

On Wednesday, August 17, 2022, 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.

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, Fairchild and Turner-Sloss were present. The Clerk of Commission, Ms. Regina Blackshear and the City Manager, Ms. Shelley Dickstein were also present.

Commissioner Joseph made a motion to excuse Commissioner Shaw from this week's meeting. Commissioner Turner-Sloss seconded the motion. The motion was unanimously approved.

APPROVAL OF MINUTES

Commissioner Joseph made a motion to approve the minutes from the August 10, 2022, meeting. Commissioner Fairchild seconded the motion. The previous meeting minutes were unanimously approved.

COMMUNICATIONS AND PETITIONS

Communication #21711

Handout – Community Bike Fund

Communication #21712

State of Ohio, Department of Liquor Control – Permit Application No. 00903950675 – TRFL- AL Post0675 S Park Memorial Co, 637 Watervliet Avenue & Patio, Dayton OH 45420.

The Clerk of Commission reported receipt of Permit Application No. – Permit Application No. 00903950675 – TRFL- AL Post0675 S Park Memorial Co, 637 Watervliet Avenue & Patio, Dayton OH 45420. The application was referred through the city for investigation

Communication #21713

Letter from Bernard J. Kuhn – RE: Allowed littering

Communication #21714

Letter from National Church Residences – Huffman Place LLC

SPECIAL AWARDS/PRESENTATIONS

Dayton Civic Center

Mayor Mims invited the Dayton Civic Scholars from the University of Dayton to the podium to be recognized. The students introduced themselves and told their hometown and what

degree program they are ascertaining. The Dayton City Commission thanked them for being there.

Mediation Response Unit

The City Manager, Ms. Shelley Dickstein, invited Ms. Shannon Isom, President and CEO of the Dayton YMCA to the podium for a presentation on the Dayton Mediation Response Unit.

Ms. Isom said this unit was in response to the racial uprising dealing with the treatment and death of Mr. George Floyd. She said the organization that was formed from those three months of work was the Mediation Response Unit.

Mr. Dan Cornfield, Executive Director, Dignity Best Practices, said his firm, which is a non-profit consulting research firm, that helps cities launch pilot projects and evaluate them at the intersections of public safety and public health. He said most of their work in other jurisdictions, cities and counties around the country, has been focused on behavioral health or more traditional mobile crisis response to mental health crises. Mr. Cornfield said Dayton asked them to do something different. He said they would launch a Mediation Response Unit that will respond to non-violent conflict calls i.e., dogs barking, neighbor disputes, kids not going to school. He said after three months the MRU is working, he said they have responded to 251 calls which represents one call per hour.

Major Malson, Dayton Police Department, said this is an important part of the police reform. He said it is a collaboration with a lot of people. Major Malson said when the Mediation Response Unit started responding to calls, they were proactive in looking for calls they could help with. He said crews are also stopping by calls and asking if there is anything they can help with.

Ms. Raven Loaiza, Mediation Response Unit Program Coordinator, said the uniform for the Mediation Response Unit is a maroon shirt that is clearly marked. She said that residents have called back to 911 or MRU to thank them for the role they are filling in the community. Ms. Loaiza shared stories from the community where the MRU had responded and helped to resolve the issues.

Ms. Sam Morehead, Dignity Best Practices, said her job has been to understand the nature of 911 phone calls in the City of Dayton. She shared the significant variety of calls and said they are on target with expectations. She said the data helps determine where to go next and how to impact the community the most.

Ms. Michelle Zarembo, Dayton Meditation Center, said she is excited about the program. She said they have been talking about this for years, trying to get to situations quicker to de-escalate and help situations not get to a point of violence. She said currently they have one unit that must go from the west side to the east side; however, they are hoping to increase staffing and get more coverage.

Commissioner Turner-Sloss commended the team on their work.

Commissioner Fairchild said great opportunity for potential. He asked if they could self-dispatch to a call.

Ms. Loaiza said they do have the ability to self-dispatch.

Commissioner Joseph asked if the percentage of 911 calls met expectations.

Ms. Morehead said yes, the data has been tracking with expectation.

Commissioner Joseph asked about the data for mental health and if they overlap in other categories.

Ms. Morehead said there were some gaps in the mental health components. Ms. Loaiza said there is a high percentage of the U.S. population that has some mental illness, and it depends on how calls are labeled.

ADDITIONS OR DELETIONS TO THE CALENDAR

There were no additions or deletions to the calendar.

DISCUSSION OF CALENDAR ITEMS

Calendar Item No. 2. L J DeWeese Inc. - Award of Contract

The City Manager, Ms. Shelley Dickstein, said the contract exceeded PEP Participation Goals and will support upcoming development.

Resolution No. 6659-22- Approving the Submission of Grant Applications to the District 4 (Montgomery County, Ohio) Public Works Commission Integrating Committee. Authorizing the Acceptance of Grant Awards from the State of Ohio Public Works Commission for the State Issue 1 Program for Public Capital Infrastructure Improvements in an Amount Not to Exceed Three Million Eight Hundred Twenty Thousand Three Hundred Ninety Dollars and Zero Cents (\$3820390.00) on Behalf of the City of Dayton.

The City Manager, Ms. Shelley Dickstein, said there is a Transportation Policy Committee that is populated with several departments, Planning Neighborhoods and Development, Civil Engineering, CityWide Development, Economic Development, Finance and Procurement Management and Budget, who help identify potential projects. She said these department members are out in the community working with community organizations and having conversations about the variety of development projects going on across the city.

Ms. Dickstein said they are looking at transportation projects across the city. She said there are two different funding sources federal and state. She said federal funding is often used to grow and increase transportation capacity, while state funding is often used to replace existing infrastructure.

Ms. Dickstein said this group will identify potential projects. She said the applications in both cases require defined projects and an estimated budget. She said the team will bring forward the final recommended list to the transportation policy, which in turn brings forward recommendations to the Dayton City Commission. She gave an overview of the Salem Avenue project.

Commissioner Fairchild asked about community engagement on sections four and five.

Ms. Dickstein said there will be community meetings on these sections.

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. Aviation Insurance Managers, Inc. (aviation liability insurance as needed through 12/31/23) **\$155,612.00**

POLICE

B1. Vance Outdoors, Inc. (taser equipment) **\$39,365.54**

PUBLIC WORKS

C1. Allied Supply Company, Inc. (air filters, refrigerants and related supplies as needed through 12/31/24) **50,000.00**

C2. Dell Marketing LP (nine Dell brand recording servers and related items) **70,316.55**

C3. Brakefire, Inc. dba Silco Fire Protection Company (security access controls) **34,230.00**

WATER

D1. Environmental Air Products, Inc. dba EAP, Inc. (new equipment and repairs) **24,580.00**

D2. Hach Company (Hach brand DR6000 US VIS Spectrophotometer with RFID Technology) **\$11,207.95**

Depts. of Aviation, Police, Public Works and Water.

Total: \$385,312.04

B. Construction Contracts:

2. **L J DeWeese Company Inc. – Award of Contract** - 2022 Madison Street Reconstruction (10% MBE & 10% SBE Participation Goal/10.87% MBE & 13.09% SBE Participation Achieved) - Department of Public Works/Civil Engineering **\$1,010,197.85**
(Thru 05/26/25)

3. **Schindler Elevator Corporation – Award of Contract** – for One Stop elevator modernization (10% MBE Participation Goal/20.89% MBE Participation Achieved) – Department of Public Works/Property Management **\$1,113,732.00**
(Thru 12/31/25)

E. Other – Contributions, etc.:

4. **University of Dayton – Legal Settlement** - for settlement of a moral obligation claim – Department of Law/Civil **\$57,839.64**

CITIZENS' COMMENTS ON CALENDAR ITEMS

There were no citizens' comments on calendar items.

APPROVAL OF CITY MANAGER'S REPORTS

Commissioner Joseph made the motion to approve the City Manager's Reports. Commissioner Turner-Sloss seconded the motion. The City Manager's Reports were approved with a 4-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Fairchild and Turner-Sloss.

LEGISLATION

EMERGENCY RESOLUTION-FIRST READING

Emergency Resolution No. 6660-22- Authorizing the City Manager to Accept Funding from the Economic Development and Government Equity Program as Approved by the Board of County Commissioners of Montgomery County, Ohio, in an Amount Not to Exceed One Hundred Thousand Dollars and Zero Cents (\$100,000.00) for Mikesell's Inc. 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 Turner-Sloss seconded the motion. The motion was passed with a 4-0 vote.

EMERGENCY RESOLUTION-SECOND READING

Emergency Resolution No. 6658-22- Authorizing the City Manager to Accept In-Kind Services from the Ohio Department of Transportation on Behalf of the City of Dayton, and Declaring an Emergency.

The question being shall Emergency Resolution No. 6658-22 be adopted. A roll call vote was taken resulting in a 4-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Fairchild and Turner-Sloss. The Emergency Resolution was adopted.

RESOLUTION – SECOND READING

Resolution No. 6659-22- Approving the Submission of Grant Applications to the District 4 (Montgomery County, Ohio) Public Works Commission Integrating Committee; Authorizing the Acceptance of Grant Awards from the State of Ohio Public Works Commission for the State Issue 1 Program for Public Capital Infrastructure Improvements in an Amount Not to Exceed Three Million Eight Hundred Twenty Thousand Three Hundred Ninety Dollars and Zero Cents (\$3,820,390.00) on Behalf of the City of Dayton.

The question being shall Resolution No. 6659-22 be adopted. A roll call vote was taken resulting in a 4-0 vote. Voting in the affirmative were Mayor Mims, Commissioners Joseph, Fairchild and Turner-Sloss. The Resolution was adopted.

CITIZENS' COMMENTS

Citizens' comments were received from the following:

1. **Ms. Tia Hunter, 5427 Montgomery Road** – spoke about the death of her mother and her criminal case.
2. **Mr. Reid Dotson, 34 Missouri Ave.** - spoke about the demolition of his property in the City of Dayton.
3. **Mr. Youssef Elzien, 4906 Amberwood Drive** – spoke about the resolution condemning the war against the Ukraine by Russia.

COMMENTS BY THE CITY MANAGER

The City Manager, Ms. Shelley Dickstein, had no closing comments.

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 all the Civic Scholars for attending the City Commission meeting.

Commissioner Turner-Sloss thanked and commended staff of the Mediation Response Unit for their work and commitment of the team.

Commissioner Turner-Sloss thanked the Director of Finance and his staff for the tour of his department.

Commissioner Turner-Sloss thanked Director of Public Works and staff for her tour of what his department does. She also thanked them for their work at Liberation Park and the Dream Big Foundation's Back to School Bash.

Commissioner Turner-Sloss thanked citizens for presenting their concerns at tonight's meeting.

Commissioner Fairchild

Commissioner Fairchild expressed condolences to Ms. Hunter regarding the death of her mother. He expressed his willingness to work with Mr. Elzien on his concerns.

Commissioner Fairchild highlighted events happening around the city, the Yellow Cab Tavern, African American Cultural Festival, the Great American Beer Tasting, Porch Fest, DCDC at the Levitt.

Commissioner Joseph

Commissioner Joseph expressed his condolences to Ms. Hunter on the passing of her mother.

Commissioner Joseph said the City Commission has made efforts all over the world to increase peace and prosperity. He said they supported the fundraiser for the first library in Monrovia Liberia, Afghan refugees, and efforts in Bosnia. He said he is proud of the work that has been done at the City of Dayton.

Mayor Mims

Mayor Mims thanked his colleagues for their work and attendance at community events.

Mayor Mims congratulated Rev. Chad White on his fourth anniversary at his church.

Mayor Mims highlighted the Children's Walk and the UNCF Mayor's Luncheon and walk.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:16 p.m.

Jeffrey J. Mims, Jr.
Mayor

Attest: _____
Clerk of Commission

WORK SESSION

A copy of prepared material has been recorded as Communication & Petition Number 21716 dated August 17, 2022.

The Dayton City Commission met in a Work Session on August 17, 2022, at 4:06 p.m., prior to the regularly scheduled City Commission meeting. Mayor Mims and Commissioners Joseph, Fairchild and Turner-Sloss were present. Commissioner Shaw was absent due to travel. Torey Hollingsworth, Director, City Commission Office and Regina D. Blackshear, Clerk of Commission were also in attendance.

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

Ms. Jones provided a June 2022 overview. She stated revenues climbed 8.4 percent or \$8.4 million when compared to mid-year 2021 and were \$12.8 million over budget. She said the 8.4 percent growth is slower than the YTD growth of 11.0 percent reported last month and driving the increase were income taxes which were up 7.9 percent or \$5.9 million due to continued strong performance, particularly in the business profits category. She explained all revenue categories performed better than the same period in the previous year, except for fines and forfeits, which was down a nominal \$53,600 and expenditures through June of 2022 were under budget (favorable variance) by \$1.1 million or 1.1 percent but were \$14.9 million above 2021 YTD amounts. Ms. Jones explained personnel costs were \$2.1 million under budget but \$6.1 million or 9.9 percent higher than the same period last year. She said factors like the compounding wage increases and lump sum payment are major contributors to the increase. Ms. Jones stated that contracts, materials and other uses were up \$1.9 million or 11.7 percent and much of this is in management contracts and is due to the timing of RDC payments as well as inflationary increases becoming more evident in categories like gasoline, supplies and materials, and utilities. Ms. Jones said as of June, sources exceeded uses by \$5.7

million, mainly due to strong revenue performance across nearly all categories, specifically, continued growth in income tax collections.

Revenue Trends – Income Tax

Ms. Jones said that net collections through June of 2022 increased 7.9 percent or \$5.9 million and there have been two consecutive months of negative growth in collections when compared to the same months the previous year. She stated withholding taxes were higher by 5.6 percent or \$3.5 million and the tax on business profits remained high and rose \$3.5 million or 37.5 percent compared to 2021. Ms. Jones said that payments by individuals also grew 3.5 percent or \$100,000 and refunds grew 97.2 percent or \$1.3 million over last year and much of this is attributable to the impacts of the work from home environment. She said this is experienced in both the number of refunds processed to date as well as the dollar value.

Revenue Trends – EMS Fees

Ms. Jones said as of June 2022, EMS revenue was up 6.9 percent compared to 2021, but is on pace for the 2022 budget amount. She said collections were up all months except April when compared to the same period in 2021. Ms. Jones noted that EMS runs have increased 4.3 percent or 646 runs through June 2022, compared to 2021 and are in line with pre-pandemic levels. The general illness category of calls was the driver in the slight uptick in run volume.

Revenue Trends – Other Intergovernmental

Ms. Jones stated that other intergovernmental revenues were up \$299,500 or 14.9 percent from June 2021 and leading the increase was casino tax up by \$274,100 or, 17.3 percent when compared to same period in 2021. She said homestead and rollback tax saw a decrease of 1.6 percent. Ms. Jones noted that when compared to 2021, liquor and beer permits revenue was up \$47,000 in 2022 largely due to the timing of payments from the Ohio Undivided Liquor Permit Fund.

Revenue Trends – Licenses & Permits

Ms. Jones said that licenses and permits revenues increased by 14.7 percent from 2021. She said driving this was building, and construction permits, which were up 30.6 percent or \$288,100 over the same period last year. She explained the number of permits processed remains roughly the same year over year, but there have been a few large permits driving this increase. She noted licenses and use permits declined 15.4 percent from 2021 while mechanical permits and zoning permits declined a combined \$7,300 or 1.2 percent compared to 2021.

Revenue Trends – Big Picture

Ms. Jones said YTD through June 2022, income tax collections were up 7.9 percent when compared to 2021 due to continued strong performance, particularly with business profits. Ms. Jones noted since 2018, income tax climbed 19.0 percent, and all other revenues rose 19.3 percent. She said trends in other revenue categories include the LGF rose 34.2 percent, nearly \$1.1 million from the growth in state taxes; waste collection increased nearly \$1 million or 21.3 percent due to the annual escalator and EMS fees also rose nearly \$1 million or 54.6 percent.

Expenditure Trends – Personnel

Ms. Wilson stated that personnel costs increased 9.9 percent, or \$6.1million, when compared to June 2021, that included a two percent wage increase for 2021, two percent wage increase for 2022, absence of cost savings days in 2022 and a lump sum payout in Jan 2022. Ms. Wilson said civilian wages were up 10.8 percent, or over \$1.7 million higher in 2022, when compared to June 2021 due to the compounded annual increases and realizing the full effect

of the strategic reorganizations started in mid-2021. Ms. Wilson stated civilian overtime is up 25.4 percent or \$113,300, largely due to constraints in the labor market and higher leave usage and sworn overtime was up 90.7 percent or \$1.2 million largely due to higher leave usage and mandatory staffing levels. She noted that salary-driven benefits associated with increased wages, higher overtime usage, and the lump sum payment drove the 8.2 percent increase in the fringes category.

Expenditure Trends – Contracts and Materials and Other Uses

Ms. Wilson stated excluding other uses (transfers), contract and materials costs were up 18.0 percent, or \$2.7 million with management and public service contract costs increasing \$1.4 million, or 106.1 percent, largely due to timing of RDC payments. Ms. Wilson said miscellaneous costs were up 158.7 percent, or \$266,700 due to an adjustment for property/casualty insurance of \$427,000 in 2021 and supplies and materials expenses were up 53.4 percent in accordance with the overall inflationary line increase across most markets. Ms. Wilson noted utility costs increased 13.6 percent, or \$275,600 as a combination of the timing street lighting costs and the loss of a natural gas hedge. Ms. Wilson said waste disposal has decreased almost \$247,000 due to the timing of payments and reduced recycling expenditures through the rebate program.

Expenditure Trends – Five-Year Expenditure Analysis

Ms. Wilson said that for the five-year period, from 2018 to 2022, personnel and contracts and materials have increased by over \$8.9 million, or 11.5 percent. She noted despite fewer filled positions, personnel expenses have increased by 12.6 percent, or \$7.6 million, largely driven by higher wages and rising insurance costs. Ms. Wilson said contract and materials expenses have increased 7.6 percent, or over \$1.26M, from 2018 to 2022 and contract and materials expenditures continue to trend upward in 2022, with an 18 percent year-over-year increase from 2021 due to the increased cost of supplies and materials, payment rates for professional services and the increase cost of utilities.

Dayton Recovery Plan Update

Ms. Wilson stated that PMB is working on a new format for the DRC-ARPA Webpage, templates related to ARPA are 90 percent complete and internal projects are beginning to move towards the procurement process. She said that external projects will start appearing on the commission calendar August 24 and August 31. Ms. Wilson said that goals are in the process of being established for each unique project through HRC, Guidehouse and the internal DRP team. Ms. Wilson said training to help internal project managers understand needs and reporting will occur in late August/early September. Ms. Wilson stated a database of MBE vendors is being refined and PMB is working on an outreach opportunity to connect MBEs with external grantees. Ms. Wilson noted that Reviewr will be up and running by mid-September and training and guides will be available late August/early September.

2022 Mid-Year Status Update

Ms. Jones stated as a result of the 2014 Charter Amendment that instituted the Policy Budget, the City Commission adopted Section 48B.02 of the RCGO that prescribes:

“Prior to 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 noted the General Fund status report includes a review of the revenue circuit breakers and a review of department variances to budget.

Revenue Circuit Breakers

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

Preliminary 2022 Year-End Projection

Ms. Jones said overall, revenues are performing over budget, attributable to strong growth in withholding and non-withholding income tax revenues however, refunds are higher YTD than in any year in the past five years due to the work-from-home environment. She said the threat of revenue loss from work-from-home still exists, as does the continued liability of work-from-home related refunds. Ms. Jones noted in the second half of the year, staff shortages (overtime), a challenging hiring market, and inflationary impacts to contracts and materials will continue to erode the strong revenue performance experienced in the first half of the year and at the mid-year point, we expect to end 2022 with a balanced budget and the ability to weather inflationary costs. Ms. Jones stated with continued inflationary cost increases, the threat of work-from-home on income tax revenue, and a possible recession, ARPA funding can be used to augment revenues in the 2023 budget but must be managed prudently given it's a one-time source of revenue.

June 2022 Highlights

Ms. Jones explained revenues have continued an upward trajectory, rising 8.4 percent or \$8.4 million compared to the same period in 2021 and personnel costs registered an increase of 9.9 percent attributable to the health insurance holiday, CSDs, and the full realization of the strategic reorganizations started in mid-2021. Ms. Jones said contracts, materials and other uses were up 11.7 percent, or \$1.9 million largely the result of increased costs in the supply chain, and the use of temporary services to help with low staff numbers. Ms. Jones stated capital equipment is up 731.1 percent mostly due to it being a debt issuance year on top of frontloading the procurement of capital items. This was in efforts to get these items in sooner and reduce the risk of cancellation. She said for the first-half of 2022, sources exceeded uses by \$5.7 million due largely to strong performance across nearly all categories, specifically, growth in income tax collections. Ms. Jones said erosion on revenue by second half of the year spending plus continued inflation is still being taken under consideration in all forecasting.

Mike Powell, Director of Water provided an overview of the 2022 second quarter. He said water fund revenues (sources) were nearly flat, up \$400,000 compared to Q2 2021, revenues from City customers were above forecast 4.6 percent or \$555,600. Mr. Powell said the city experienced a modest 3.4 percent revenue increase from Q2 2021 of \$413,300 and revenues from other jurisdictions were above forecast 11.6 percent or \$1,159,000. Mr. Powell noted the city experienced a 2.7 percent increase from Q2 2021 of \$294,900 impacted by higher consumption in several county accounts, an increase in the 2022 county base charge & bill timing. Mr. Powell explained other charges for services were down \$541,400 compared to Q2 2021 due to reductions in shut-off charges and fewer new service connections. Mr. Powell noted expenditures (uses) were up 21 percent or \$4.4 million compared to Q2 2021 due in large part to the implementation of the department capital transfer plan in late 2021, as well as increases in personnel and contracts and materials. Mr. Powell said personnel costs were 8.7 percent higher compared to Q2 2021 due to higher wages and fringes as the department remains focused and determined to fill staffing shortages and overtime was higher due to increased usage of sick time and a lump sum payment that was processed during Q1. Mr.

Powell explained that contracts and materials were up 9.3 percent compared to Q2 2021 due to higher gasoline and natural gas costs as well as sludge disposal and other costs, offset by indirect costs and fleet charges. Mr. Powell noted that in late 2021, the department established a formal capital transfer plan to ensure that transfers are made more consistently throughout the fiscal year.

Water Revenue Trends – Metered Charges, Other Charges

Mr. Powell stated water revenues were up 1.3 percent or \$354,200 compared to Q2 2021 and revenues from city customers were up 3.4 percent or \$413,300. He said revenues from other jurisdictions were up 2.7 percent or \$294,900 along with the Montgomery County base charge increase, higher consumption in some county accounts and bill timing. Mr. Powell said revenues from other charges for services were down 31.8 percent or \$541,400 and a reduction in shut off charges and new service connections. Mr. Powell explained personnel costs were 8.7 percent higher compared to Q2 2021 with a \$93,500 increase in overtime, a \$322,900 increase in wages, along with the positions and merit increase. He noted the lump sum payment in Q1 2022, and a \$120,250 increase in insurance. Mr. Powell said contracts and materials were up 9.3 percent or \$808,000 compared to Q2 2021 and utilities up \$419,100 with gasoline & natural gas increases in expenses at WS&T. Mr. Powell said sludge disposal was up \$73,200 and 2021 committed costs with actuals down 6 percent. Mr. Powell said other costs were up \$220,200 mainly due to bill timing and supply chain issues in other equipment maintenance and security services for WS&T and Kittyhawk.

Sanitary Sewer Fund - 2022 Second Quarter Overview

Mr. Powell said the sanitary sewer fund revenues (sources) were up 18.5 percent or \$3.2 million compared to Q2 2021 and revenues from city customers were above forecast 13.2 percent or \$1,094,400. He explained that the city experienced a 11.6 percent revenue increase from Q2 2021 of \$973,800 and revenues from other jurisdictions were above forecast 16.0 percent or \$1,105,900. Mr. Powell stated the city experienced a 16.5 percent increase from Q2 2021 of \$1,135,600 impacted by higher consumption in several county accounts and bill timing and other charges for services were up 32.2 percent or \$616,500 compared to Q2 2021 due to a higher BOD and suspended solids charges. Mr. Powell noted that other revenue was up 145 percent from Q2 2021 due to an insurance reimbursement for fire damage at Water Reclamation and expenditures (uses) were up 19.1 percent or \$2.5 million compared to Q2 2021 due to increases in personnel, utilities and supplies and materials. Mr. Powell stated personnel costs were 15.0 percent higher compared to Q2 2021 due to higher wages as the department remains focused and determined to fill vacant positions. He said overtime was higher due to increased usage of sick time and a lump sum payment that was processed during Q1. Mr. Powell said contracts and materials were up 6.0 percent compared to Q2 2021 due to rising gasoline, energy and supplies and materials costs. He said in late 2021, the department established a formal capital transfer plan to ensure transfers are made consistently throughout the fiscal year.

Sanitary Sewer Revenue Trends – Metered Charges Other Charges

Mr. Powell said Sanitary Sewer Revenues (sources) were up 18.5 percent or \$3,184,500 compared to Q2 2021 with revenues from city customers up 11.6 percent, or \$973,800 and revenues from other jurisdictions up 16.5 percent or \$1,135,600. Mr. Powell stated rate increases, higher revenues in several county accounts and bill timing were the drivers. He said revenues from other charges for services were up 32.2 percent or \$616,500 and higher biological oxygen demand & higher charges for suspended solids Water Reclamation. Mr. Powell noted other revenue is up 145 percent or \$476,300 which was because of Travelers insurance reimbursement for fire damage at Water Reclamation.

Sanitary Sewer Expenditure Trends – Personnel Costs and Contracts and Materials

Mr. Powell said personnel costs were 15.0 percent higher compared to Q2 2021 with a \$40,900 increase in overtime and \$412,700 increase in Wages which was caused by filling positions and merit increases and the lump sum payment in Q1 2022. Mr. Powell stated that contracts and materials were 6.0 percent higher compared to Q2 2021 with utilities (water and natural gas) up \$44,900 supplies and materials up \$357,600 with price increases for gravel and asphalt and bill timing for chemicals. Mr. Powell stated other equipment maintenance up \$190,200 and an emergency boiler repair stalled routine maintenance until 2022.

2022 Second Quarter YTD Highlights

Mr. Powell said billed revenue for water and sewer were higher in Q2 2022 compared to Q2 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 of Water throughout the prior year. Mr. Powell said while several positions were filled by the end of 2021, the department was still experiencing turnover and resultant vacancies and in addition to vacancies, rising sick and vacation time drove overtime costs higher in Q2 2022. He noted filling open positions and retention will continue to be a challenge in 2022. Mr. Powell said the Department of Water has been closely monitoring the impacts of both inflation and supply chain disruptions: and adjustments of Q2 priorities have been made to respond to price increases in chemicals, gasoline, natural gas prices 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. Mr. Powell said the Department of Water anticipates the impacts of both inflation and filling orders previously cancelled by supply chain disruptions to be reflected in YTD spending throughout the rest of the year. Mr. Powell said the water and sewer fund did not require any usage of the cash reserve in Q2.

Aviation 2022 Second Quarter Overview

Mr. Turner said total sources are up \$2.4M, or 20.0 percent, compared to 2nd quarter 2021 and total sources are \$2.7M or 16.0 percent, below the 2022 YTD budget target and airline revenue has increased by \$705,100 or 21.0 percent, compared to 2021 which is driven by higher enplanements and landing fees. Mr. Turner noted airline revenue is \$300,000 or 7.4 percent, below the 2022 YTD budget target and total non-airline revenues are up \$2.6M or 44.6 percent, compared to 2nd quarter 2021, primarily due to increases in rental car and parking revenue.

Mr. Turner stated that parking revenue is up \$1.4M or 68.3 percent over 2021 2nd quarter but is below the 2022 2nd quarter projected budget by \$1.0M and rental car concession revenues are up \$1.0M or 436.0 percent, compared to 2nd quarter 2021. He said rental car concession revenues are \$200,000 or 15.7 percent, below the 2022 YTD budget target and miscellaneous revenues have declined by \$1.0M or 88.9 percent, compared to 2nd quarter 2021 with the decrease being due to the decrease in land sales in 2022 compared to 2021. Mr. Turner said total uses have increased \$3.1M or 20.7 percent, compared to 2nd quarter 2021 and personnel costs have remained flat compared to 2021 with a minor increase of only 0.2 percent. He stated personnel costs are \$1.4M or 23.5 percent, below the 2022 YTD budget target. Mr. Turner explained contracts and materials have increased \$769,700 or 15.0 percent, compared to 2nd Quarter 2021. He said this increase is due to higher maintenance agreements, management contracts, utility expenses, and marketing. Mr. Turner noted contract and materials costs are \$1.4M or 18.7 percent, below the 2022 YTD budget target and capital project funding is up \$2.2M or 102.8 percent, year-over-year.

Revenue Trends

Mr. Turner stated the total non-airline revenue and airline revenue increased by \$2.6M and \$705,100 respectively, when compared to same time in 2021. He said while airline revenue is recovering post pandemic, it is still slightly under the peak revenues experienced in 2019.

Mr. Turner explained airline revenues consist of landing fees and terminal space rent which can be either offset or supplemented by the annual settlement, which lags two years. He said terminal space rent increased 10.6 percent or \$244,100, compared to the 2nd quarter 2021 and landing fees have also increased \$461,000 or 43.6 percent, compared to 2021 due to an increase in airline traffic.

Non-Airline Revenue Trends

Mr. Turner said parking is the largest revenue category within non-airline revenue. He said parking revenue totals \$3.5M YTD, representing a 68.3 percent year-over-year increase. This increase is due to higher enplanements which increased passenger parking however, this revenue source is still \$1.0M or 22.2 percent, under the 2022 projected budget target for the 2nd quarter. Mr. Turner stated rental car concessions revenue has increased \$1.0M or 436.0 percent, compared to 2021, also due to higher traffic and lower parking fees and terminal concessions revenue increased \$280,400 or 293.3 percent, over the 2nd quarter 2021. He said this increase is driven by a higher level of terminal advertising in 2022. Mr. Turner noted miscellaneous revenue declined 88.9 percent, or \$1.0M, compared to 2021 due to revenue received from property sales in 2021 and no sales in the same time period in 2022.

Personnel Expense Trends

Mr. Turner said total personnel costs are up \$9,400, or 0.2 percent, year-over year and wages are 6.0 percent lower, or \$167,100 compared to 2021. He said overtime increased 60.8 percent or \$117,600 over the 2nd quarter of 2021 and position vacancies were the cause of this increase. He noted that insurance costs have decreased by \$49,800 or 6.7 percent, compared to the 1st half of 2022.

Contract and Material Expense Trends

Mr. Turner stated total contract and material expenses have increased by 15 percent and marketing costs for the airport have increased 68.6 percent. He noted this is in response to reopening the Business Travel Center. Mr. Turner said maintenance has increased \$170,100 or 18.3 percent and this growth is for the replacement of aging equipment. He stated management contracts are up 17.6 percent compared to 2021, due to increases in the Airport parking contract. Mr. Turner noted that utilities have risen 39.1 percent in 2022 with the cost of natural gas and telecommunication services driving the increases.

Enplanement Recovery Trends

Mr. Turner noted through the 2nd quarter of 2021 the airport had total enplanements of 142,293 however, signs of recovery are becoming noticeable as the 2nd quarter ended with 165,467 enplanements.

Recovery Trends – Dayton’s TSA Checkpoint Recovery Trends

Mr. Powell said on average, U.S. passenger throughput at TSA checkpoints is 8 percent below 2019 (30-days ending April 21, 2022 and Dayton is trending 24 percent below 2019 counts.)

Aviation 2022 Second Quarter Conclusion

Mr. Turner stated that airline operating revenue is up \$2.4M or 20.0 percent, year-over-year and airline revenue increased \$705,100 or 21 percent over 2021 YTD. He said non-airline revenue increased \$2.6M or 44.6 percent, over 2021 YTD and parking revenues have risen to \$1.4M or 68.3 percent, over 2021 YTD. Mr. Turner said parking revenue is \$1.0M or 22.2 percent, under 2022 YTD budget and rental car concessions revenue increased by \$1.0M or

436 percent, over 2021 YTD. Mr. Powell noted rental car concessions are \$200,000 or 15.7 percent, below 2022 budget and total uses have increased \$3.1M or 20.7 percent, over 2021 YTD. Mr. Turner said the 2022 YTD budget is \$1.3M or 6.7 percent, below the 2022 budget and contracts and materials have increased \$800,000 or 15.0 percent, year over year due to higher maintenance agreement, management contracts, utilities, and marketing. Mr. Turner explained personnel costs are flat and are \$1.4M or 23.5 percent, below 2022 budget. He noted as of the 2nd quarter of 2022, uses exceed sources by \$3.5M due to early funding of investments. He said the planned use of transfers from PFC, CFC, CARES, CRSSA and use of cash reserve is estimated to be \$11.2M and transfers will be completed at the end of the year based on actual revenue performance.

The Work Session concluded at 5:27 p.m.