

State of the City 2019

Our annual State of the City report summarizes the current financial condition of our community, the fourth year of our Street Program, departmental statistics, and the accomplishments made in 2019.

While Celina-Mercer County continues to experience the lowest unemployment rate in the state with the rate fluctuating around 2%, it continues to be a challenge for area employers which continue to have unfilled job openings.

The Memorial Day EF3 Tornado, severe Hailstorms, and multiple flooding events that impacted Celina last year has not deterred our community from coming together and demonstrating our resolve to be one of the best Cities in Ohio to live and work.

Of note, the destructive Tornado that hit our community in May resulted in one death, 8 serious injuries needing hospitalization, and other minor injuries as it cut through 3 different residential neighborhoods and apartments. The affected structural outcome from the tornado resulted in damaging 102 residential houses with 34 being totally destroyed. Additionally, there were 5 apartment buildings severely damaged and one commercial structure on North Main Street that was destroyed.

FINANCIAL STABILITY

In conjunction with City Council, Celina Administration continues its dedication to maintain solid fiscal policies for both operations and capital projects. City Council unanimously passed a balanced budget for City operations and expenses for the eighth year in a row for 2019. Pursuant to the Personnel & Finance Committee's recommendation, Council members

approved a Budget request of approximately \$49.4M for all funds with total projected revenue of \$53.7M. Initial projected operational expenses were intentionally lower than expected revenues to maintain a strong reserved. All excess collections were reserved by transfer into designated “set aside” fund accounts for capital projects. The projected General Fund revenues for 2019 were approximately \$8.64M. The additional .5% Supplemental Income Tax generated 2.17M. The KWH Tax collections of \$630,741 is deposited into the City’s General Fund.

Additionally, Administration and Council continued to responsibly legislate, manage, and or reduce overall City indebtedness to strengthen our community’s current and long-term financial stability. The beginning 2019 outstanding debt was approximately \$13.45M that includes a principal reduction of \$3.32M with interest of \$253K. Existing annual debt re-acquired was \$1.495M for the Bryson Park District ground, which will be fully paid off by the Bryson Trust; and, \$1.6M for electric rate Levelization cost through AMP over a period of 4 years to mitigate anticipated strong rate fluctuations. Significant debt reduction updates are as follows:

- The final payment of \$300K for the Boardwalk Note debt was completed in 2019.
- The sixth payment of approximately \$221K was paid back to the Electric Fund towards the remaining debt of \$442K for purchase of the City Administration building in 2014. The payment is proportionally split between the General Fund and Enterprise Funds. Debt maturity is 2020.
- Principal reduction of \$500K, interest, and attorney’s fees were paid/reimbursed to the City from the Bryson Trust against the annual Note of \$1.495M with a Renewal of \$995M for the approximate 8 acres of waterfront land adjacent to

Lake Shore Drive between South Ash and East Market Streets. Debt maturity is projected to be 2022.

- Municipal Court paid \$130K toward the Municipal Court renovation debt principal of \$269K from a Special Court Improvement Fund assessed by the Court for repayment. Debt maturity is anticipated by 2028 or earlier.
- The remaining GAC Plant debt of approximately \$4.3M was reduced by our payment of \$424K from the special GAC billing assessment. This debt matures in 2028.
- The 2011 Wastewater Plant Improvement remaining debt of \$1.39M was reduced by a payment of \$168K. This debt matures in 2026.
- Collective debt payments from the 9 TIF Districts were \$431K against \$3.72M of several capital improvement projects, including the new Industrial Park Water Tower project with 20-year loan of \$2.36M through the State's 0% interest HAB program.

In keeping with our strong fiscal policies, the 2019 Annual Budget approved by Council contained approximately \$8.98M for General Fund (inclusive of both the 1% and 1/2% Income Tax) with actual collected current and delinquent revenues of \$10.5M. As of December 31, 2019, the City calculated an ending carry-over balance of approximately \$4.27M in the General Fund, or \$2.27M above the Council-established threshold of approximately \$2M. In part, the significant carry-over in the General Fund was a result of higher than anticipated collections.

INCOME TAX

The City's Income Tax Department has two (2) employees and oversaw the collection of a total of \$6,454,566, which was an increase of approximately 6.1% from 2018. The Tax Department collects both the 1%* and ½% Supplemental Income Taxes (*with 1% reciprocity). There are currently 6,398 active Tax Accounts, including 1,144 non-resident businesses and individuals. At the end of 2019, there remained only \$32,980 to be collected for years 2010 through 2018.

We began 2019 with a General Fund carryover balance of approximately \$3.7M from which transfers of certain amounts went into specific Savings Accounts for future expenses. These Savings Accounts were established to specifically designate and set aside funds for Safety Services (Police & Fire) and the Street program that provides for major capital purchases and project funding without incurring unnecessary additional debt. Of particular note, the following amounts were placed into Capital "Savings" accounts from the carry-over balance of the General Fund:

- \$200K was transferred to the Police Capital Fund for future capital needs
- \$100K was transferred to the Fire Capital Account for future capital needs
- \$1.4M was transferred to the Capital Street Program Fund

FIRE DEPARTMENT

Celina's Fire Department is a 24-hour a day operation with a \$1.28M budget and comprised of 16 full-time professional firefighters and 9 auxiliary firefighters, of which 19 are paramedics and six are EMT's. Inclusive of strategic planning and acquisition of specific emergency vehicles and equipment, Celina established, and continues to maintain an ISO Rating of 4, which has provided an estimated 15% insurance premium savings for businesses. The department has four (4) Advanced Life Support Ambulances provided through the Mercer County EMS; two (2) Engines; one (1) Pumper/Tanker; one (1) 100' aerial ladder truck; one (1) Grass truck; one (1) rescue truck; one (1) Command vehicle; an inflatable boat and an emergency rescue pontoon boat for use on Grand Lake since the City's emergency responsibilities cover nearly 80% of the lake. During 2019 CFD made 1,810 Squad runs (app. 11.6% increase from 2018) and 403 Fire runs (app. 14.3% increase from 2018). Fire loss during the year was calculated to be \$237,700. The City maintains Mutual Aid Agreements with area townships, including one with St Mary's, with the goals of quick response, urgent initial care for victims or illnesses or accidents, and county-wide support.

POLICE DEPARTMENT

Celina's Police department had a budget of approximately \$1.65M and currently has fifteen (15) professional Police Officers with two (2) vacancies, and five (5) Dispatchers. The Department took 19,988 calls for service; 789 traffic citations were issued and 1,575 warnings. Drug related offenses dropped 49% from 252 in 2018 to 166 in 2019. In part, the decrease in

arrests results from proactive investigations of the Celina Police Department, The Mercer County Sheriff's Department, and the Mercer County Drug Task Force.

As a result of having revenue from the .5% Supplemental Income Tax, the Department was able to purchase Radio upgrades in the amount of approximately \$114K; awarded a bid for construction of a new Impound Building in the amount of \$308,780, to be completed in 2020; and satisfy other capital and equipment needs in addition to completing a new shooting range for an approximate total of \$529K.

PUBLIC WORKS

The Public Works Department currently has 13 full-time employees with both a Superintendent and two (2) Assistant Superintendents. The Department had responsibility for all streets, sewer maintenance, water distribution, cemetery maintenance, and parks maintenance for a total operating budget of approximately \$1.43M. The City owns and maintains approximately 111 miles of sewer lines. Of note:

- 25 water main break repairs were completed with an average cost of approximately \$1,178, down 22% from 2018 as a result of the ongoing water line replacement program.
- An estimated 60 tons are salt are used each time City crews treat the streets. Public Works applied a total of 614 tons of de-icing salt during the winter season at an approximate cost of \$50K.

- Street crews replaced approximately 160 CY of concrete street surfaces at a cost of \$118K and spread approximately 520 tons of asphalt to repair other street surfaces at a material cost of \$35K.
- Utilizing in-house crews for crack-sealing of 15,000 feet of street surfaces saved approximately 35% over outsourcing with a cost of less than \$10k.
- Tornado-related damages resulted in collection of over 15,000 cubic yards of brush and limbs with an additional 3,000 cubic yards of leaves at an approximate cost of \$11,000 for grinding and hauling.
- Utilizing our sewer camera equipment, crews televised approximately 18,300 feet of sewer lines to provide documentation for both needed repairs and scheduled replacements.
- Freedom Days, Lake Festival, Taste of Celina, and the Grand Lake Marathon required over 430 hours of manpower at a cost of approximately \$8500 to facilitate several thousand visitors in our community.
- The City's Spring Trash Collection benefit for our residents cost \$42,783 in charges from the City's refuse contractor, Maharg's Trash Service. Additionally, Maharg's weekly trash service collected 318,250 bags of refuse, 48,500 bags of recyclable materials, and 17,400 Yard waste bags.

PARKS & RECREATION

The City's Parks and Recreation Department had an approved budget of \$574K, which included a General Fund Transfer of \$387K. The City continued to receive donations and grants to complete some significant improvements.

- The Harley Jones Memorial Amphitheater was completed at an estimated final cost of \$357,750 during the first half of 2019. The Harley Jones family funded its inaugural concert with an Eagles Tribute Band in July to kick off the completion.
- The Sharkey Memorial Splash Pad in the Bryson Park District was officially dedicated and opened for fun in July at a final cost of \$192,706 that was funded by a bequest in honor of the late Daniel Sharkey
- The new accessible/inclusive playground, purchased in late 2018, was constructed and completed in early summer with a poured-in-place rubberized surface for an approximate final cost of \$450,000 that was fully funded by grants from the Sharkey Family, Bryson Trust, a couple anonymous donors, and Game Time, Inc.
- The rebuilt Press Box-Concession Stand-Indoor Batting Cage was completed at Montgomery Field in East View Park and was funded by in-kind labor, donated materials, and donations through the Baseball Boosters. The facility was officially dedicated to the City and opened in time for summer baseball.
- Accepting the offer of established hardwood and evergreen trees from the Mercer County Sportsmen Club, the City was able to transplant 40 trees to its parks at a cost of \$13,500.

The City's Recreation programs, consisting of Softball, Baseball, Soccer, and Football included 767 kids from Kindergarten through 6th grade, representing a 13% decrease in participation. The Recreation Youth Programs were led by 125 coaches and volunteers, 23 umpires, and 27 referees.

UTILIY DEPARTMENTS

Enterprise Funds are comprised of the City's Utilities, which is inclusive of both revenues and expenses of Electric Supply & Distribution; Stormwater; Wastewater; and Drinking Water services. The City's Customer Accounts Department bills and collects payments from customers inside and outside the Corporation boundaries. As of the end of 2019, there were 5,601 inside and 2,171 outside Electric meters; 4,566 inside and 564 outside Water meters; and 4,535 inside and 522 outside Wastewater customers. Additionally, they continue to collect unpaid debt from previous years. In 2019, Customer Account Clerks collected over \$16,688 in back bills.

ELECTRIC DISTRIBUTION

Total combined expenses for the Electric Utility were approximately \$24.57M with total combined revenues of approximately \$24.29M, of which \$20.056M was purchased power cost. In accordance with supply projections from AMP, power supply costs continued to increase in 2019 and should peak in 2020. The Council-approved Rate Levelization plan with AMP provides a fixed cost to the City for power supply while stabilizing rates for Celina's electric customers over a 4-year period. The City's power portfolio is currently comprised of ten (10) separate suppliers that make up both energy and demand for Celina's customers, including

approximately 5MW from the Solar Field located at SR29 and Meyer Road. The Electric Fund realized a positive cash flow of approximately \$3M for an end-of-year balance of \$9.465M.

Celina's Electric Distribution Department has 9 full-time employees and are responsible for our distribution system with 12 miles of Transmission lines, 650 miles of Distribution lines, and 6 Electric Substations. Celina has 6,799 Residential meters, 830 Non-Residential meters, 64 facilities that require Demand meters, and 10 Industrial meters. At present, Celina owns and maintains over 10,000 utility poles, 26 traffic signals, and approximately 950 street lights.

Infrequent system outages that impacted Celina included:

- February – DP&L experienced power transmission interruption as a result of high wind
- May – the Solar Field substation, owned by Solar Vision, caught fire and was destroyed, which caused a blink in Celina's system until it was isolated. The fire was the result of a raccoon getting inside the transformer.
- May – an EF3 Tornado swept through Celina destroying 35 utility poles and pushing over 70 more; damaged more than 21,000 lineal feet of wire; and destroyed 28 transformers. Pursuant to isolating the damaged areas, Celina Electric and 13 Mutual Aid communities were able to re-energize most of Celina within 4 hours and the remaining customer base within 48 hours.
- December – Failure of a GOAB (Gang Operated Air-Brake Switch) in DP&L's interconnection substation caused an outage of approximately an hour and twenty minutes during emergency repairs.

WATER TREATMENT PLANT

Celina's Water Treatment Department had budgeted expenses of approximately \$3.964M with revenues of \$4M. The Water Fund realized a positive cash flow of \$560,439 with an end-of-year balance of \$4.55M. Major project design for significant treatment plant upgrades was finalized for pre-treatment infrastructure and was put up for bid in December with start of construction early 2020. The Department operates with 8 employees having the responsibility of providing safe drinking water throughout its service territory in addition to facilitating all treatment processes for the Bryson Swimming Pool. The plant processed nearly 451.2MG of raw water and sold 322.18M gallons of finished water. Microcystins (379 tests) and Microbiological (1,105 tests) presence is tested on a continual basis to ensure safety and compliance with all applicable requirements. The City's long-term objective remains to continually improve and enhance our current sustainable water source by OEPA-approved methodologies to both treat effectively and efficiently in direct relation to public health. The City continues to utilize proceeds of the \$8M Water Solutions Grant received in 2016 for major plant improvements in phases while continuing to remain operational 24 hours a day.

WASTEWATER TREATMENT PLANT

Celina's Wastewater Treatment Department had projected expenses of \$2.016M and revenues of \$2.77M for 2019. End-of-year fund balance was \$5.57M. The Department employees 7 operators and maintains 13 sewerage Lift Stations located throughout the municipal sewer district. The plant provides wastewater treatment services for approximately

900MG from all of Celina and portions of East Jefferson Township. The Department completed a new Sludge Bunker at final cost of approximately \$464,000.

Total Utility Fund Expenses were \$31.93M with Revenues of \$32.416M. In spite of a slight total expense imbalance, the Fund revenue increases are directly related to the Electric Rate Levelization “loan” through AMP and lower market costs for supplies.

ENGINEERING CAPITAL-CONSTRUCTION PROJECTS

The City’s Engineering Department has the task to oversee all construction projects, including the Street Resurfacing/Reconstruction Program.

- The 2018 Street Resurfacing projects that were bid in late 2018 awarded to The Shelley Company in the amount of \$191,941 were completed in Spring of 2019. The projects included 2,550 feet of East Livingston Street; 857 feet of Fountain Avenue; and 490 feet of Vine Street. 3,626 feet of surface for Livingston and Vine Street and Fountain Avenue.
- The 2019 Street Resurfacing projects included: 4,570 feet of Anthony Street from Riley to College; 2,712 feet of Elm Street from Schunk Road to Logan Street; and 1,450 feet of Portland Street from Logan to Market at a total cost of \$442,669.

These significant accomplishments continue to demonstrate a strong collaboration between Administration and City Council for strong fiscal management on behalf of all citizens and taxpayers of our community. We continue in our firm commitment to utilize revenues from the additional .5% Income Tax only in support of the Fire and Police Departments and for funding Celina’s Street Resurfacing/Public Right-of-Way Improvement Program as approved by

our voters in November 2015. Separate Funds have been established to account for both the receipt and expenditure of the Supplement .5% Income Tax, which is in effect through December 2022. The 1% Municipal Income Tax generated \$4.39M and the Supplemental 0.5% Income Tax generated 2.17M.

COMMUNITY AND ECONOMIC DEVELOPMENT

For the last 8 years, Celina has maintained a strong fiscal position in which our collective goal has been to responsibly balance the annual budget against projected revenues and only utilize the carry-over balances and any increases in revenues for improvement projects to the benefit of our community, such as the Street Resurfacing Program. The Community Reinvestment Act (CRA), continues to be a valuable instrument in assisting industries and businesses with proposed expansions and or facility improvements with Tax Exemption consideration for new businesses. A continuing goal of both Council and Administration is to partner with our existing businesses to provide appropriate infrastructure improvement incentives and or assistance for their investment/expansion, and by collaborating with the Mercer County Economic Development office and State agencies.

While Administration continues to work with multiple business owners wishing to build, expand, or open businesses in our community, the City did welcome the following businesses:

- Gordmans Department Store, which replaced Peebles
- Francis Furniture that constructed a new facility on Haveman Road
- CIAO Bella Boutique that opened a store in the Downtown
- Belle Femme Boutique that opened in the Downtown

- Monica McKinney Adult Day Care that opened in Kessler Plaza
- ❖ A total of 86 zoning/building permits were issued in 2019, including 11 new single-family homes and one non-residential building with an aggregate property investment value of \$2.637M. Additionally, there were 21 total “Rebuild” Zoning permits and 6 Additions that were granted to victims of the 2019 Tornado, of which no values for replacement were submitted in the above totals.

Our Administration continues to work closely with the Mercer County Economic Development office to reach potential developers wishing to locate or relocate commercial, industrial and or retail businesses while offering flexibility in financial support and tax incentives through the County's diversified resource base.

COURTS

Municipal Court Judge Kathryn Speelman continues to provide judicial leadership to Celina and Mercer County. In their annual report of cases filed, the Municipal court received 4750 Traffic Cases, representing an approximate 18% increase from 2018; 895 Criminal cases, representing an approximate 18% decrease; 80 Small Claims cases; and, 732 Civil Cases, which represents an approximate 18% decrease from 2018. In total, there were 6,466 new case filed at Celina Municipal Court, which represents an approximate 7% increase overall. The Court granted \$94,170 in credit for community service to offenders for their efforts, which includes volunteering at various places.

CONCLUSION

The City of Celina remains committed to assuring its citizens and businesses that their government is fiscally sound, responsibly managed, and proactive in reinvestment in basic services and infrastructure. Completing the 4th year out of the 7-year 0.5% Supplemental Income Tax, the City continues to resolutely restrict this revenue source to supporting Fire and Police services, and for the Street Repair/Resurfacing program to keep its residents safe while making improvements to our deteriorating infrastructure. We continue to pursue opportunities, seeking potential businesses and or expansions that complement our community. We continue to be successful in obtaining Federal, State, County, and private grants along with service club partnerships, businesses and individual donations of both time and resources to continually upgrade and improve our infrastructure and Parks.

Thank you for allowing me the honor of serving our community.

Jeffrey S. Hazel
Mayor