

State of the City 2020

Our annual State of the City report summarizes the current financial condition of our community, departmental statistics, and the accomplishments made in 2020 in addition to how the COVID-19 Pandemic has impacted our community.

As a result of the Coronavirus Pandemic affecting our Nation, Celina-Mercer County struggled during 2020 with temporary business closures, layoffs, permanent business closures, reduced hours of operation, greatly reduced manufacturing for an extended period, and the cancellation of social activities and sporting events as we navigated through governmental requirements and fear of contagion. While full public access remains restricted for businesses, our community fared better than most. Celina-Mercer County welcomed an approximate 3.3% unemployment rate in January that peaked to a high of 14.1% in April. After businesses retrofitted their facilities for social distancing and implemented sanitizing protocols, we ended 2020 with an approximate 3% unemployment rate. Ironically, as business have re-opened, their remains a deficit of available employees.

At the onset of the Pandemic, City Administration implemented a rotation of City personnel to ensure City operations could continue if certain employees contracted the virus. For a period of approximately 7 weeks, nearly half of City staff were required to rotate work hours to prevent spreading the virus and to continue City services for our community.

FINANCIAL STABILITY

Locally, financial impacts from business layoffs and shutdowns resulted in challenging business operations that were only partially offset by CARES Act Funds. The decrease in General Fund revenues from multiple tax sources, including income tax, was less than

anticipated with the end-of-year General Fund Revenue shortfall approximately \$542K, or 5.1% less than 2019. In spite of the reduction in revenue, the City remains on solid financial ground.

As presented by Administration, City Council unanimously passed a balanced budget for City operations and expenses for 2020. The initial Budget request of approximately \$48.81M for all funds was approximately 4.8% below total projected revenue of \$51.26M. Actual revenue exceeded projections by approximately 8% for a total of \$55.36M, which is inclusive of revenue being received from previous years. Initial projected operational expenses were intentionally lower than expected revenues to maintain a strong reserve. Excess collections were reserved by transfer into designated “set aside” fund accounts for capital projects.

The projected General Fund revenues for 2020 were \$7.682M with actual collections of \$8.145M, or an increase of approximately 6%. The additional .5% Supplemental Income Tax generated 2.126M, or 1.3% above projection. The KWH Tax collections of \$601,197 was deposited into the General Fund and was approximately 3.8% below project revenue.

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 2020 outstanding debt was approximately \$12,131,246, inclusive of principal and interest. Debt reduction in 2020 includes principal payment of \$2,754,274 and interest of \$233,025. Electric debt is noted for a \$1.6M 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 approximately \$221K was paid back to the Electric Fund for purchase of the City Administration building in 2014. Payment is proportionally split between the General Fund and Enterprise Funds. This Debt is paid.
- Principal reduction of \$500K, interest, and attorney's fees were paid to the City from the Bryson Trust against the annual Note of \$995K with a Renewal of \$495K for the approximate 8 acres of waterfront land adjacent to Lake Shore Drive between South Ash and East Market Streets. Debt maturity is 2021.
- Municipal Court made their final \$91,902 payment toward the Municipal Court renovation from their Special Court Improvement Fund assessed by the Court for such repayment. This Debt is paid.
- The remaining GAC Plant debt of approximately \$3.876M was reduced by our payment of \$426K from the special GAC billing assessment. The outstanding debt is \$3.44M and is projected to be paid off in 2028.
- The 2011 Wastewater Plant Improvement remaining debt of \$1.18M was reduced by a payment of \$166K. This debt matures in 2026.
- Collective debt payments from the 9 TIF Districts were \$421,489 against approximately \$3.4M 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.
- Electric Funds paid \$199K toward the outstanding AMPGS Stranded cost of \$1.59M. This stranded debt will be satisfied in 2028.

- Payments totaling \$212,818 was paid against the debt for our Street Sweeper (remaining balance of \$181,386), Vac Con Truck (remaining balance of \$100K), Backhoe (Debt paid in 2020), and Wheel Loader (Debt Paid in 2020).

The Federal CARES ACT provided a total of \$941,531 towards COVID-related expenses, including salaries for sequestering personnel for continuity of public services during the initial 2 months; supplies, labor, and materials for tent erection and take-down at area hospitals; radio-read utility meters to avoid unnecessary exposure to meter readers, the public, and office personnel; barrier shields and sanitation chemicals; and additional uniform modifications for the purpose of containing/preventing the spread of COVID-19 and to mitigate the potential of exposure to both City personnel and the public.

In keeping with our strong fiscal policies, the 2020 Annual Budget approved by Council contained approximately \$7.29M for General Fund (the 1% Income Tax) with actual collected current and delinquent revenues of \$8.14M. As of December 31, 2020, the City calculated an ending carry-over balance of approximately \$3.87M in the General Fund, or \$1.87M above the Council-established threshold of approximately \$2M.

INCOME TAX

The City's Income Tax Department has two (2) employees and oversaw the collection of a total of \$6,438,343, which was a slight decrease from 2019. The Tax Department collects both the 1%* and ½% Supplemental Income Taxes (*with 1% reciprocity). There are currently 6,695 active Tax Accounts, including 1,270 non-resident businesses and individuals. At the end of 2020, there remained \$50,026 to be collected for past years.

We began 2020 with a General Fund carryover balance of approximately \$4.27M from which transfers of certain amounts went into specific Savings Accounts for future expenses. These established Savings Accounts provide a mechanism to designate “set aside funds” for Safety Services (Police & Fire) and the Street Reconstruction Program. These Savings Accounts contain the financial resources from which major capital purchases and project funding acquired without incurring unnecessary additional debt. In the beginning of 2020, the following amounts were placed into Capital “Savings” accounts from the \$2.275M carry-over balance of the General Fund:

- \$25K was transferred to the Montgomery Field Fund
- \$100K was transferred to the Police Capital Fund for future capital needs
- \$200K was transferred to the Fire Capital Account for future capital needs
- \$250K was transferred into the Parks Capital Fund
- \$1.7M was transferred to the Capital Street Program Fund

FIRE DEPARTMENT

Celina’s Fire Department is a 24-hour a day operation with a \$1.338M budget and comprised of 16 full-time professional firefighters and 7 auxiliary firefighters, of which 19 are paramedics and 4 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 within the City and helps establish a 4Y in the rural area, which provides an estimated 15% insurance premium savings for businesses. The department maintains 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 for use on Grand Lake as the City's emergency coverage responsibilities include nearly 80% of Grand Lake. During 2020 CFD made 1,689 Squad runs (app. 7% decrease from 2019) and 333 Fire runs (app. 18% decrease from 2019). Fire loss during the year was calculated to be \$443,150. The City maintains Mutual Aid Agreements with area townships, including with St Mary's for the ultimate goals of rapid response, providing urgent initial care for victims of illnesses or accidents, and to support county-wide efforts to care for our community and save lives.

Since the federal declaration of COVID-19 as a Pandemic on March 12, 2020, the Celina Fire Department has continued to be on the front lines as Health Care Providers with transports and medical assists. Through 2020, CFD transported 109 confirmed COVID-19 patients. One full-time member and one auxiliary acquired the virus but have fully recovered.

POLICE DEPARTMENT

Celina's Police department had a budget of approximately \$1.6M and currently has sixteen (16) professional Police Officers with one (1) vacancy, and five (5) Dispatchers. The Department took 15,452 calls for service; issued 510 traffic citations and 433 warnings. While Illegal Drug activity continues to be a top priority for our Department, our officers, the Mercer County Sheriff's Department, and Drug Task Force officers continue to aggressively investigate and make arrests. Drug-related offenses dropped 18% from 166 in 2019 to 136 in 2020.

A portion of the .5% Supplemental Income Tax transferred to the Police Department Capital Account that provided resources for the construction of an evidence Impound Building that was completed in December 2020 at an approximate cost of \$308K, without debt.

Our officers are also front-line public safety providers and have been faced with COVID-19 virus impacts in their everyday interactions with the public. Their adaptability to changing situations demonstrate their commitment to our community.

PUBLIC WORKS

The Public Works Department started 2020 with 10 full-time employees with both a Superintendent and two (2) Assistant Superintendents. The Department had responsibility for all streets, storm/sewer maintenance (\$1.53M), cemetery maintenance (\$35,660), and parks maintenance (\$413,919) for a total operating budget of approximately \$1.98M. The City owns and maintains approximately 111 miles of sewer lines and 75 miles of streets and alleys.

Unfortunately, the Pandemic impacted several areas of normal activities, including major street repairs, crack sealing, and area events. The threat of reduced income resulted in restricting the hiring of summer employees while full-time personnel completed summer duties of mowing, and grounds maintenance. Departmental statistics include:

- An estimated 50 tons of salt are used each time City crews treat the streets. Public Works applied a total of approximately 525 tons of de-icing salt during the winter season at an approximate cost of \$40,763.
- Street crews repaired street surface cuts from utility excavations at a material cost of approximately \$13,700.
- Crews collected approximately 3,500 cubic yards of brush and limbs with an additional 2,800 cubic yards of leaves at an approximate cost of \$5,000 for grinding and hauling.

- Utilizing our sewer camera equipment, crews televised approximately 21,568 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 were cancelled by Order of the Governor as a result of the Pandemic and inability of Festival participants to social distance and remain safe.
- The City's Spring Trash Collection benefit for our residents cost \$44,719 in charges from the City's refuse contractor, Maharg's Trash Service. Maharg's weekly trash service collected 341,500 bags of refuse (7% increase), 54,250 bags of recyclables (11% increase), and 17,400 Yard waste bags (1% decrease).
- The North Grove Cemetery house was remodeled and included a Sewage Injection Pump at a total cost of approximately \$21,000. The majority of work was completed by City personnel. The house is currently rented.
- As a part of a greater community, Department employees assisted Mercer County Community Hospital and Joint Township Hospital in St Mary's by lending and erecting the City's Military surplus tents for patients in a projected pandemic overflow. The tents remained in place for approximately 6 months until deemed no longer necessary. A total of 128 manhours were provided for this effort.
- In partnership with Mercer County Economic Development Office, City Council authorized expenditures of approximately \$60K toward removing a "slum and blight" property downtown, the former Celina Motel located on South Main Street. The structure was removed in anticipation of a pending development.

PARKS & RECREATION

The Coronavirus Pandemic significantly impacted the City's programs with all Spring activities cancelled by the Governor's office, including baseball, Girls softball, and both the Grand Lake Mariners and Wright State Lakers baseball teams. The City's remaining Recreation programs that were permitted to proceed consisted of Soccer and Football that included 405 children from 1st through 6th grade, representing an approximate 63% decrease in participation. The Recreation Youth Programs were led by 65 coaches and volunteers, 8 umpires, and 20 referees. Additionally, playgrounds, the Splash Pad, and Parks Restroom facilities remained closed to the public until July when accessibility was allowed with specific sanitizing protocols. The Bryson pool remained closed to the General Public throughout the season as a result of strict Health Department attendance guidelines. To facilitate pool enjoyment by the public and complying with State mandates, multiple individuals and companies sponsored "pool parties" for up to 60 people each. At season end, the City had completed reservations for approximately 108 pool parties.

In addition, the following activities were cancelled under State guidelines stipulating gathering size and safety against the spread of COVID-19:

- Celina Concert Series
- Taste of Celina
- Celina Fall Festival
- Family Fall Fun Fest
- Grand Lake Marathon
- Multiple 5K & 10K runs sponsored by area entities

The City's Parks and Recreation Department had an approved budget of approximately \$577K which included a General Fund Transfer of \$459K. As a result of recreation and activity cancellations, the Parks & Recreation budget only spent approximately 62.8% of its budget in maintaining the approximate 135 acres of park ground in Celina.

The City continued to receive donations and grants toward pending capital improvements.

- The City received the final notification of the National Park Service's "Land and Water Conservation Fund" (LWCF) Grant in the amount of \$500,000 towards capital improvements in the Bryson Park District. Design plans were being finalized for construction in Spring of 2021.
- A benefactor left a bequest of approximately \$200,000 for the City's parks at the Mercer County Civic Foundation.

UTILITY 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. These services continued throughout 2020 without interruption.

CUSTOMER ACCOUNTS

The City's Customer Accounts Department has three (3) Utility Clerks, 2.5 Meter Readers, and one (1) Supervisor. This Department reads meters, bills, and collects payments from customers inside and outside the Corporation boundaries for all City-owned utilities.

As of the end of 2020, there were 5748 inside (2.6% increase) and 2,198 outside (1.1% increase) Residential Electric meters; 4,591 inside and 575 outside Water meters; and 4,571

inside and 532 outside Wastewater customers. This Department oversaw the collection of \$601,197 of KWH Tax, which is placed into the City's General Fund.

Out of a total of 80,948 Billings, approximately 14.7% (11,919) were delinquent.

Additionally, personnel continue to collect unpaid debt from previous years. In 2020, Customer Account Clerks collected over \$63,236 in aging Delinquent Accounts.

ELECTRIC DISTRIBUTION

Total combined budgeted expenses for Electric Distribution were approximately \$24.86M with total combined revenues of approximately \$24.79M, of which \$18.6M was purchased power cost (\$19.6M was budgeted). Final expenses were \$22.5M. In spite of a slight total expense imbalance, the Fund revenue increases are directly related to the Electric Rate Levelization "loan" through AMP. In accordance with supply projections from AMP, power supply costs reversed their upward market trend and a decrease was realized. 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 \$1.7M for an end-of-year balance of \$11.65M.

Celina's Electric Distribution Department has 9 full-time Linemen and a Superintendent. Personnel are responsible for our Electric Distribution system with 12 miles of Transmission lines, 650 miles of Distribution lines, and 6 Electric Substations. Celina has 7,946 Residential meters (14.5% increase), 929 Non-Residential meters (11% increase), 76 facilities that require Demand meters (16% increase), 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:

- One planned outage for DP&L to replace critical equipment at their South Sugar Street Substation on May 30, 2020, which lasted approximately 3 ½ hours.

WATER TREATMENT PLANT

The Water Treatment Plant operates with 6 operators, and Assistant Superintendent, and a Superintendent. They have the responsibility of providing safe drinking water throughout its service territory in addition to facilitating all treatment processes for the Bryson Swimming Pool. The Department had budgeted expenses of approximately \$5.05M, which included an approximate \$2M Transfer from the Water Fund for construction related to the Water Treatment Plant Improvement Project. Actual revenues were approximately 1.2% above projected, or \$3.8M. The Water Fund realized a positive cash flow of approximately \$737K with an end-of-year balance of approximately \$5.29M. The plant processed 417.57MG of raw water, which was an approximate 8% decrease from 2019, the majority from eliminating losses by aggressively replacing aging water lines. The Department sold 366.58M gallons of finished water, which was an approximate 11.2% increase. Microcystins testing (409) and Microbiological testing (1,095 tests) 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 utilized proceeds of the \$8M Water Solutions Grant received in 2016 for significant

additions and improvements to the Water Treatment Plant with a building addition housing the new processing equipment that included removing old clarifiers for retrofitting along with fabrication and installation of four (4) - 1 MGD Dissolved Air Flotation Tanks (DAF) at a cost of approximately \$7.2M. The overall project consists of Water Plant building expansions and internal improvements with the Project cost of approximately \$10.04M. Combined with the Drinking Water Solutions Grant and the Water Fund, no debt was taken to complete this critical infrastructure project. Final completion is estimated to be late Spring 2021.

WASTEWATER TREATMENT PLANT

Celina's Wastewater Treatment Department has a staff of three plant operators, an Assistant Superintendent (Class IV), and a Superintendent (Class IV). The Department had \$2.57M expenses and revenue of \$2.55M. Actual revenue of \$2.61M was collected. End-of-year fund balance was \$6.09M with a positive cash flow of \$518K.

The Department's operators maintain 13 sewerage Lift Stations located throughout the municipal sewer district. The plant provides wastewater treatment services for approximately 910.55MG (11% increase) from all of Celina and portions of East Jefferson Township.

Total Expenses for all Utilities, including grants, transfers, bond payments, and pro-rata splits with departmental costs of Customer Accounts, Administration, the Law Director, Council, and the Auditor's office were \$52.58M with Revenues of \$55.36M.

ENGINEERING CAPITAL-CONSTRUCTION PROJECTS

The City's Engineering Department is comprised of 3 personnel and has the task to oversee and inspect City construction projects, including the Street Resurfacing/Reconstruction Program:

- The City's Street Program included ODOT's reconstruction of West Market Street from Walnut Street approximately one-half mile west at a final cost of \$1.68M, of which approximately \$1.2M was an ODOT Grant. The City's share of this project was approximately \$508K. Included in this reconstruction was over 8,300 square feet of sidewalk replacement along with 2,459 feet of storm sewer replacement.
- The 2020 Street Resurfacing Program included participating with ODOT in the repaving of 4,755 feet of North Main Street from Fulton to the northern corporation limit at a final cost of \$441,821. The City's share was approximately \$100K.
- The residential resurfacing package is comprised of approximately 22,548 feet of 19 streets located throughout in each of Celina's four Wards. The Repaving package was bid in August with the bid of \$1.29M being awarded to The Shelley Company. As a result of the late date, the repaving project will commence in the spring of 2021.

The Engineering Department oversees and permits residential and accessory building construction. Of note:

- ❖ 16 Single Family structures were permitted and built with an approximate value of \$4.97M. Majority of these structures were replacements from the 2019 tornado.
- ❖ 2 Triplexes were constructed with an appraised value of \$530,000

- ❖ 12 Residential additions were completed with a value of \$315K
- ❖ 21 Residential Accessory structures were completed with a value of \$84K
- ❖ 26 Apartment units were completed with an appraised value of \$3.2M
- ❖ 3 non-residential buildings and 3 non-residential structures were completed with an aggregate value of \$946K

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 \$4.3M and the Supplemental 0.5% Income Tax generated 2.13M.

COMMUNITY AND ECONOMIC DEVELOPMENT

For the last 9 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 for 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. City Administration partners with the Mercer County Economic Development office and State agencies for assistance in infrastructure improvements, incentives, and or grants to facilitate investment/expansion.

In collaboration with the Mercer County Economic Development Office, Administration continues to work with corporations and individuals to locate their businesses and or invest in Celina.

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. As a result of the Pandemic, several private entities placed their projects hold temporarily with the intention of restarting in 2021.

COURTS

Municipal Court Judge Kathryn Speelman continues to provide judicial leadership to Celina and Mercer County. In their annual report of new cases filed, the Municipal court received 3,597 Traffic Cases (24.2% decrease from 2019); 626 Criminal cases (24.2% decrease); 55 Small Claims cases (31% decrease); and, 565 Civil Cases (23% decrease). In total, there were 4,932 new case filed at Celina Municipal Court, which represents an approximate 23.8% decrease overall.

CONCLUSION

In spite of the pandemic, the improvements to infrastructure and construction activity both publicly and privately demonstrate our community's commitment to move forward. We are strongly committed to our community and the welfare of its citizen, visitors, and business sectors. Celina Government is committed to both citizens and businesses to remain financially sound and responsibly managed. We remain committed to keeping our community safe while working to improve the quality of life for all.

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