

Oakwood, Ohio
October 17, 2023

The Oakwood citizen Budget Review Committee (BRC) met at 5:30 p.m. on Tuesday, October 17, 2023. The meeting took place in the council chambers at the city building, 30 Park Avenue, and was available via the Zoom.com remote teleconferencing platform.

The following people attended:

Budget Review Committee

In-person:

Howard Boose
Jeanne Boozell
Cait Botschner
Fred Dudding
Kate Halpin
Michael Hayes
Amanda Malusky Krauss
Kristina Marcus
Megan O'Leary
Bill Rieger
Mark Risley
Jim Vaughn
Sarah Waechter
Raya Whalen
Jeff Woeste

Via Zoom:

Ella Himes
William Meyer

Oakwood City Council

In-person:

Mayor William Duncan
Vice Mayor Steve Byington
Council Member Anne Hilton
Council Member Leigh Turben

City Staff

In-person:

City Manager Norbert Klopsch
Leisure Services Director Carol Collins
Finance Director Cindy Stafford
Public Safety Captain Kevin Pruszynski
Public Works Director Doug Spitler
Human Resources Manager Sangita Anand

Via Zoom:

City Engineer Chris Kuzma

Other

In-person:

Healy Jackson

(Mrs. Jackson is running unopposed for city council on the November 7, 2023 ballot.)

Mayor Bill Duncan opened the meeting with a welcome. He then introduced Oakwood resident Healy Jackson. Mrs. Jackson will be on the November ballot to be on Oakwood City Council. Mrs. Hilton's term will be expiring at the end of this year.

Mayor Duncan asked the committee members to do self-introductions. He asked if there were any suggested edits to the September 12, 2023 meeting minutes. There being no edits, Mayor Duncan asked for a motion to approve those minutes. Motion to approve by Mr. Boose; second by Mr. Dudding. Upon viva voce vote, motion passed and the minutes were approved.

Mayor Duncan invited Mr. Klopsch to make opening comments and deliver the meeting presentation.

Mr. Klopsch began the meeting by stating that if not for the \$1.1 million that will go uncollected in 2024 due to the property tax issue, 2024 revenues and expenses would likely be balanced. The property tax issue will be discussed later in the meeting. He then discussed the following:

- Family Fall Festival/Scarecrow Row: This continues to be a great community event. There were 25 scarecrows built on Shafor Boulevard this year.
- Electricity Purchasing... Aggregation Program: Oakwood's electricity energy aggregation program is an opt-in program so citizens can choose to join the program, stay with AES, or possibly find better rates by using the State of Ohio's Apples to Apples website to compare different contracts. Oakwood residents can enroll in the electricity energy aggregation program with the MVCC contract prices until November 15, 2023.
- Far Hills Storm Sewer Replacement: The Far Hills Storm Sewer Replacement project is moving along. The construction is expected to be completed by the end of November or the beginning of December.
- Five Points Traffic Intersection: City staff presented a grant application to ODOT officials. A decision on whether ODOT grant money will be awarded for the potential roundabout project is expected by late 2023 or early 2024.
- Rotary HAZMAT Program: This program began in 2008 and continues to be highly successful. Volunteer Oakwood Rotarians pick up large quantities of hazardous material on a quarterly basis for drop-off at the Montgomery County Refuse Transfer Station where they are properly disposed of. The County may begin charging for the disposal of hazardous waste material in 2026.
- 3.75 Mill Property Tax Levy: The levy renewal will not be on the November 7, 2023 ballot. City Council properly passed the appropriate legislation, but the ordinance requesting to place the issue on the ballot was mistakenly sent to the Auditor's office rather than the Board of Elections. The city plans to place the issue on the March 19, 2024 ballot and to request the same amount of tax revenue as the current issue, which will result in a lower millage rate due to the new triennial property valuations. The city would not seek any additional revenue from Oakwood taxpayers.
- Water System Infrastructure: The city continues to analyze Oakwood's public utility infrastructure and develop improvement projects, particularly with the water, sanitary sewer, and stormwater underground piping. Prior to 1953, the city of Oakwood purchased all of its water from the city of Dayton. In 1953, two wells were drilled on the city-owned property at 120 Springhouse Road and the city started producing some of its own water. Three new wells were drilled at Springhouse in 1965 and the water production increased. The city currently has eight water production wells and has produced nearly all of its own water over the last 20-plus years. The water tower at Fairridge Park provides for the pressure in the system and is in good shape. A major rehabilitation project was completed on the tower in 1996 and it has held up very well. Similar to CenterPoint's major gas line replacement project, which should be completed at the end of this year, the old cast-iron water pipes in town will need to be rebuilt at some point. Mr. Klopsch displayed a line graph showing the number of water main breaks over the past 12 years. The graph does not identify any trends or show evidence that the piping needs to be replaced right now. A multi-year long-term plan is being developed to systematically work towards the updates.

- 2023 FINANCIALS THROUGH SEPTEMBER: Finance Director Cindy Stafford presented the following financial data:
 - General City Services receipts through September are at 85.41% of budget, while disbursements and encumbrances are at 78.64% of budget. As the two largest sources of revenue, graphs were displayed for Income Tax receipts and Property Tax receipts. Mrs. Stafford projected that the income tax receipts will come in slightly less than the \$11 million that was budgeted. This is likely due to people returning back to working in the office versus working remotely. Next year's budget will include \$10.8 million for income tax receipts. Regarding property taxes, there was a decrease in property tax revenue due to a property tax levy expiring in 2008, and there will be a decrease in 2024 due to the 3.75 mill levy not making it on the November ballot. The minor changes from year to year are a result of increases in the total valuation of Oakwood property. Investment revenues were approximately \$460,000 more than anticipated. Mrs. Stafford anticipates ending the year with expenses around 97% of what was budgeted.
 - Refuse Fund receipts through September are at 75.84% of budget and disbursements and encumbrances are at 77.98% of budget. Mrs. Stafford shared that she expects to end the year very close to budget.
 - Water Utility Fund receipts through September are at 79.95% of budget and disbursements and encumbrances are at 68.97% of budget. Mrs. Stafford shared that she anticipates that the fund will end the year below \$1 million, which is why a water rate increase is being proposed for 2024. She explained that the Water, Sanitary Sewer and Stormwater Funds receive an allocation of interest income based on fund balances.
 - Sanitary Sewer Utility Fund receipts through September are at 75.91% of budget and disbursements and encumbrances are at 61.70% of budget. Mrs. Stafford shared that she expects to end the year with revenue around 2% more than what was budgeted, primarily due to investment revenue. A sewer rate increase is being proposed for 2024.
 - Stormwater Utility Fund receipts through September are at 95.27% of budget and disbursements and encumbrances are at 92.30% of budget. This includes \$985,000 for the Far Hills Storm Sewer Reconstruction Project. Mrs. Stafford shared that she expects to end the year with revenue 4% higher due primarily to investment revenue.

Mr. Klopsch shared that staff tracks home sales in Oakwood on a monthly basis. Roughly 90% of the homes are selling above the county's appraised values. Oakwood continues to be a very desirable place to live.

Mr. Klopsch commented on the September 18 event held at Hawthorn Hill announcing that Joby Aviation will be spending half a billion dollars to build their main manufacturing plant at a property near the Dayton International Airport. The company is predicted to be the single biggest new employer in the state and region bringing 2,000 new jobs to the area.

- 2024 PROPOSED BUDGET: Mr. Klopsch stated that the proposed 2024 Budget will show that expenses exceed revenue by \$1,481,814. This is primarily due to \$1.1 million in property taxes that will not be collected in 2024 because of the 3.75 mill levy issue. The proposed 2024 Budget includes \$1,206,400 for the 2024 Far Hills Resurfacing Project.

- 2024 CAPITAL PROJECTS/EXPENSES: Below is a comparison of the 2022 budget, 2023 budget, and proposed 2024 capital expenses:
 - 2022: \$2,700,889
 - 2023: \$5,337,994
 - 2024: \$4,494,100

The 2023 budget included \$2.2 million for the Far Hills Storm Sewer project. The 2024 budget includes \$1,206,400 for the Far Hills Resurfacing project.

Mr. Klopsch reviewed the following capital projects proposed for 2024:

- *General City Services*
 - Computer Equipment: \$50,000
 - Hanging Baskets: \$35,000
 - S-29 Air Compressor: \$30,000
 - Seal City Parking Lot & ORSC Lot: \$27,500
 - OCC Carpet Replacement – Lower Level and Great Room: \$24,000
 - Gardner Pool Liners: \$100,000
 - PW Center Salt Storage & Yard Improvements: \$300,000
 - Med-26 2005 Ford Ambulance: \$300,000
 - S-75 2016 GMC Sierra: \$45,000
 - A-8 2008 Ford Escape: \$25,000
 - A-4 Engineering Vehicle: \$57,000
 - Concrete Street Program: \$200,000
 - 2024 Far Hills Resurfacing (\$80% payment by ODOT): \$1,206,400
 - Harman Blvd. 400 Block Median: \$175,000
 - Orchardly Park Fencing: \$38,000
 - Sidewalk, Curb & Driveway Apron Program: \$200,000
 - *Refuse Utility*
 - S-89 2002 Kramer Loader: \$115,000
 - S-04 2009 Cushman: \$25,000
 - *Water Utility*
 - EZ Valves: \$50,000
 - Caton/Far Hills Water Main Improvement: \$215,000
 - Oakwood/Briar Hill/ Far Hills Water Main Improvement: \$150,000
 - Peach Orchard Vault: \$30,000
 - Well #6 Underground Electric Service: \$52,000
 - Water Line Repairs: \$50,000
 - *Sanitary Sewer Utility*
 - Sewer Easement Cleaner Machine: \$125,000
 - Trench Box & Trailer: \$20,000
 - Sanitary Sewer Repairs: \$50,000
 - Sanitary Sewer Lining: \$125,000
 - Sanitary Manhole Rehab: \$100,000
 - *Stormwater Utility*
 - S-20 2002 Johnston Street Sweeper: \$280,000
- 2024 LINE ITEM BUDGET: Mr. Klopsch briefly reviewed the line item budgets for General City Services, Refuse Operations, Water Utility, Sanitary Sewer Utility and Stormwater Utility.

- REFUSE RATES: Refuse rates were last increased in 2019 and no increase is proposed for 2024.
- WATER RATES: The last water rate increase was imposed in 2017. There are upcoming costs related to infrastructure improvements and capital equipment including water mains and service lines, water well maintenance, water tower refurbishments, and water meter replacements. The chart below shows the proposed monthly water bill increase for three water usage scenarios... 300, 600 and 900 cubic feet, comparing 2023 and proposed 2024 rates:

	2023 Rate			Proposed 2024 Rate			Monthly Increase
	Service Fee	Usage Charge	Total	Service Fee	Usage Charge	Total	
300 cf	10.00	5.28	15.28	15.00	7.92	22.92	7.64
600 cf	10.00	10.56	20.56	15.00	15.84	30.84	10.28
900 cf	10.00	15.84	25.84	15.00	23.76	38.76	12.92

- SANITARY SEWER RATES: The sanitary sewer rates were last increased in 2018. Below is a rate comparison of 2023 and proposed 2024 rates:

	2023 Rate			Proposed 2024 Rate			Monthly Increase
	Service Fee	Usage Charge	Total	Service Fee	Usage Charge	Total	
300 cf	21.20	10.58	31.78	26.50	13.23	39.73	7.95
600 cf	21.20	21.16	42.36	26.50	26.45	52.95	10.59
900 cf	21.20	31.74	52.94	26.50	39.68	66.18	13.24

Mr. Klopsch closed his comments by stating that the proposed budget shows \$1.48 million of cash reserves being used in 2024.

Mayor Duncan mentioned that staff and Council will continue to develop and refine the Capital Improvement Program.

There being no other business, at 6:27 p.m. Mayor Duncan and Mr. Klopsch thanked the committee members for their service and the meeting was adjourned.



 VICE-Chairman