howard Boose; second by Mark Risley. Upon viva voce vote, motion passed and the minutes were approved.

Mr. Klopsch and Mrs. Stafford delivered the meeting presentation.

- 2020 FINANCIAL AUDIT: Mrs. Stafford reported that the audit of the 2020 city finances was recently completed by Plattenburg & Associates. No items were noted and an unqualified “Clean” opinion is forthcoming.
- 2020 FINANCIAL HIGHLIGHTS: Mrs. Stafford noted that the COVID-19 pandemic made 2020 a challenging year. All anticipated revenues and budgeted expenditures were evaluated to determine the possible impacts of the coronavirus.
 - Total spending for General City Services was \$12.50 million, compared to \$13.01 million in 2019. The drop is primarily a result of deferred capital spending.
 - General City Services receipts were 108% for the year and disbursements were 87.98% of budget. During the early stage of the pandemic, it was feared that income tax revenue may drop significantly, in particular because of the state-wide shutdown. With income tax receipts representing 63% of the City’s revenue, city staff cut approximately \$500,000 in planned capital project expenditures. As the year unfolded, income tax revenue rebounded and the year finished at \$306,000 better than budget, with revenues exceeding the budget by \$1,091,583. The City received \$518,000 in CARES Act money provided by the Federal Government, and \$885,000 of Bureau of Workers’ Comp rebates to help ease the financial pressures amid the ongoing coronavirus pandemic. The CARES Act funds were used in full compliance with all federal and state requirements to offset direct costs as a result of the pandemic. Disbursements and encumbrances were \$1,797,237 less than budget. This was a result of cancelled OCC classes and events; postponed capital projects; CARES Act monies offsetting public safety salaries; and an additional \$308,000 that was not transferred to other funds for normal expenditures.
 - Refuse Fund receipts were 107.38% for the year and disbursements were 92.40% of budget. Revenue exceeded the budget by almost \$100,000 due primarily to the Bureau of Workers’ Comp rebates. The rebates were allocated to funds with wages paid, including refuse.
 - Enterprise Funds receipts were 107.73% for the year and disbursements were 93.40% of budget. The Enterprise Funds include Water, Sanitary Sewer and Stormwater. She explained that most of the sewer costs are driven by Montgomery County and the city of Dayton and their timing of billing for wastewater treatment.

Over the course of the 2020 fiscal year, the unencumbered reserves for General City Services increased by \$2,204,800. This significant increase is primarily attributed to three things:

- As previously mentioned, city staff cut approximately \$500,000 in planned capital project expenditures.
- The City received \$518,000 in CARES Act money provided by the Federal Government.
- The City received \$885,000 of Bureau of Workers' Comp rebates.

Below are financial highlights included in the 2021 City Manager's Budget Message:

- "The total 2021 Budget in the General Fund and seven Primary Operating Funds is \$12,782,827. Revenues for these eight funds are derived primarily through income taxes, property taxes, fees and assessments. In terms of minimum acceptable beginning year cash balances, six months of operating expense is a generally accepted standard for cities. Within these eight funds, we started 2021 with unencumbered balances at \$11,435,819, which is about ten months of operating expenses."
- "We start 2021 with unencumbered Refuse Funds at \$581,289. I believe that \$500,000 is a reasonable and appropriate goal for the minimum beginning year balance, so we are in good shape."
- "We start 2021 with unencumbered Water Funds at \$1,348,686. I believe \$1,000,000 is a reasonable and appropriate goal for the minimum beginning year balance, so we are in good shape."
- "We start 2021 with unencumbered Sanitary Sewer Funds at \$1,689,091. As with the Water Utility, I believe the appropriate and necessary amount is \$1,000,000, so we are in very good shape."
- "We start 2021 with unencumbered Stormwater Funds at \$392,047. I consider \$1,000,000 as an appropriate and necessary amount to have the resources for maintaining our storm sewer system and addressing emergency needs as they may arise."

- 2021 BUDGET AND APPROPRIATIONS: Below are 2021 budgeted expense figures presented by Mr. Klopsch:

- General City Services Initial Appropriation: \$13,255,893

Supplemental Appropriations:

- Fire Insurance Trust Fund: \$37,559
- Asphalt Repaving: \$225,000
- Refuse Packer Truck: \$280,000
- Recycling Facility: \$257,730
- Refuse Operations: \$1,417,584
- Water Utility: \$1,175,820
- Sanitary Sewer Utility: \$1,793,704
- Stormwater Utility: \$453,008

- 2021 FINANCIALS THROUGH APRIL: Mrs. Stafford noted that General City Services receipts through April are at 41% of budget, while disbursements are at 30% of budget. Refuse Fund receipts through April are at 33% of budget and disbursements are at 30% of budget. Enterprise Fund receipts through April are at 31% of budget and disbursements are at 32% of budget.

- 2.72 MILL PROPERTY TAX ISSUE: Mr. Klopsch reported that the City's 2.72 mill property tax expires at the end of this year. Below are details:
 - The tax issue was first approved in November 1991.
 - It has a five-year term and started generating revenue in 1992.
 - The current effective mills is 1.27 (1.40 was presented at the meeting, but was corrected afterwards).
 - The tax issue raises about \$460,000 annually.
 - The tax on a \$200,000 value home is about \$78 annually (\$97 was presented at the meeting, but was corrected afterwards).

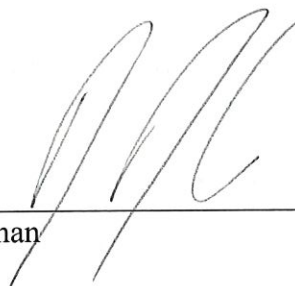
City Council plans to place the issue on the November 2021 ballot for a renewal only, meaning it would, if approved by the voters, continue to generate the same annual revenue, and would represent no increase in property taxes. Mr. Klopsch noted that the City currently receives about 8% of the property taxes paid in Oakwood. He then reviewed the following timeline for promoting the proposed renewal of the 2.72 mill property tax:

- Jun 7: Resolution of necessity/auditor certification
 - Jul 19: Resolution placing issue on ballot
 - Jul 20: Press Release explaining tax renewal
 - Jul 26: Resolution submitted to Board of Elections
 - Oct/Nov: *Oakwood Scene* newsletter article
 - Oct 11: Letter to citizens from BRC
 - Oct 20: *Register* article from City Council/Manager
 - Oct 27: Postcard reminders sent to voters
- AMERICAN RESCUE PLAN/LOCAL FISCAL RECOVERY FUND: A \$1.9 trillion American Rescue Plan was passed in March 2021 to provide federal financial aid to support cities. Oakwood City Council approved a new fund in the City's financial records known as the "Local Fiscal Recovery Fund." The fund is required by law in order to receive direct and indirect relief payments under the American Rescue Plan Act of 2021. Mrs. Stafford mentioned that the City originally expected to receive \$1.7 million, but now believes it will be a lesser amount. She commented on possible uses for the money.
- 2021 CAPITAL PROJECTS/EXPENSES: The following capital expenses are in the 2021 Budget:
 - Electric Vehicle Charging Station: \$24,000 (\$15,000 to be reimbursed from Ohio EPA Grant)
 - In-car and Body Cameras: \$120,000
 - Public Safety Radio System Upgrade: \$45,000
 - Public Safety Soft Body Armor Replacement: \$20,000
 - S-45 2011 Riding Mower Replacement: \$15,000
 - Storage Building/Shop at Public Works: \$175,000
 - S-67 2001 Leisure Services/Beautification Truck, 4wd w/Dump Bed Replacement: \$43,000
 - S-69 2005 Street Maintenance Truck Replacement: \$35,000
 - Asphalt Street Program: \$425,000
 - Orchardly Park Safety Surface Replacement: \$55,000
 - Orchardly Park Splash Pad Repair: \$38,000
 - Orchardly Park Tennis Court Repairs: \$16,000

- Shafor Park Tennis Court Resurfacing: \$0 (project to be completed under warranty)
 - Refuse Scooters x4: \$90,000
 - Refuse Packer Truck: \$275,000
 - AMR Water Meter Reading Software Upgrade: \$70,000
 - S-86 2004 Dump Truck: \$150,000
 - Far Hills Stormwater Inlet Repairs: \$70,000
- CITY ENGINEER: Mr. Klopsch shared that since Oakwood's inception, there have been periods where the City had an in-house city engineer, and periods where the City used outside consultants for all engineering work. The most recent time the City had a dedicated in-house city engineer was 1992-2000. In 2000, the position was combined with that of Public Works Director. The engineering workload over the next decade is such that having a person exclusively dedicated to that function is justified and makes sense. In 2002, the City had 95 fulltime employees and there are currently 85. City staff hopes to have this position filled and the person on-board soon.
 - POSSIBLE 2022 CAPITAL PROJECTS/EXPENSES: The following is a list of possible capital projects and/or expenses for 2022:
 - Gardner Pool Deck: \$220,000
 - Gardner Pool Diving Boards: \$34,000
 - Gardner Pool Dry-Deck: \$8,000
 - Gardner Pool Lifeguard Stands: \$6,000
 - Police Cars x2: \$108,000
 - Asphalt Street Resurfacing: \$450,000
 - Concrete Street Repairs: \$100,000
 - Sidewalk, Curb and Apron Repairs: \$175,000
 - Front-end Loader Replacement: \$90,000
 - Leaf Vac Replacement: \$75,000

The City will also need to prepare master plans for improvements to the Traffic Signal System and major Far Hills storm sewer repairs around Dellwood, Greenmount and Devereux.

There being no other business, at 6:31 p.m. Mayor Duncan and Mr. Klopsch thanked the committee members for their service and the meeting was adjourned.



 Chairman