

CITY OF BLUE ASH
Interoffice Memo - City Manager's Office

TO: City Council
FROM: City Manager and Department Directors
SUBJECT: Agenda Items for the August 12 Council Meeting
DATE: August 10, 2010
COPIES: Department Directors, Press, Clerk of Council, Solicitor

The following offers a brief description of the items included on the August 12 Council agenda:

Item 5. Beautification Week Presentations

The Beautification Week judging process took place in June, with the City receiving nominations for over 110 residential properties. All properties nominated for an award were judged by the Committee. Examples of the judging criteria included overall appearance, type of plantings used (garden variety/color), and overall lawn and tree maintenance.

This year's Beautification Week winners, who were invited to Thursday's meeting to receive their awards, include:

- Mayor's Choice: Larry & Jean Kinsella, 9451 Oakhurst
- Committee Choice: The Yasbeck Family, 10116 Kenwood Rd.
- People's Choice: The Warshaw Family, 10350 Ryan's Way
- Small Business: Strawser's Funeral Home, Kenwood Rd.

Residential Finalists:

- 10171 Zig Zag Rd. - The Crusham Family
- 10243 Kenwood Rd. -The Bork Family
- 5621 Samstone Ct. - The Hodovanic Family
- 9499 Railroad Ave. -The Hankinson Family
- 4418 Edenton Ln. – The Hughes Family
- 9465 Tramwood Ct. - The Chua Family
- 3557 Tiffany Ridge - The Fink Family

Please direct questions regarding the Beautification Week process to Councilman Czerwonka.

11.a.1. Motion setting a Work Session for 6:00PM, Monday, August 30, 2010 (Topic: Preliminary 2011 Budget work session)

This motion formally establishes a work session for 6PM, Monday, August 30. The City Manager recommended that this session be established, with the topic being a preliminary discussion related to the 2011 Budget. This work session is anticipated to be held in the Blue Ash Conference Room.

Please direct questions regarding this motion to the City Manager.

11.a.2. Motion adjusting the Council Meeting start time to 7:30PM for the regular meeting of Thursday, September 23, 2010

The next delegation from Blue Ash's Sister City, Ilmenau, Germany, will be in town during the regular Council meeting scheduled for September 23. Given activities planned for the delegation (and Council) earlier that evening, it is the Administration's recommendation that the start time for this meeting be pushed back a bit to allow for completion of those activities. (The delegation will also be present at the Council meeting that evening.) Further information regarding that visit will be forwarded to Council in coming weeks.

Please direct questions regarding this motion to the Public Information Officer.

11.a.3. Ordinance No. 2010-41 - Transferring funds

The attachment to this transfer ordinance reflects a number of significant amounts, focused around three separate areas. Two of those involve the Community/Economic Development area, and the other relates to an adjustment within the Street Construction Maintenance & Repair (SCMR) fund about a delay in moving ahead with cooperative paving arrangements with the Cincinnati Water Works during 2010.

The Deputy Treasurer, working with Dan Johnson in the Community Development office, has determined that a need exists for the appropriation of supplemental 2010 revenue in the commercial building permit account (\$50,000), and a corresponding increase on the expenditure side related to the contractual cost for inspection and review services. As Council is aware, the City contracts with National Inspection Corporation (NIC) for permitting and inspection services, and this transfer is necessary to allow continued processing of commercial building permits for the remainder of 2010. This description refers to the two \$50,000 items on the attachment.

The second Community/Economic Development issue involves a request for an expenditure increase in the economic development area of \$150,000. This item is reflected as an Additional Expenditure Appropriation for economic development, and provides funding from our existing General Fund balance to accommodate recent commitments to economic development incentives. This amount does include a small increment (approximately \$20,000) to cover anticipated smaller incentives or professional services related to potential TIF projects.

The final adjustments, impacting the SCMR area, are shown on the attachment reflecting account numbers beginning with "221." Although the dollar amounts shown on the attachment may seem quite substantial, the explanation is relatively simple.

As a part of the 2010 Budget, the Public Works Director included a cooperative arrangement with the Greater Cincinnati Water Works (GCWW) in which roadways in certain neighborhoods would be fully repaved following GCWW repairs or water main installations, and the City would handle the full repaving project. The GCWW intended to pay the City just over \$500,000 upon the completion of their water main replacement/upgrade projects during 2010, and the City would use those funds to offset over half of the related cost to fully repave the neighborhood roads described in the Final Budget. Although the Public Works Director can speak more clearly as to the reasons behind the delay, it is not expected that those GCWW projects will move forward during 2010, thus these adjustments via transfer need to be made at this time. These projects will be carried over and included in the 2011 Budget. (Given the economic times, the Hamilton County Budget & Settlement Division is carefully monitoring the budgetary activities of all government agencies under their review, and it is essential to make revenue and expenditure adjustments to the approved budget once it is known that they're not likely to take place in the current year.)

Please direct questions regarding the transfer ordinance to the Treasurer or to Public Works Director with specific questions as to neighborhoods involved and the timing issue.

11.a.4. Ordinance No. 2010-42 - Authorizing contract with the Hamilton County Public Health Department for public health services in 2011

Ordinance No. 2010-42 authorizes the City Manager to renew a contractual agreement with the Health District Advisory Council of the Hamilton County, Ohio, in order to provide for public health services through the Hamilton County Board of Health for calendar year 2011 for an amount not to exceed \$42,909.01. This figure represents an approximate \$900 decrease from the previous year's expense.

The City of Blue Ash is one of twelve contracting cities that work through the Board of Health in addition to all villages and townships. The City of Blue Ash is annually assessed based upon a formula that takes into consideration the overall budget of the district and property valuation of each jurisdiction. Over the last 22 years, the City has experienced 11 annual decreases in the assessment and 11 increases.

The City of Blue Ash has been satisfied with the services offered by the Hamilton County Board of Health and the City Administration recommends renewal of the contract. The City is required by law to provide public health services, and this contract enables the most cost-effective means as of this date for providing these services and satisfying the State of Ohio requirements. Included within Council's packets is the annual report to Blue Ash from the Commissioner detailing service examples specifically provided to Blue Ash based upon their previous year's activity.

Please direct any questions regarding the contract and administration of services to the City Manager.

11.b.1. Ordinance No. 2010-33 - Authorizing the issuance of bonds for purpose of paying the costs associated with golf course improvements

The legislation providing the authority for the actual issuance of the Golf Course Improvement bonds by the City of Blue Ash was prepared by bond counsel (Margaret Comey of Squire, Sanders & Dempsey), reviewed by Dinsmore & Shohl, and contains the necessary components to comply with the various constitutional, federal, state, and local requirements regarding the issuance of general obligation debt.

Given the timing related to the bidding and issuance of the bonds (we anticipate taking bids on September 8, and expect them to be "effective" or dated on September 22, 2010) and the absence of a second Council meeting in July, bond counsel and the Treasurer's office are recommending a process matching that utilized for the issuance of the Recreation Center bonds. Essentially, the bond legislation contains an upper limit or maximum amount relating to the bonds that may be issued relating to this project (\$9,775,000), defines the parameters relating to the bond issuance, and allows the bonds to be issued on a competitive basis, whenever the market appears to provide the best borrowing rates to the City of Blue Ash. Council, through consideration of this ordinance, is being requested to authorize the actual acceptance of the best bid for the City through a Certificate of Determination that must be signed by the City Manager, Treasurer, and Deputy Treasurer; receipted by the Clerk of Council; and thereafter delivered to the Hamilton County Auditor. This process permits some flexibility in the timing of the issuance of the bonds, so as to achieve the lowest borrowing rate possible given economic or market conditions.

Although the City has relied upon a compensated bond underwriter on a number of more recent bond offerings, the Treasurer believes that a purely competitive bid process will provide the greatest benefit to the City at this time. Although there are the customary costs associated with legal and professional services through bond counsel, and those costs related to securing a Moody's Investors Service rating on the issue, OMAC, and the limited services of a financial advisor in evaluating the bids, there will not be any costs associated with underwriting.

Listed below are some of the more specific items that relate to the expected issuance of bonds for all three components of the Golf Course improvement project (irrigation, golf paths, new clubhouse/banquet facility):

- Although the maximum limit in the ordinance is higher, we anticipate borrowing between \$9,570,000 and \$9,735,000 to cover the entire cost of the project.
- The latest maturity of the bonds will be 11 years (2021), hopefully with 11 nearly equal principal payments of approximately \$875,000 per year.
- The first principal payment will occur with the payment due on December 1, 2011, with the final principal payment due December 1, 2021.
- We will be requesting a specific rating on this bond issue through Moody's Investors Services. Our current rating, given Moody's recent restructuring of their rating framework is Aa1, and the Treasurer expects no change in the rating for this particular issue.
- We do not anticipate purchasing "rating insurance" on this bond issue, given Blue Ash's

financial strength and excellent reputation in the market.

- The bonds will be issued in a non-callable format, with repayment dates of June 1 for interest and December 1 for principal and interest of each year.
- All repayment of this debt will be accomplished through the use of Issue 15 reserves or Issue 15 fund balances.
- Working with bond counsel, the City will be utilizing a preliminary official statement (POS), the latter component of which will be the recently completed 2009 Comprehensive Annual Financial Report (CAFR) for the City.
- All proceeds from the closing of the bonds, except for any premium or accrued interest that will be paid, will be deposited into Fund #447 for this project. The costs associated with Moody's, bond counsel, the financial advisor, etc. will be paid out of the proceeds of the bonds and will not be an expense of the General Fund.
- We anticipate that the Trustee for this bond issue will be the Bank of New York Mellon, the same agency through which many of our recent issues have been managed as to reporting, payment, etc.

At this time, it is not possible to provide Council a specific "debt retirement schedule" for this issue as bidders often modify the principal amounts and the interest rates to suit the ultimate investors who will be purchasing the bonds. However, the financial advisor will utilize a program which calculates which proposal represents the lowest net interest cost to the City, and that which should be accepted through the Certificate of Determination process. Council will be informed once the "bids are in" and the net interest cost is known.

Please direct questions relating to the bonds, their intended usage, or the issuance process to the Treasurer.

11.c.1. Ordinance No. 2010-43 - Authorizing application for financial assistance from the State's Local Transportation Improvement Program (LTIP) for the Plainfield Road Expansion Project

The Ohio Public Works Commission administers the Local Transportation Improvement Program (LTIP) to assist local jurisdictions with roadway and bridge projects. These funds are specifically for rehabilitation, repair, construction, reconstruction, and expansion projects. The program is locally administered by the Hamilton County Engineer's office. Grants are available for up to 90% of the construction costs of the local project and are very competitive. Expansion projects that add capacity to existing roadways are normally the most competitive because they help relieve existing traffic congestion.

Ordinance No. 2010-43 authorizes the City Manager to submit an application for a LTIP grant for the Plainfield Road Right Turn Lane Extension Project. This project will extend the Plainfield Road southbound right turn lane at Hunt Road to approximately the Plainfield/Peppermill/Reed Hartman Highway intersection and will provide significant congestion relief in this area. The estimated construction cost of the expansion is approximately \$450,000 and the City will request a grant of \$405,000. If the LTIP grant is awarded, the project would be constructed in 2012. The City's 10% local share will be included in the 2012 Proposed Budget.

Please direct questions regarding this ordinance to the Public Works Director.

11.c.2. Ordinance No. 2010-44 - Authorizing application for financial assistance from the State Capital Improvement Program (SCIP) for the Carver Road Rehabilitation Project

The State Capital Improvement Program (SCIP) is managed by the Ohio Public Works Commission to provide state funding for local infrastructure construction and rehabilitation projects. The program is administered locally by the Hamilton County Engineer's Office and is very competitive. Grants and loans are available, depending on the competitiveness of a

project. A recent example where funds were awarded to Blue Ash was the Blue Ash/Hunt Roads Reconstruction project that was partially funded with a 10-year, no interest SCIP loan.

Due to our solid Economic Health rating, the City of Blue Ash is less competitive than many other communities for grants; however, we are potentially competitive for attractive SCIP loans that carry a very low or zero percentage interest rate.

The attached ordinance authorizes the City Manager to submit an application for SCIP loan funds for the Rehabilitation of Carver Road. The estimated construction costs of the rehabilitation are approximately \$964,000 and the City will request loan funds for \$915,800 repayable over 10 years at zero percent interest. If the SCIP loan is awarded, the project will be completed in 2011. The City's "local share" will be included in the 2011 Proposed Budget.

11.d.1. Motion accepting the Findings of Fact and Conclusions of Law regarding the appeal from Bernard E. Clarke

Included in Council packets is the Findings of Fact/Conclusions of Law document prepared by Dinsmore & Shohl to conclude the issue of the appeal from Mr. Clarke which was the subject of a hearing held at the July 8 Council meeting. A formal motion accepting this document is appropriate.

Please direct questions regarding this motion to Solicitor Mark Vander Laan.

11.d.2. Motion setting a public hearing for 7:30PM, Thursday, September 23, 2010, regarding consideration of a proposed text amendment to add "Greenhouses and nurseries" as a Special Use in the R-3 Residential District

The City is in receipt of a request from McKeown's Bloomin' Garden Centre on Kenwood Road for consideration of a text amendment to the Blue Ash Code that would allow "Greenhouses and nurseries" as a special use within the R-3 Residential District. A text amendment to the code requires public hearing before Council, and this motion would formally establish that hearing. More details will be provided to Council in preparation for that hearing.

Please direct questions regarding this motion to the City Manager.

11.d.3. Motion setting a public hearing for 7:35PM, Thursday, September 23, 2010, regarding consideration of rezoning the property located at 4815 Prospect Avenue from R-3 Residential to D-1 Downtown

The City is in receipt of a rezoning request to rezone property at 4815 Prospect Avenue from R-3 Residential to D-1 Downtown. This motion would formally set a required public hearing for September 23. Although more details will be provided in preparation for the hearing, this property is located adjacent to current D-1 zoned property facing Kenwood Road.

Please direct questions regarding this motion to the City Manager.

11.e.1. Ordinance No. 2010-45 - Authorizing a contract with Youth Services

Ordinance No. 2010-45 authorizes a renewal contract with Youth Services to provide for the availability of youth and family counseling services. This organization also works with the Sycamore Schools in providing educational, advocacy, referral, counseling, and crisis intervention services for families. The ordinance authorizes a total amount for 2010 not to exceed \$37,000. The Administration will be working closely with the Police Administration as well as the Sycamore Schools in determining the level of Blue Ash's participation in future years with this program.

Please direct questions regarding this ordinance to the City Manager.

11.e.2. Resolution No. 2010-9 - Establishing trick-or-treat hours in Blue Ash (Sunday, Oct. 31, 2010, 6-8PM)

Every year, City Council authorizes a resolution establishing the date and time to observe Halloween activities within the City. Traditionally, the City has recognized Halloween activities on the date of Halloween, October 31st. This resolution establishes Sunday, October 31, from 6 to 8PM as the time to observe the occasion of Halloween. Blue Ash Police and Fire personnel will be patrolling the streets and handing out candy to children while insuring that the safety of all is protected.