

On Wednesday, May 4, 2022, at 6:01 p.m., the Dayton City Commission met in regular session in the Commission Chambers of City Hall.

CALL TO ORDER

Mayor Mims called the meeting to order.

INVOCATION

Mayor Mims asked for a moment of silence to commemorate the passing of former Dayton City Commissioner Fred Weber. Commissioner Joseph gave the invocation.

PLEDGE OF ALLEGIANCE

Mayor Mims led the public in the Pledge of Allegiance.

ROLL CALL

Roll call was taken, and Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss were present. The Clerk of Commission, Ms. Regina Blackshear, The City Manager, and Ms. Shelley Dickstein were also present.

APPROVAL OF MINUTES

Commissioner Shaw made a motion to approve the minutes from the April 27, 2022, meeting. Commissioner Fairchild seconded the motion. The previous meeting minutes were unanimously approved.

COMMUNICATIONS AND PETITIONS

Communication #21678

Handout – City Commission Meeting – National Day of Prayer

Communication #21679

Handout – City Commission Meeting – Ponitz High School

Communication #21680

State of Ohio, Department of Liquor Control – Permit Application #9753455 – New -C2 – Wow Vibes LLC dba Wow Vibes 2601 S. Smithville Road, Dayton OH 45420.

The Clerk of Commission reported receipt Permit Application #9753455 – New -C2 – Wow Vibes LLC dba Wow Vibes 2601 S. Smithville Road, Dayton, OH 45420. The application was referred through the city for investigation.

Communication #21681

State of Ohio, Department of Liquor Control – Permit Application #8910301 – TRFO -D1 - D2-D3 D3A– 3 Men & A Bar LLC dba Argos Tavern & Patio 301 Mabel Avenue 1st FL & BSMT, Dayton, OH 45403.

The Clerk of Commission reported receipt of Permit Application #26312754060 – New - D1 –D2-D3-D3A - 3 Men & A Bar LLC dba Argos Tavern & Patio 301 Mabel Avenue 1st FL & BSMT, Dayton OH 45403. The application was referred through the city for investigation.

Communication #21682

State of Ohio, Department of Liquor Control – Permit Application #1985555 – New – D3A - Day1 Investments LLC dba Red Carpet Tavern 3301 Wayne Ave & BSMT & Patio, Dayton OH 45420.

The Clerk of Commission reported receipt of Permit Application #1985555 – New – D3A - Day1 Investments LLC dba Red Carpet Tavern 3301 Wayne Ave & BSMT & Patio, Dayton OH 45420. The application was referred through the city for investigation.

SPECIAL AWARDS/PRESENTATIONS

There were no special awards or presentations.

ADDITIONS OR DELETIONS TO THE CALENDAR

The Clerk of Commission, Ms. Regina Blackshear, requested the addition of Resolution No. 6644-22-Supporting an Application by SP Rotunda LLC for the Ohio Department of Development Brownfield Remediation Program for Interior Demolition of the Dayton Arcade Property at 28 West Third Street and Declaring an Emergency.

DISCUSSION OF CALENDAR ITEMS

Resolution No. 6644-22-Supporting an Application by SP Rotunda LLC for the Ohio Department of Development Brownfield Remediation Program for Interior Demolition of the Dayton Arcade Property at 28 West Third Street and Declaring an Emergency.

The City Manager, Ms. Shelley Dickstein, said the resolution is a funding request to the State of Ohio that will be matched by the developer of the Dayton Arcade. She said the project will prepare the north side of the arcade for redevelopment. She said the plan is to renovate the upper floors as a hotel and restore retail restaurant spaces in the historic promenade connecting the Third Street arcade side to the rotunda. Ms. Dickstein said the asbestos remediation will be completed this year if the project is funded.

Calendar Item No. D2. JM Enterprise LLC dba Third Perk Coffeehouse-Development Agreement

The City Manager, Ms. Shelley Dickstein, said the development agreement is an exciting opportunity for West Dayton. She invited Ms. Veronica Morris, Economic Development Supervisor, Planning, Neighborhoods & Development, and Ms. Juanita Darden, Owner of JM Enterprises dba Third Perk Coffeehouse, to the podium for clarification.

Ms. Morris said the West Dayton Development Fund which was established in 1992 from a settlement with Waste Management, has leveraged \$110M of private investments. Ms. Morris said Ms. Darden is expanding her footprint in southwest Dayton and is offering Soul cuisine in addition to catering and training at a property located on West Third Street.

Ms. Darden said she appreciates the continued support and looks forward to opening in early summer and serving customers with the same customer service that was given at Third Perk.

Commissioner Turner-Sloss thanked Ms. Darden for her leadership and commitment to the Dayton community.

Commissioner Fairchild thanked Ms. Darden for her investment into the community and said he is excited about the new location.

Commissioner Shaw thanked Ms. Darden for taking the risk and starting and operating a business in west Dayton.

Commissioner Joseph thanked Ms. Darden for her dedication to the City of Dayton.

Emergency Ordinance No. 31977-22- Amending Section 34.50 of the Revised Code of General Ordinances to Stay Community Appeals Board Hearings During Ongoing Litigation, and Declaring an Emergency.

Commissioner Turner-Sloss asked for clarification and intent of the ordinance and an explanation on why it is necessary.

Commissioner Fairchild said in the spirit of police reform work and in speaking with citizens, they found there was a deficit in the ordinance of what happens when there is litigation. He said they were left with three unpopular pathways, the Community Appeals Board (CAB) could refuse it and the community could ask what the value of the Community Appeals Board (CAB) is, the City Commission could instruct the Director of the Human Relations Council to intercede, but it would raise questions around credibility, and last the City Commission could instruct the Community Appeals Board (CAB) to take it, but the Law Department would not be able to fully participate. Commissioner Fairchild said the purpose of the Community Appeals Board (CAB) is to review practices and procedures.

Commissioner Fairchild said there will be an independent auditor who will look at cases, address issues, and improve policies. He said currently the Use of Force Policy has not been passed and that needs to be addressed. Commissioner Fairchild said the Law Director said there will be a presentation on the Use of Force Policy, which will move the policy a step closer.

Commissioner Shaw said the Community Appeals Board (CAB) responsibility is to be forward looking, and where negative issues arise, corrective actions are taken to make sure it doesn't happen again.

Commissioner Joseph said they closed the Oversight Committee with the mindset that nothing is untouchable. If something needs to be changed, they will change it.

Mayor Mims thanked Mr. Abrams for raising the issue.

Mayor Mims said there was a Know Your Rights Forum (taken from the Use Of Force Committee) at Stivers School of the Arts.

REPORTS

1. Purchase Orders, Agreements and Contracts:

(All contracts are valid until delivery is complete or through December 31st of the current year).

AVIATION

A1. American Association of Airport Executives - annual service, maintenance and support agreement for the Interactive Employee Training System (IETS) as needed through 12/31/25) \$58,200.00

PUBLIC WORKS

B1. SBC Global Services, Inc., dba AT&T Global (telecommunication/monitoring services as needed through 12/31/25) \$90,000.00

WATER

C1. MSD Environmental Services, Inc. (biosolids dewatering parts and related items as needed through 12/31/22) 20,000.00

C2. PdMA Corporation (one MCEmax motor tester)	47,160.00
C3. Process Pump & Seal, Inc. (Chesterton split mechanical seals and spare parts)	12,000.00
C4. TEMCO, Inc. (controllers, sensors and other monitoring equipment as needed through 12/31/22)	15,000.00
C5. JCI – Jones Chemicals, Inc. (liquid chlorine gas as needed through 12/31/25)	1,250,000.00
C6. NCH Corporation (parts, service and solvents as needed through 12/31/25)	52,000.00
-Depts. of Aviation, Public Works and Water	Total: \$1,544,360.00

D. Development Agreement:

2. **JM Enterprise LLC dba Third Perk Coffeehouse – Development Agreement** – to assist in the establishment of a new restaurant at 3907 West Third Street – Department of Planning, Neighborhoods and Development/Development. **\$50,000.00**
(Thru 12/31/23)

E. Other – Contributions, Etc.:

3. **Comptech Computer Technologies, Inc. – Payment of Voucher** – for payment of invoices for temporary staffing services used to complete field and course maintenance rendered at Kettering Field and Community Golf Club – Department of Recreation/Golf. **\$56,945.75**
4. **Miami Valley Regional Planning Commission (MVRPC) - Other** – for 2022 membership dues – Department of Planning, Neighborhoods and Development/Planning **\$65,102.42**

CITIZENS’ COMMENTS ON CALENDAR ITEMS

Citizens comments on calendar items were received from:

1. **Mr. Youssef Elzein, 4906 Amberwood Dr.** – spoke in support of Informal Resolution No. 995-22-Condensing the Invasion of the War in Ukraine but said the City Commission needs to address all atrocities.

Commissioner Shaw said that while there are many tragic incidents around the world that should be stood up against, this is the current issue that it was important to take a stand against. He thanked Mr. Elzein for his passionate stand.

2. **Mr. Joseph Abrams, 117 Park** - spoke about Emergency Ordinance No. 31977-22 to Stay Community Appeals Board Hearings During Ongoing Litigation.

APPROVAL OF CITY MANAGER’S REPORTS

Commissioner Fairchild made the motion to approve the City Manager’s Reports Commissioner Shaw seconded the motion. The City Manager’s Reports were approved with a 5-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss.

LEGISLATION

EMERGENCY RESOLUTION – FIRST READING

Emergency Resolution No. 6642-22- Authorizing the Acceptance of a Grant Award for a Fair Housing Assistance Program from the United States Department of Housing and Urban Development on Behalf of the Human Relations Council of the City of Dayton in an Amount Not to Exceed Sixty-Six Thousand Eight Hundred Dollars and Zero Cents (\$66,800.00), and Declaring an Emergency.

Commissioner Tuner-Sloss moved that this being an emergency measure for the immediate consideration of the Emergency Resolution. Commissioner Joseph seconded the motion. The motion was passed with a 5-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss. The Emergency Resolution was adopted.

EMERGENCY ORDINANCE – SECOND READING

Emergency Ordinance No. 31977-22- Amending Section 34.50 of the Revised Code of General Ordinances to Stay Community Appeals Board Hearings During Ongoing Litigation, and Declaring an Emergency.

The question being shall Emergency Ordinance No. 31977-22 be passed. A roll call vote was taken resulting in a 5-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss abstained. The Emergency Ordinance was passed.

INFORMAL RESOLUTION

Informal Resolution No. 995-22- Condemning The Invasion of the War in Ukraine and Supporting Ongoing Refugee and Peace Efforts for The Ukrainian People.

A roll call vote was taken resulting in a 5-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss. The Informal Resolution was adopted.

THIS ITEM WAS ADDED

EMERGENCY RESOLUTION – FIRST READING

Emergency Resolution No. 6644-22- Supporting an Application by SP Rotunda LLC for the Ohio Department of Development Brownfield Remediation Program for Interior Demolition of the Dayton Arcade Property at 28 West Third Street and Declaring an Emergency.

Commissioner Joseph moved that this being an emergency measure for the immediate consideration of the Emergency Resolution. Commissioner Fairchild seconded the motion. The motion was passed with a 5-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, Fairchild and Turner-Sloss.

BOARD APPOINTMENT

Commissioner Joseph made a motion to appoint R.J. Francisco, Yunus Ibragim, and Claire Preston to the Welcome Dayton Committee for a term ending December 31, 2025. Commissioner Turner-Sloss seconded the motion. The motion was unanimously passed.

CITIZENS' COMMENTS

Citizens' comments were received from the following:

1. **Mr. Joseph Abrams, 117 Park** - spoke about housing issues and rental prices in the City of Dayton.

2. **Mr. Willie Feaster, No Address** – spoke about issues with the Dayton Police Department.

COMMENTS BY THE CITY MANAGER

The City Manager, Ms. Shelley Dickstein, said the CDC has issued a health alert that a poultry worker in Colorado has tested positive for Avian Influenza the bird flu. She admonished citizens to be aware and avoid sick or dead birds.

COMMENTS BY THE CLERK OF COMMISSION

The Clerk of Commission, Ms. Regina Blackshear, had no closing comments.

COMMENTS BY THE CITY COMMISSION

Commissioner Turner-Sloss

Commissioner Turner-Sloss thanked the residents of the City of Dayton for coming to the meeting and sharing their concerns.

Commissioner Turner-Sloss told Mr. Abrams that work is continuing surrounding the issue of evictions. She said she attended a community conversation regarding housing being declared a human right. Commissioner Turner-Sloss said on Monday, May 9, 2022, Commissioners Joseph and Fairchild will be leading a conversation on housing bill of rights at 12:00 noon. She said a Zoom link will be provided.

Commissioner Turner-Sloss thanked Chief Afzal and the East Pod third shift for her police ride along.

Commissioner Fairchild

Commissioner Fairchild encouraged citizens to attend the zoom meeting on Monday, May 9, 2022.

Commissioner Fairchild reminded citizens of the National Day of Prayer event at Courthouse Square.

Commissioner Fairchild highlighted various events around the City of Dayton i.e., Bike Month, pancake breakfast, police memorial service, Folk Art Fair, Levitt Center full concert schedule, and the Wiener Dog Race.

Commissioner Shaw

Commissioner Shaw thanked Mayor Mims for allowing him to attend the police award ceremony.

Commissioner Joseph

Commissioner Joseph said he appreciates the International Peace Museum bringing the information regarding the informal resolution to their attention.

Mayor Mims

Mayor Mims said in answer to Mr. Abrams they are not ignoring any nationality going through these types of tragedies. He said war is hell and they don't wish it on anyone.

Mayor Mims highlighted the National Day of Prayer event at Courthouse Square on Thursday at 12:00 noon.

Mayor Mims highlighted the Neighborhood Leadership Institute kickoff and congratulated Ms. Verletta Jackson, Planning, Neighborhoods and Development, for her work.

Mayor Mims highlighted AFL-CIO and thanked his colleagues for attending with him. Mayor Mims congratulated Central State University and President Jack Thomas on receiving \$3.6M in grant money for upgrading Central State West.

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:56 p.m.

WORK SESSION

A copy of prepared material has been recorded as Communication & Petition Number 21684 dated May 4, 2022.

The Dayton City Commission met in a Work Session on May 4, 2022 at 4:32 p.m., prior to the regularly scheduled City Commission meeting. Mayor Mims and Commissioners Joseph, Fairchild and Turner-Sloss were present. Regina D. Blackshear, Clerk of Commission, was also in attendance. Commissioner Shaw was absent.

Ms. Shelley Dickstein, City Manager, Ms. LaShea Lofton, Deputy City Manager, Ms. Monica Jones, Interim Director, Procurement, Management and Budget and Ms. Melissa Wilson, Interim Deputy Director, Procurement, Management and Budget were the presenters along with Gil Turner, Director of Aviation, Mike Powell, Director of Water and Kena Crist, Financial Officer, Department of Water.

Ms. Jones provided a 2022 first quarter overview. She stated that revenues were up 8.3 percent or \$4.0 million compared to the first quarter of 2021 and were 10.2 percent or \$4.8 million over the year-to-date budget. She said that income tax collections continue to drive revenue trends and were up 8.0 percent or \$2.8 million when compared to the same period in 2021 and that only two revenue categories performed below budget, and only by nominal amounts, Waste Collection and Licenses and Permits. Ms. Jones explained that expenditures for the first quarter of 2022 were slightly over budget (unfavorable variance) by \$80,500, or 0.1 percent. This is being driven by the early funding of capital equipment purchases. Ms. Jones said that personnel costs were \$529,600 under budget and were \$3.7 million or 12.1 percent higher than the same period last year. She stated that of the \$3.7 million, nearly \$1.3 million was from the lump sum payment. She said that contracts and materials and other uses were down 6 percent or \$588,200 compared to 2021 and as of March, uses exceeded sources by \$7.2 million due to the earlier funding of investments.

Revenue Trends – Income Tax

Ms. Jones said that net collections during Q1 of 2022 were 8 percent or \$2.8 million over 2021 and were over budget by \$3.8 million. She stated that the original 2022 forecast projected a 6.7 percent decline in collections due to uncertainty related to work from home. She said that withholding taxes increases 8.6 percent or \$2.7 million and the tax on business projects rose \$556,100 compared to the same period in 2021 and payments by individuals dropped \$76,500 or eight percent. Ms. Jones explained that refunds grew 69.2% or \$377,000; excluding 2021, this is back in line with prior year trends. Ms. Jones said that to date, work-from-home practices and allowable refunds have not impacted collections, but it is early in the year and these changes are likely to have a significant and perhaps catastrophic impact on the City's General Fund in 2022 and beyond, and they will continue to monitor it closely.

Revenue Trends – EMS Fees

Ms. Jones said during the first three months of 2022, EMS revenue was up 21.7 percent compared to 2021 and collections were up all three months with February leading at 35.3 percent compared to the same period in 2021. She stated that EMS runs have increased 7.7 percent in the first quarter of 2022 compared to 2021 and are in line with pre-pandemic levels. She stated that the general illness category of the calls was the driver in the increase in run volume.

Revenue Trends – Other Charges for Services

Ms. Jones stated that other charges for services increase by 8.4 percent or \$205,400 through the first quarter of 2022 with Convention Center revenues falling by \$59,200 as the facility was transferred to the Convention Facilities Authority in March of 2021. Ms. Jones said that indirect cost reimbursements are lower due to updated calculations for 2022. Ms. Jones noted that parking revenue increased compared to 2021, however, she said it continues to be down when compared to pre-pandemic levels. Ms. Jones explained that Police charges rose 59.3 percent. She said that events contracted police services are recovering from pandemic moratoriums which drove the increase. She said that activity at the Courts has also been on the rise post COVID with the increase reflecting more court filing fees.

Revenue Trends – Other Revenue

Ms. Jones said that other revenue represents various miscellaneous sources with the total other revenue category being up 34.4 percent or \$251,900 when compared to 2021. She said the increase was driven by refunds and recoveries and miscellaneous revenue which were collectively up 82.8 percent or \$263,400. Ms. Jones stated that in 2022 the City received \$454,100 in insurance loss compensation for an equipment loss and a one-time reimbursement from the state for a mandated additional peace officer training which drove the increase in miscellaneous revenues.

Revenue Trends – Big Picture

Ms. Jones said that as of March 2022 income tax represents 72.0 percent of General Fund revenues, followed by property tax at 6.0 percent, and waste collection at 5.6 percent. She said since 2018 total revenues have grown 17.8 percent, or almost \$7.9 million. She stated that leading the way were income tax collections, which rose 17.1 percent or \$5.5 million over the 4-year period. She stated at absent income tax, general fund sources were up \$2.4 million, or over 19.0 percent from 2018. Ms. Jones explained that property and other taxes increased 24.3 percent or \$610,000 since 2018 due to the revaluation. She said waste collection revenues grew 17.3 percent or 434,100 since 2018 largely due to the annual inflationary adjustment and the revenue generated from service to the City of Moraine starting in 2019. She said that the local government fund increased 24.4 percent since 2018 due to strong growth in State sources. She said that other revenues were up 45.0 percent or \$305,300 compared to 2018 due to insurance proceeds.

Expenditure Trends – Personnel

Ms. Wilson stated that personnel cost has increased 12.1 percent or nearly \$3.7 million, compared to 2021. She stated that the increase in civilian wages of 11.0 percent or \$845,000, is largely associated with the compounded 4.0 percent received from cost of living and merit increase received in Q1. Ms. Wilson said in partnership, civilian overtime is up \$40,800, or 21.6 percent with the leading cause of the increased usage of vacation and corresponding coverage needs. She explained that fringes rose 11.3 percent, or \$600,700, corresponding to the increase in wages. Ms. Wilson stated that sworn overtime was up 106.1 percent, or \$576,700 due to attrition and increased vacation and personal leave usage by staff.

Expenditure Trends – C&M & Other Uses

Ms. Wilson said that excluding other uses (transfers), C&M costs were up 3.0 percent or \$266,500, maintenance was up 63.2 percent, or \$487,800 due to the timing of payments for technology maintenance costs. Ms. Wilson stated that management and public service contracts were down 48.6 percent due to the timing of the RDC payment. Ms. Wilson explained that professional services were up 11.7 percent, or \$164,000, largely due to the increased usage of temporary services throughout the organization. She said that supplies and materials show a 65.2 percent, or \$358,100 increase and the growing cost of commodity raw materials is driving the price up in many categories. She said that utilities increased 9.1% or \$114,000 over Q1 2021 mostly due to the loss of a natural gas block and increase in the base cost of electricity. She stated that waste disposal fees were down 28.3%, or \$213,400 due to the timing of billing.

Expenditure Trends – Big Picture - Expenditures

Ms. Wilson said that increases in overtime due to the inability to fill vacant positions and wage inflation were the main contributing factors in personnel growth. She said the timing of payments temporarily drove down the contract and materials expenses. Ms. Wilson stated that compared to 2018 personnel cost grew nearly 10.9 percent. She said that over that same time, contracts and material and other uses have decreased 0.1 percent. She noted that in the absence of other uses, contracts and materials was up 18.5 percent compared to 2018. She said that maintenance expenses increased 143 percent, management/public service contracts, miscellaneous charges and taxes were driving forces behind the reduction in growth since 2018. She said that professional services increased 34.5 percent and utility costs have increased about 105.5 percent or \$701,000 since 2018.

2022 Capital Equipment & Technology

Ms. Wilson said that general and street maintenance funds and capital equipment budgets total \$6.6 million. She explained that investments include SCUBA replacements, recreation equipment, SWAT equipment, fire engine and hybrid electric trucks and hybrid SUV.

Dayton Recovery Plan Update

Ms. Wilson said that project vetting is wrapping up and contract development will start. She said internal and external project Beta training takes place on Friday, May 6. She said the equity group continues to meet and has developed a good scope and focus. She explained that they are looking at 25 percent overall aspirational MBE goal with a 20-25 percent per project goal for MBEs. Ms. Wilson said the proposed scope of work is to achieve workforce and economic inclusion goals for residents and certified minority-owned businesses in the Greater Dayton Area for recovery projects funded by federal ARPA allocations. Ms. Wilson said the Dayton ARPA Equity Task Force will focus on the following tasks: Review the industry and capacity of certified minority-owned businesses in the Greater Dayton Area, review projected discretionary procurement spend for recovery projects funded by federal ARPA allocations, partner with workforce and small business development agencies to increase interest and capacity, establish workforce and economic inclusion goals for the recovery projects, assist the project teams to meet workforce and economic inclusion goals and monitor workforce inclusion and certified minority-owned business spend to support inclusion goals are met.

2022 Q1 Department Variances, etc.

Ms. Jones noted department variances, discussed Dayton, MSA total non-far employment, Dayton MSA employment change by industry sector, and economic indicators.

March 2022 Highlights

Ms. Jones said that total sources have grown during the first quarter of 2022, increasing \$4.0 million or 8.3 percent compared to the same period in 2021. She said the increase was across nearly all revenue categories and was driven by higher income tax collections. She noted that at the end of March, revenues were \$4.8 million, or 10.2 percent over the forecast due to however projected revenues. Ms. Jones explained that personnel costs also grew and were \$3.7 million or 12.1 percent higher than quarter 1 2021. She said that budgeted lump sum payment (nearly \$1.3 million) drove this increase and in 2021, the lump sum did not occur until the fourth quarter. Ms. Jones said that contracts, materials and other uses were down 6.0 percent, as supply chain issues caused challenges and delays. She said that those expenses will increase as inflation continues to impact cost of all goods and services. Ms. Jones explained that annual funding of investments was done in February to ensure timely bidding and commencement of projects. Ms. Jones said that as of the first quarter in 2022 uses exceed sources by \$7.2 million primarily due to personnel costs and the early funding of investments. Ms. Jones said that work-from-home impacts on income tax has not been realized to date; and expects this to change over the course of the year and will continue to monitor closely.

Water and Sanitary Sewer Funds

Mike Powell, Director of Water began the presentation with a 2022 first quarter overview saying that water fund revenue (sources) was up 1.6 percent or \$210,300 compared to Q1 2021. He said that revenues from City customers were above forecast 2.2 percent or \$132,300. He said there was a modest 1.7 percent revenue increase from quarter 1 2021 or \$103,400. Mr. Powell said that revenues from other jurisdictions were above forecast 16.2 percent or \$775,200. He stated there was an 8.3 percent increase from Q1 2021 of \$424,000 impacted by higher consumption in several county accounts and an increase in the 2022 county base charge, offset by volumetric decreases for both the County and Brookville. He explained that other charges for services were down \$318,300 compared to Q1 2021 due to reductions in shut-off charges and new service connections.

Mr. Powell said that expenditures (uses) were up 34.4 percent or \$3.6 million compared to Q1 2021 due in large part to the implementation of the capital transfer plan in late 2021 as well as increases in personnel and contracts and materials. He stated that personnel costs were 13.7 percent higher compared to Q1 2021 due to high wages as the Department remains focused and determined to fill staffing shortages. He explained that overtime was higher due to increased usage of sick and vacation time, a lump sum payment that was processed during Q1 and higher insurance costs. Mr. Powell said contracts and materials were up 7.5 percent compared to Q1 2021 due to higher gasoline and chemical costs as well as computer maintenance and sludge disposal, which was offset by supplies and materials, fleet charges and professional services. Mr. Powell said that in late 2021 the Department established a formal capital transfer plan to ensure that transfers are made consistently throughout the fiscal year.

Water Revenue Trends – Metered Charges, Other Charges

Mr. Powell stated that water revenues were up 1.6 percent, or \$210,200 compared to Q1 2021. He said that revenues from City customers were up 1.7 percent, or \$103,000 and revenues from other jurisdictions were up 8.3 percent or \$424,000. He said that the Montgomery County base increase was due to higher consumption in several county accounts as well as Brookville and bill timing. He stated that revenues from other charges for services was down 32.2 percent or \$318,300 due to shut offs and new service connections.

Water Expenditure Trends – Personnel Costs, Contracts and Materials

Mr. Powell said that personnel costs were 13.7 percent higher compared to Q1 2021. He noted that there was a \$70,000 increase in overtime, \$219,000 increase in wages which

included filling of positions and merit increases. He also said that there was a lump sum payment in Q1 2022. In discussing contracts and materials, Mr. Powell stated that they were up 7.5 percent, or \$338,000 compared to Q1 2021. He noted other expenses were up \$267,300 due to bill timing and supply chain issues in other equipment maintenance. He also cited security services for WS&T and Kittyhawk along with gasoline and diesel fuel cost for the increase. Mr. Powell stated that computer maintenance was up \$135,000 and sludge disposal was up \$77,500. He said that these increases were offset by supplies and materials being down \$47,200. He said that the department will delay purchases in response to inflation and the reductions is significantly negated by chemical cost increases.

Sanitary Sewer Fund – 2022 First Quarter Overview

Mr. Powell said that sanitary sewer fund revenue (sources) were up 21.2 percent, or \$1.6 million compared to Q1 2021. He said revenues from city customers were above forecast 12.9 percent or \$523,600. He explained that there was a 13 percent revenue increase from Q1 2021 of \$528,500. He said that revenues from other jurisdictions were above forecast, 19.5 percent or \$576,500. He explained that there was a 20.7 percent increase from Q1 2021 of \$605,800 impacted by higher consumption in several county accounts and bill timing. Mr. Powell stated that other charges for services were up 55.5 percent or \$488,400 compared to Q1 2021 due to a higher BOD and suspended solids charges.

Mr. Powell explained that expenditures (uses) was up 22.1 percent or \$4.5 million compared to Q1 2021 largely due to the implementation of the capital transfer plan in late 2021, as well as increases in personnel. He said personnel costs were 20.5 percent higher compared to Q1 2021 due to higher wages as the department remains focused and determined to fill vacant positions. He noted overtime was higher due to increased usage of sick and vacation time, a lump sum payment that was processed during Q1 and insurance costs were higher. Mr. Powell stated that contracts and materials were down 7.9 percent compared to Q1 2021 due to the impacts of weather on operations and bill timing; offset by increasing gasoline and diesel fuel costs and specific purchases. Mr. Powell said in late 2021, the department established a formal capital transfer plan to ensue transfers were made consistently throughout the fiscal year.

Sanitary Sewer - Expenditure Trends

Mr. Powell said personnel costs were 20.5 percent higher compared to Q1 2021. He said there was a \$31,600 increase in overtime and a \$239,100 increase in wages due to filling positions, merit increases and a lump sum payment in Q1 2022. Mr. Powell stated that contracts and materials were 7.9 percent lower compared to Q1 2021. He said that sludge disposal was down \$290,900 due to 2021 committed costs and supplies and materials down \$58,800 due to chemical purchase timing. He said these were offset by other expenses being up \$169,300 to include external vendor purchases, gas and diesel fuel increases and increased training/counseling for new employees,

2022 First Quarter YTD Highlights

Mr. Powell said that billed revenue for water and sewer were higher in Q1 2022 compared to 2021 for both city customers and other jurisdictions. He said 2022 comparative personnel costs in the Water & Sewer Funds were up as the department strives to fill vacancies that impacted the department throughout the prior year. He said that while several positions were filled by the end of 2021, the department is still experiencing turnover and resultant vacancies. He noted that in additions to vacancies, rising sick and vacation time drove overtime costs higher in Q1 2022 and filling open positions and retentions will continue to be a challenge in 2022.

Mr. Powell said that department has been closely monitoring the impacts of both inflation and supply chain disruptions. He stated that adjustments of Q1 priorities have been made to respond to price increases in chemicals and supplies and materials. He said supply chain disruptions have had a significant depressive impact on the department's spend in capital equipment, specifically for vehicle purchases. He noted that the department anticipates impacts of both inflation and filling orders previously cancelled by supply chain disruptions to be reflective in YTD spending throughout the rest of the year. Mr. Powell said that the cash reserve used for the water fund was under budget forecast and the sewer fund did not require any usage of the case reserve in Q1.

Aviation 2022 First Quarter Overview

Mr. Gil Turner, Director of Aviation began the presentation with a 2022 first quarter overview. He said that total sources were down slightly, or 9.9 percent compared to 1st quarter 2021. He explained that airline revenue has increased by \$320,000 or 18.9 percent compared to 1st quarter 2021, driven by higher enplanements. He said the total non-airline revenue was up \$770,700 or 22.8 percent compared to 1st quarter 2021 with the increase largely due to higher parking revenue. Mr. Turner explained that rental car concessions are down \$105,400 or 15.3 percent compared to 1st quarter 2021. He noted that concession revenue has increased slightly, or 5.7 percent, compared to 2021 yet revenues are 23.2 percent under the 2022 forecast. Mr. Turner said that miscellaneous grew 73.5 percent YTD with the increase of \$82,100 over the 2022 YTD Budget being due to a revenue source not being recorded in 2021. Mr. Turner stated that total uses have increased by \$2.8 million or 32 percent year-over-year. Mr. Turner said personnel is up 2.0 percent largely due to the lump sum payment. He noted that contracts and materials have increased \$925,100 or 32 percent, due to higher maintenance agreement and management contract cost. Mr. Turner stated that as of March, uses exceeded sources by \$4.4 million due to the earlier funding of investments.

Revenue Trends

Mr. Turner stated that both airline revenue and non-airline revenue have significantly increased compared to 2021, however, airline revenue and non-airline revenue are not back to the pre-pandemic growth seen in 2019 and the 1st quarter 2020. Mr. Turner said that growth still suppresses 2022 by the Omicron variant.

Airline Revenue Trends

Mr. Turner said increases in airline revenue are largely being driven by landing fees. Mr. Turner said that due to higher passenger counts, more planes are landing at the Dayton International Airport (DAY). Mr. Turner stated that terminal space rent revenue is up \$72,800 or 6.0 percent. This increase is still in line with the previous year's revenue.

Non-Airline Revenue Trends

Mr. Turner stated that other non-airline revenue increased \$216,000 or 16.6 percent compared to 2021 YTD and parking increases \$605,800 or 59.9 percent as a result of a higher number of commuter parking compared to 2021. Mr. Turner noted that rental car concessions are down \$105,400 or 15.3% due to fewer car rentals in 2022.

Personnel Expense Trends

Mr. Turner stated total personnel costs are up 2.0 percent due to the lump sum payment, yet wages are down 6.4 percent year-over year. Mr. Turner noted that there has been a 1.0 percent increase in fringes due to a decline in personnel and insurance costs are down \$29,800 or 7.1 percent, due to vacant positions and because the employee portion of the health insurance costs have gone up.

Contract and Materials Expend Trends

Mr. Turner said total contracts and materials increased 32 percent or \$925,100 compared to 2021. He stated that marketing is higher by \$162,800 or 118.7 percent, which has the most significant percentage change within the entire category. This increase reflects a return on pre-pandemic levels of spending; expenses were suppressed in 2021. Mr. Turner noted that management contracts are higher by \$254,200 or 51.9 percent due to equipment replacement and utilities increased by 43.4 percent or \$217,200 due to a rate increase in natural gas and telecommunications.

Enplanement Recovery Trends

Mr. Turner spoke about enplanement recovery trends stating that the Omicron variant of COVID-slowed DAY's recovery, but TSA Through puts increasing again; up 62 percent over its low. Mr. Turner stated that across the U.S., airlines are having crew staffing issues, prohibiting seat growth from matching passenger demand and impacting recovery. Mr. Turner explained that all but two of DAY's nonstop markets have been reinstated and that Delta Air Lines added new nonstop air service to New York (LGA) with service starting in June 2022.

Conclusions

Mr. Turner noted total sources are down 9.9 percent year-over-year. He stated that airline revenue has increased \$320,900 or 18.9 percent since the 1st quarter of 2021 due to higher enplanements. He said that parking revenue is up \$605,900 largely due to higher enplanements and competitive parking rates. He noted that transfers in for PFC/XFC were 65.1 percent lower compared to 2021.

Mr. Turner said that total uses increased by \$2.8 million or 32.2 percent year-over-year. He stated that contracts and materials have increased \$925,100 or 32 percent, due to higher maintenance agreement and management contract costs. He said that enplanement recovery trends are up compared to 2020 and 2021 however, they have significantly declined compared to the pre-pandemic number of 2019. Mr. Turner said that tickets are no on sale for the Delta AirLines nonstop air service to New York-LaGuardia starting June 16, 2022. Mr. Turner stated that as of the 1st quarter of 2022, uses exceeded sources by \$4.4 million due to early funding of investments.

Finally, Mr. Turner noted that the recovery continues as the pandemic weakens, the Dayton International Airport and the Dayton Wright Brothers Airport continue to add new revenue sources and marketing efforts.

Mayor Mims thanked the staff for the Finance Briefing.

The Work Session concluded at 5:43 p.m.

Jeffrey J. Mims, Jr.
Mayor

Attest: _____
Clerk of Commission