



On Wednesday, July 31, 2024, at 6:00 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

Commissioner Fairchild 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, and the City Manager, Ms. Shelley Dickstein, were also present.

APPROVAL OF MINUTES

Commissioner Shaw made a motion to approve the minutes from the July 24, 2024, City Commission meetings. Commissioner Fairchild seconded the motion. The previous meeting minutes were unanimously approved.

COMMUNICATIONS AND PETITIONS

The Clerk of Commission, Ms. Regina Blackshear, said “ I have received the results of the Initiative Petitions from the Board of Elections. Per the Charter, I must prepare a written report for the commission. I am currently working on that report and you will receive the report at the earliest by the close of business on Friday or at the latest on Monday”.

SPECIAL AWARDS/PRESENTATIONS

Monthly Demolition Update

Mayor Mims invited Mr. Steve Gondol, Director of Planning, Neighborhoods, and Development, to the podium for a monthly demolition report.

Mr. Gondol said the total planned demolitions for 2022-2026 are 1,168. He said the total demolitions for 2023 were 188. Mr. Gondol said the total number of completed structural demolitions for June 2024 was 13, and the funding sources were 11 with ARPA, one from the general fund, one from ODOD, and zero from CDBG. He said there were no garage demolitions completed in June 2024.

Mr. Gondol said there were 98 total piles removed as of May 2024. He said in June 2024 there were seven piles removed and seven piles added, due to fire/structural fails. Mr. Gondol said in June 2024 there were 81 structures added to the nuisance list in 2024. Mr. Gondol showed an overview of areas where demolitions had occurred.

Commissioner Turner-Sloss asked about the 60 properties that are identified for the ODOD and if they are looking at properties of concern on the corridors.

Mr. Gondol said the property formally known as Grub Steak on North Main Street and a medical building on Salem will be demolished within days. He said when funding will allow they will tackle major corridors and gateways.

Commissioner Turner-Sloss asked about 37 Richmond and what assessments are being done.

Mr. Gondol there were special circumstances which they don't often come across. However, for the safety of staff, they had to clear any dangerous drug paraphernalia and chemicals.

Commissioner Fairchild asked Mr. Gondol his thoughts about arson in the city of Dayton and vacant properties.

Mr. Gondol said they are working with their partners to understand movements and behaviors in the area.

Ms. Dickstein said she directed Mr. Gondol and the Fire Department to collaborate and look strategically at where all vacant properties throughout the City are that have been victims of arson.

The City Commission thanked Mr. Gondol for his report.

ADDITIONS OR DELETIONS TO THE CALENDAR

There were no additions or deletions to the calendar.

DISCUSSION OF CALENDAR ITEMS

Calendar Item No. 3. Kinship Family Housing Ltd. – Grant Agreement

The City Manager, Ms. Shelley Dickstein, said the project will address the housing needs of grandparents caring for their grandchildren.

Commissioner Fairchild highlighted the attendance of his colleagues from Dayton Children's Hospital's Kinship Care and said he would be abstaining from the calendar item.

Calendar Item No. 5. C.G. Construction & Utilities, Inc.-Award of Contract

The City Manager, Ms. Shelley Dickstein, said the contract would replace a pipe installed in 1947 that had experienced numerous breaks due to its age.

Commissioner Turner-Sloss thanked the Departments of Planning, Neighborhoods and Development, and Water for their work on the calendar items.

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. Keystone Engineering & Mfg LLC (flatliner FL48 carbide tools and side wheels) \$60,150.50

WATER

B1. Kelden Equipment, Inc. (maintenance and repair for Hurst boilers) \$100,000.00

B2. DXP Enterprises, Inc. (maintenance, repair, and replacement services as needed through 12/31/24) 126,180.00

-Depts. of Aviation, Public Works and Water. TOTAL: \$286,330.50

Service Agreements

2. **Access Information Management Corporation – Contract Modification** – first renewal to provide document and storage services for Dayton Municipal Court -
Municipal Court
\$250,000.00
(Thru 06/30/29)

3. **Kinship Family Housing Ltd. - Grant Agreement** – HOME Developer Agreement for construction of 26 housing units for Dayton families providing kinship care to relatives - Department of Planning, Neighborhoods and Development/Community Development.
\$1,652,376.00
(Thru 12/31/25)

4. **Montgomery County Board of Commissioners/Montgomery County Sheriff’s Office – Lease Agreement** – to provide the Computerized Aided Dispatched (CAD) and the Law Enforcement Automated Data Systems (LEADS) for mobile units located at the Airport – Department of Aviation/AP Police.
\$50,766.40
(Thru 12/31/28)

B. Construction Contract:

5. **C.G. Construction & Utilities, Inc. – Award of Contract** – for the Ryburn Avenue Water Main Improvements - (20% MBE Participation Goal/20.25% MBE Participation Goal Achieved) – Department of Water/Water Engineering.
\$895,950.00
(Thru 05/31/26)

CITIZENS’ COMMENTS ON CALENDAR ITEMS

There were no citizen’s comments on calendar items

APPROVAL OF CITY MANAGER’S REPORTS

Commissioner Fairchild made the motion to approve the City Manager’s Reports with the exception of Calendar Item No. 3. 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.

Commissioner Joseph made a motion to approve the City Manager’s Report Calendar Item No. 3. Commissioner Shaw seconded the motion. The City Manager’s Report was approved with a 4-1-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Shaw, and Turner-Sloss. Commissioner Fairchild abstained.

LEGISLATION

EMERGENCY RESOLUTION -FIRST AND SECOND READING

Emergency Resolution No. 6811-24- Authorizing the Acceptance of a Cooperative Agreement with the U.S. Department of State, U.S Embassy in Bosnia and Herzegovina, in the Amount of One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00) on Behalf of the City of Dayton and Declaring an Emergency.

Commissioner Joseph moved that this being an emergency measure for the immediate consideration of the Resolution. Commissioner Shaw 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 question being shall Emergency Resolution No. 6811-24 be adopted. 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 Emergency Resolution was adopted.

ORDINANCE – SECOND READING

Ordinance No. 32104-24- To Vacate Marimont Drive from the West Property Line of City Lot #56497 to Pershing Boulevard.

The question being shall Ordinance No. 32104-24 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. The Ordinance was passed.

RESOLUTION – SECOND READING

Resolution No. 6810-24- Authorizing the Execution of All Documents and in All Ways Act as the Authorized Agent Relative to the U.S. Department of Energy (DOE) through the Energy Efficiency and Renewable Energy Program, Office of State and Community Energy Programs (SCEP) for the Energy Efficiency and Conservation Block Grant Program (EECBG), and the Acceptance of Grant Funding on Behalf of the Department of Public Works of the City of Dayton in an Amount Not to Exceed One Hundred Eighty-Seven Thousand Nine Hundred Thirty Dollars and Zero Cents. (\$187,930.00).

The question being shall Resolution No. 6810-24 be adopted. 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 Resolution was adopted.

CITIZENS' COMMENTS

Citizen's comments were received from the following:

1. **Mr. Youssef Elzein, 4906 Amberwood Dr.** – spoke about various atrocities in the world.
2. **Ms. Anna Flores, 9227 Great Lakes Cir.** – spoke against the Dayton Regional Israel Trade Alliance (DRITA).
3. **Mr. Alexander Gorman, 133 Linden Ave.** – spoke against the Dayton Regional Israel Trade Alliance (DRITA).
4. **Ms. Fatimah Gula, 336 Miller Ave.** – spoke against the Dayton Regional Israel Trade Alliance (DRITA).
5. **Mr. Kevin J. Keller, 3922 E. Third St.** – spoke about advocating for aviation.
6. **Mr. William Titus, 425 Dayton Towers Dr.** – spoke about unsafe conditions on Wayne Avenue.
7. **Mr. Carrlo Heard, 1485 Benson Dr.** – spoke about the shooting of Brian Moody.

The City Manager, Ms. Shelley Dickstein left the meeting. The Acting City Manager, Mr. Joe Parlette, took her seat.

8. **Mr. Platini Mahaffey, 1721 Benson Dr.** – spoke about issues in his neighborhood concerning dogs.

COMMENTS BY THE ACTING CITY MANAGER

The Acting City Manager, Mr. Joe Parlette, had no closing comments.

COMMENTS BY THE CLERK OF THE COMMISSION

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

COMMENTS BY THE CITY COMMISSION

Commissioner Turner-Sloss

Commissioner Turner-Sloss thanked staff for their work on the demolition update.

Commissioner Turner-Sloss thanked citizens and community leaders for their comments at the meeting.

Commissioner Turner-Sloss said Omega Baptist Church will hold a community conversation on August 1, 2024, from 6:00 p.m. until 8:00 p.m. at Omega Baptist Church located at 1821 Emerson Ave.

Commissioner Turner-Sloss encouraged citizens to attend the Black Pride event at McIntosh Park on Saturday, August 2, 2024, from 12:00 p.m. until 6:00 p.m.

Commissioner Fairchild

Commissioner Fairchild thanked citizens and community leaders for their comments at the meeting.

Mayor Mims

Mayor Mims highlighted the passage of House Bill 56 which addresses honing.

Mayor Mims highlighted a memorial service on Thursday, August 4, 2024, at the Trolley Stop from 3:00 p.m. until 4 p.m. to commemorate those who lost their lives in the Oregon District.

ADJOURNMENT

There being no further business, the meeting was adjourned at 6:59 p.m.

Jeffrey J. Mims, Jr.
Mayor

Attest: _____
Clerk of Commission

WORK SESSION

A copy of the prepared material has been recorded as Communication and Petition Number 21907 dated July 31, 2024.

The Dayton City Commission met in a Work Session on July 31, 2024, at 4:04 p.m., prior to the regularly scheduled City Commission meeting. Mayor Mims and Commissioners Shaw, Joseph, Fairchild, and Turner-Sloss were present. Ms. Verletta A. Jackson, Chief of Staff, City Commission Office, and Ms. Regina D. Blackshear, Clerk of Commission were also in attendance along with Ms. Shelley Dickstein, City Manager, Ms. LaShea Lofton, Deputy City Manager and Mr. Joe Parlette, Deputy City Manager.

Presenters for this work session included Ms. Abbie Patel Jones, Director, Management and Budget, and Ms. Jeanette Ghand, Senior Management Analyst, Management and Budget were presenters for the work session.

2024 June Overview

Ms. Jones stated revenues performed over the year-to-date budget by 2.1 percent and were up, nominally, by 0.5 percent or \$522,800 compared to mid-year 2023. She said driving the increase year-to-date was income tax which was up 2.9 percent or, \$2.3 million due to an extra five Friday months and other increases were contributed by higher property taxes and other intergovernmental revenues which were 87.5 percent above 2023 amounts. Ms. Jones said five of the ten categories performed at or above the revised budget, including property taxes, other charges for services, fines and forfeits, licenses and permits, and other revenue. Ms. Jones noted expenditures **through** June of 2024 were under budget (favorable variance) by \$2.7 million, or 2.2 percent, but were \$5.5 million above 2023 YTD amounts. She stated personnel costs were \$4.1 million under budget but \$1.3 million, or 1.8 percent, higher than the same period last year with an increase the result of compounding wage and merit increases, offset by continued position vacancies. Ms. Jones noted contracts, materials, and other uses were up \$3.4 million, or 16.5 percent, compared to 2023 with much of this in management and public service contracts, payments to internal service, and maintenance services. Ms. Jones said that as of June, uses exceeded sources by \$8.3 million, mainly due to the early funding of investments and a delayed cash transfer from the photo enforcement fund – a one-time budget solution in 2024.

Revenue Trends – Income Tax

Ms. Jones said income tax represents over 76.0 percent of total revenues with net collections for June year-to-date increasing by 2.9 percent, and are 2.5 percent, or \$2 million, above the mid-year target. Ms. Jones stated withholding collections have climbed 6.8 percent, or \$4.6 million, over 2023, and in 2024, collection growth is attributable to the presence of three months with five-Friday payrolls when just two months had said occurrence in 2023. Ms. Jones said the tax on business profits dropped 20.2 percent, or \$2.1 million, with the tax on corporate profits declining 22.1 percent and partnerships declining 15.1 percent. Ms. Jones said payments by individuals also decreased 5.2 percent, or \$203,300, YTD.

Revenue Trends – Property Taxes & Other Taxes

Ms. Jones explained property taxes and other taxes grew 24.6 percent, or nearly \$1.0 million when compared to June 2023 and this growth is due to Montgomery County's 2023 "triennial" update of property values. She said following the update, the County Auditor stated property values grew 22.9 percent from 2023 but were still slightly under their peak in 2006. Ms. Jones noted the city's property tax revenues began to increase in 2021 following the revaluation, with some residual growth reflected in 2022 and 2023.

Ms. Jones explained this growth was offset by the elimination of hotel lodging tax revenues and as of April 1, 2021, lodging taxes are remitted to the Convention Facilities Authority following its acquisition of the convention center.

Revenue Trends – Other Charges for Services

Ms. Jones said other charges for services decreased by 6.0 percent or \$326,000 through the first half of 2024 and parking charges saw the largest decrease of \$116,000, or 15.5 percent, due to the elimination of employee parking charges and fewer events at the Convention Center that impacted the Oregon Garage parking revenue. Ms. Jones stated police charges saw the second-largest decline of \$104,500, or 19.7 percent, due to fewer events in 2024 for both contracted and non-contracted services. She stated the reduction of 41.0 percent in the plan examination charges reflects decreased activity and indirect cost reimbursements, miscellaneous charges, and Municipal Court charges collectively declined 2.2 percent or, \$81,600. Ms. Jones said the decrease was offset by growing Recreation charges, up 59.3 percent due to a return to pre-pandemic activity including increased summer camp enrollment and Silver Sneakers program participation.

Revenue Trends – Other Intergovernmental

Ms. Jones stated other intergovernmental revenues increased 87.5 percent or, \$1.2 million year-over-year and casino tax revenues, which typically comprise between 80 percent to 90 percent of total other intergovernmental sources, were up 110.8 percent when compared to June 2023. She said the increase was due to the timing of quarterly receipts. As of mid-year 2024, two of the four payments were received versus just one in 2023.

Revenue Trends – Big Picture Trends

Ms. Jones stated following unprecedented income tax revenue growth in 2021 and 2022, income tax revenue growth was curtailed in 2023 and 2024. She said revenue grew 2.9 percent in 2024 when compared to 2023 and since 2020, income tax has grown 22.4 percent and all other revenues rose 1.8 percent. Ms. Jones said noteworthy trends in other revenue categories since 2020 include: property and other taxes grew \$1.4 million or 40.0 percent due to the “triennial” property valuation. Ms. Jones stated EMS fees were up \$1.0 million or, 44.6 percent due to higher runs while other revenues were down 41.6 percent or, \$1.0 million, as the City received one of three Ohio Bureau of Workers’ Compensation rebates in 2020, a decision by the legislature to help boost businesses and other organizations during the COVID-19 pandemic.

Expenditure Trends – Personnel Costs

Ms. Ghand said personnel costs increased 1.8 percent, or \$1.3 million when compared to 2023 because of budgeted wage increases, offset by turnover and sustained vacancies. She stated civilian wages increased 2.7 percent, or \$558,500, compared to the same period in 2023, due to wage and step increases and civilian overtime was up 18.4 percent, or, \$131,300 due to continued vacancies in waste collection and an increased need for paramedics and EMTs in the Fire Department. Ms. Ghand stated sworn wages were lower by 2.7 percent or, \$683,100 contributed by the vacancies in the Police department. She said sworn overtime was up 23.2 percent or, \$661,500 largely driven by the minimum staffing requirements with having an additional fire engine in service as well as higher than expected attrition in early 2024.

Expenditure Trends – Contracts and Materials and Other Uses

Excluding other Uses (transfers), contracts and material costs were up 12.6 percent, or \$2.6 million while management and public service contracts were up by 39.3 percent, or \$983,900, driven by the timing of payments for the Regional Dispatch Center with 2023 having one fewer payment as of mid-year. Ms. Ghand stated maintenance costs were 39.4

percent, or \$883,700, higher than in 2023 largely due to increased costs for computer security and various costs associated with the maintenance of facilities. She stated payments to the internal services fund were up 31.1 percent, or \$845,900, due to increased fleet repair costs and supplies and materials costs increased by \$348,300 largely impacted by Police supplies. Ms. Ghand said the increases were offset by decreases in utility costs - \$531,400 lower in 2024 due to one-time LED upgrades to street lighting occurring in 2023 and in professional services, a \$179,600 reduction related to a decrease in the general fund's portion of IT consulting services costs.

Expenditure Trends – Big Picture Trends

Ms. Ghand said for the five-year period, from 2020 to 2024, personnel contracts and materials combined have increased by over \$15.8 million, or 19.1 percent due to annual wage increases, new positions, along with greater overtime usage contributed to the growth in personnel costs. She stated personnel costs alone are \$9.2 million higher in 2024 when compared to 2020 and contracts and materials expenses increased 37.5 percent, or over \$6.5 million, from 2020 to 2024. Ms. Ghand noted contracts and materials expenses were lower in 2020 as the City limited expenditures to essential goods and services in response to the COVID-19 pandemic. She said pandemic-related supply chain delays continued to suppress contract and materials costs into 2021, and to a certain degree into 2022. She noted costs resurged in 2023 and 2024, as new services, such as the Court's security services with the Sherriff's office and increased security measures at City Hall were assumed. She said in addition, higher computer maintenance and fleet repair/maintenance costs contributed to expenditure growth along with continued inflationary pressures and the fulfillment of delayed orders attributed to the growth in contracts and material costs over the past five years.

Dayton Recovery Plan Update

Improving our Neighborhoods

Total Funding: \$55M

Total Projects: 27

Total Awarded Contracts: 19 = \$29,449,000

Total Spent: \$8,374,900

Enhancing Critical City Services

Total Funding: \$21.5M

Total Projects: 2

Total Awarded Contracts: \$6,713,300

Total Spent: \$422,300

Supporting Black and Brown Businesses

Total Funding: \$7.6M

Total Projects: 12

Total Awarded Contracts: 10 = \$4,829,500

Total Spent: \$2,767,500

Catalyzing Economic Recovery

Total Funding: \$10.7M

Total Projects: 3

Total Awarded Contracts: 1 = \$7,000,000

Total Spent: \$7,000,000

Aiding Community and Small Business Recovery

Total Funding: \$7.1M

Total Projects: 19

Total Awarded Contracts: 18 = \$6,572,800

Total Spent: \$4,491,800

2024 Mid-Year Status Update – General Fund

Ms. Jones said as a result of the 2014 Charter Amendment that instituted our Policy Budget, the City Commission adopted Section 49B.02 of the RCGO that prescribes: “Prior to the commencement of the budget process for the coming fiscal year, the City Manager shall present to the Commission a status report on the current budget plan.” Ms. Jones stated the general fund status report includes a review of the revenue circuit breakers and a review of department variances to the budget.

Revenue Circuit Breakers

Ms. Jones said revenue circuit breakers signal when revenues are significantly below their historic averages. She stated one standard deviation is a warning signal and two standard deviations (with a normal distribution, 95% of observations will fall within two standard deviations) indicate corrective action should be taken.

Preliminary 2024 Year-End Projection

Ms. Jones stated overall, revenues are performing over budget and are slightly over year-to-date actuals when compared to 2023, specifically, income tax has out-performed the year-to-date expectations, largely attributable to the five-Friday phenomenon with withholdings, while collections from business profits and individuals experienced a decline. She said the threat of revenue loss from work-from-home still exists, as does the continued uncertainty around the economic slowdown. Ms. Jones noted expenditures will likely accelerate in the second half of the year due to staffing challenges (overtime) and increased costs but nonetheless, are expected to be within budget. She stated at the mid-year point, we can expect to end 2024 with a balanced budget and the ability to weather inflationary costs and with continued inflationary cost increases, rising personnel costs, the economic vulnerability of income tax revenue, and a possible recession, the 2025 budget must be managed prudently given the expiration of ARPA funding at the end of 2024.

June 2024 Highlights

Ms. Jones said in the absence of an additional five-Friday payroll month, revenues continued to grow stagnantly in the first six months when compared to the same period in 2023 with all but four revenue categories realizing lower performance. She said personnel costs were \$4.1 million, or 5.2 percent, below the YTD budget, attributable to continued vacancies and contracts, materials and other uses were up 16.5 percent, or \$3.4 million largely due to increased costs as supply chain issues eased combined with inflationary cost increases and additional expenditures. Ms. Jones said for the first half of 2024, uses exceeded sources by \$8.3 million largely due to frontloading of capital investments which was done in February to ensure timely bidding and commencement of projects. Ms. Jones noted a one-time cash transfer from the Photo Enforcement fund will be made in July as a planned 2024 budget solution, narrowing the delta between sources and uses. Ms. Jones's prudent monitoring of the general fund will continue as rising expenses may continue to erode revenue gains for the remainder of 2024.

Water and Sanitary Sewer Fund

Presenters for the Department of Water 2024 mid-year status update were Mr. Mike Powell, Director, of the Department of Water, and Ms. Kena Crist, Chief Financial Officer, of the Department of Water.

2023 Water Fund Overview

Mr. Powell stated that water fund revenues (sources) were up \$3 million, or 10.4 percent compared to Q2 2023 and revenues from city customers were \$227,100 below the budget forecast. Mr. Powell said the utility experienced an 8.2 percent revenue increase from Q2 2023 of \$1.1 million from City customers and revenues from other jurisdictions were \$120,500 below budget forecast. He stated the utility experienced a 10.2 percent revenue increase from Q2 2023 of \$1.2 million from other jurisdiction customers while other charges for services were up \$668,900 compared to Q2 2023 due to rate increases for lime sales and process improvements. Mr. Powell noted expenditures (uses) were up 0.8 percent or \$234,300 compared to Q2 2023 due to increases in personnel, contracts, and materials and capital equipment purchases offset by capital cash transfer and debt service payment timing. He said personnel costs were 6.1 percent higher compared to Q2 2023 and contracts and materials were up 7.5 percent compared to Q2 2023 due to rate increases for certain utilities and chemicals, upgrades to the SCADA system, and changes in training procedures. He stated cash reserves were not required in Q2 2024, well below needs in Q2 2023.

Water Revenue Trends – Metered Charges, Other Charges

Mr. Powell stated water revenues were up 10.4 percent, or \$3.0 million compared to Q2 2023, with revenues from city customers up 8.2 percent or \$1.1 million. He said revenues from other jurisdictions were up 10.2 percent or \$1.2 million. He noted the volumetric and base rate cost of service increase for Montgomery County, higher revenues in certain accounts, and bill timing. Mr. Powell said revenues from other charges for services were up 43.5 percent or \$668,900 while revenues from other revenue were up 4.2 percent or \$109,700. Mr. Powell highlighted lime sales, shut-off charges, and tracking improvements shifting deposits from other revenue to other charges for services.

Water Expenditure Trends – Personnel Cost

Mr. Powell said personnel costs were 6.1 percent higher compared to Q2 2023 with a \$388,100 increase in wages average, a \$141,300 increase in fringes, a \$124,000 increase in insurance, and a \$114,900 increase in Overtime.

Water Expenditure Trends – Contracts and Materials

Mr. Powell stated contracts and materials were up 7.5 percent or \$770,000 compared to Q2 2023, utilities were up \$189,900 due to a rate increase, and other expenses were up \$567,200 due to SCADA upgrades at Water Supply and Treatment and CDL training. He said supplies and materials were up \$65,300 due to chemical increases and CCTV vehicle upgrades.

Sanitary Sewer Fund 2024 Overview

Mr. Powell said sanitary sewer fund revenues (sources) were up 11.7 percent, or \$2.4 million compared to Q2 2023 and revenues from city customers were below the budget forecast of 1.0 percent, or \$111,700. He said the city experienced a 6.0 percent revenue increase from Q2 2023 of \$609,900 and revenues from other jurisdictions were above forecast 0.4 percent or \$26,300. He also said the city experienced a 6.9 percent increase from Q2 2023 of \$474,200 impacted by rate increases, and higher revenues in some accounts. Mr. Powell said other charges for services were up 44.6 percent or \$1.3 million compared to Q2 2023 due to higher biological oxygen demand and suspended solids charges. He noted expenditures (uses) were up 6.9 percent or \$1.3 million compared to Q2

2023 due to capital cash transfer timing as well as personnel and contracts and materials increases. Mr. Powell stated personnel costs were 2.6 percent higher compared to Q2 2023 while contracts and materials were up 8.5 percent compared to Q2 2023 due to late 2023 upgrade costs paid in early 2024, project timing and increased administrative costs. He said capital improvement expenditures were up due to transfer timing and cash reserves were not required in Q2 2024.

Sanitary Sewer Revenue Trends – Metered Charges, Other Charges

Mr. Powell said sanitary sewer revenues (sources) were up 11.7 percent, or \$2.4 million compared to Q2 2023 with revenue from city customers was up 6.0 percent, or \$609,900, and revenues from other jurisdictions up 6.9 percent, or \$474,200 while rate increase and higher revenues in certain accounts revenues from other charges for services were up 44.6 percent or \$1.3 million higher biological oxygen demand and suspended solids.

Sanitary Sewer Expenditure Trends – Personnel Costs

Mr. Powell said personnel costs were up 2.6 percent higher compared to Q2 2023, with a \$108,700 increase in wages, an \$11,100 increase in overtime, a \$46,000 increase in fringes, and an \$18,000 increase in insurance.

Sanitary Sewer Expenditure Trends – Contract & Materials

Mr. Powell explained contracts and materials were 8.5 percent higher compared to Q2 2023, other equipment maintenance up \$291,900, late 2023 pump rebuilds and monitor pump purchases at Water Reclamation, late 2023 improvements to south clarifiers at Water Reclamation, other professional services up \$264,500, due to the timing of root control services for WUFO, bill timing of administrative costs allocated to sanitary fund sludge disposal up \$181,700 and bill timing and price increase.

Q2 2024 YTD Highlights

Mr. Powell said total revenue for water and sewer was higher in Q2 2024 compared to 2023 with increases in city and other jurisdiction customers, largely due to rate increases and bill/route timing. Mr. Powell explained that charges for other services increased, and other revenue decreased because of internal improvements to financial management protocols. Mr. Powell stated 2024 comparative personnel costs were up slightly in both the water and sanitary funds. He stated contract and material costs were up in the water and sanitary funds largely due to project timing and upgrades required for operations. Mr. Powell said the Department continues to experience price increases in operationally critical items such as chemicals, however, the intense impacts of inflation and supply chain disruptions that the department experienced in previous years have eased slightly. Mr. Powell said the water and sewer fund did not require the use of cash balance in the first and second quarters of 2024.

2024 Second Quarter Overview

Mr. Turner said the second quarter ended with 314,612 enplanements, an increase of 7.1 percent YTD, and through the end of the second quarter, total sources are up \$1.0 million or 6.6 percent year-over-year. Mr. Turner stated total sources, including airport rescue grants, are down \$1.1 million or 6.0 percent compared to 2023 and airline revenues are up by \$286,200 or 6.9 percent compared to the second quarter of 2023, due to more landing fees and terminal space rents collected. Mr. Turner noted non-airline revenues are up \$718,200 or 7.9 percent, driven by higher revenue from parking and other non-airline revenue and total uses have increased by \$570,300 or 3.6 percent year-over-year. Mr. Turner noted personnel costs are up \$225,900 or 4.6 percent but remain \$558,300 or 5.1

percent below the year-to-date budget. He stated capital equipment costs are up \$653,800 or 871.4 percent, due to the late delivery and payments of 2023 capital equipment and contracts, materials, and other uses are up \$1.4 million or 22.8 percent year-over-year but remain \$133,800 or 0.9 percent below the year-to-date budget.

Operating Revenue Trends

Mr. Turner said airline revenue increased by \$286,200 or 6.9 percent year-over-year when compared to 2023, driven by increased landing fees and terminal space rents collected. He stated that non-airline revenue increased by \$718,200 or 7.9 percent year-over-year when compared to 2023, driven by additional parking revenues collected and a land sale at DWBA.

Components of Airline Revenue

Mr. Turner said terminal space rent increased \$80,600 or 3.1 percent, compared to the second quarter of 2023 and this growth is due to higher terminal space rates and charges. Mr. Turner said landing fees increased \$205,600 or 13.3 percent, compared to the second quarter of 2023 and this is due to increased rates and charges collected. Additionally, he said airlines are converting from small jets to narrow-body jets.

Components of Non-Airline Revenue

Mr. Turner said parking is the largest revenue category within non-airline revenue and the parking revenue totals \$4.2 million year-to-date, representing a 9.5 percent increase over 2023 and rental car concession revenues decreasing \$141,900, or 8.0 percent, compared to 2023. Mr. Turners said that was due to the timing of payments from rental car agencies that did not get recorded in the first half of 2024. Mr. Turner explained concessions (terminal) revenue increased by \$98,600, or 21.6percent, over the second quarter of 2023, and other non-airline revenue increased by \$393,800, or 13.3 percent, compared to 2023 due to land sale and higher interest earnings.

Personnel Expense Trends

Mr. Turner said overall, personnel costs are up \$225,900, or 4.6 percent, year-over-year, due to annual wage and step increases for employees and overtime costs are down 20.6 percent as increased temporary service contracts for security and cleaning services were assumed in 2024.

Contract and Material Expense Trends

Mr. Turner stated the total contract and material expenses have increased by 22.8 percent or nearly \$1.4 million and professional services costs increased by 43.8 percent or \$350,500, due to increased usage of temporary security and cleaning staff. Mr. Turner said utilities are up 14.2 percent or \$148,500 due to rate increases and marketing is up 127.9 percent or \$319,700 due to the early payment of marketing invoices. Mr. Turner notes that maintenance is up 25.3 percent or \$232,800 due to the payment of a late bill from 2023 and fleet costs are up 40.1 percent or \$113,300 due to rate increases and more vehicle repairs and maintenance.

2024 Second Quarter Wrap-Up

Mr. Turner stated total sources are up \$1.0 million or 6.6 percent compared to 2023, due to increases in parking and other non-airline revenues. He said total uses are up \$570,300 or 3.6 percent compared to 2023 and personnel expenses are up \$225,900 due to increased wages. Mr. Turner noted contracts, materials and other uses are up 22.8 percent year-over-year and capital equipment expenses are up \$653,800 or 871.4 percent due to the late delivery of equipment and timing of payments for items purchased in 2023. Mr. Turner

noted the Department ended the second quarter of 2024 with sources exceeding uses by \$185,500 and the department plans to draw down and close out all ARPA grant funds in 2024. He stated the Department of Aviation will continue to diligently track the financial progress of the airport and ensure liquidity and operating flexibility.

The Work Session concluded at 5:35 p.m.