

CITY OF KETTERING  
CITY COUNCIL  
CIP WORKSHOP MINUTES  
September 11, 2018

The Council of the City of Kettering, Ohio met in a Capital Improvement Program workshop and a regularly scheduled workshop session on Tuesday, September 11, 2018 in the Deeds Conference Room, Kettering Government Center, 3600 Shroyer Road. Mayor Patterson called the meeting to order at 5:01 p.m.

Council Members Present included Mayor Patterson, Vice Mayor Lautar, Mr. Duke, Mr. Klepacz, Mr. Wanamaker and Mrs. Fisher. Mr. Scott had an excused absence.

Staff Members Present: City Manager Mark Schwieterman, Assistant City Manager Steve Bergstresser, Law Director Ted Hamer, Assistant Law Director Maggie Pasqualone, Finance Director Nancy Gregory, Budget Manager Kelly O'Connell, PRCA Director MaryBeth O'Dell, Planning & Development Director Tom Robillard, Human Resource Director Sara Mills Klein, Fire Chief Tom Butts, Assistant Fire Chief Mitch Robbins, Assistant Fire Chief Mike Miller, Public Service Director David Duritsch, Assistant City Engineer John Sliemers and Economic Development Manager Gregg Gorsuch.

Resident Sterling Abernathy was also in attendance.

At 5:02 p.m. Mr. Klepacz made a motion to enter executive session under Section 121.06 (k) of the Codified Ordinances for purposes of property matters and conference with attorney, the motion was seconded by Mr. Wanamaker and passed unanimously upon roll call.

At 5:22 p.m. Council went back on the public record.

Mr. Schwieterman announced this meeting will be the Long Range Forecast and Capital Improvement Program (CIP) budget workshop. He then turned the meeting over to Mrs. O'Connell who presented the Long Range Forecast.

Mrs. O'Connell noted income tax revenue makes up approximately 80% of the General Fund revenue. She then reviewed the income tax revenue for years 2008 through 2018 (forecast). She noted the income tax revenue for 2018 is projected at \$49.5 million and that will remain unchanged at this time. She also stated the income tax growth from 2017 to 2018 was estimated at 2.1% and it appears as of now the actual increase will be approximately 1.57%. Mr. Klepacz asked if that was concerning, he said it doesn't sound good. Mrs. Gregory noted some employers have left the City and some surrounding jurisdictions have increased their income tax rate and that could be what we are seeing here. Next Mrs. O'Connell reviewed the property tax revenue for years 2008 through the 2018 forecast; she noted property tax revenue makes up approximately 10% of the City's General Fund revenue. She then reviewed the Capital Improvements spending for the years 2008 through the 2018 forecast. During those years the average City paid CIP was \$7.5 million. Next Mrs. O'Connell discussed the Long Range Forecast (LRF); she noted the LRF shows a trend over a period of 10 years based upon specific assumptions. The LRF is different from the budget document due to under spending and the effect of encumbrances. She noted some LRF income tax revenue assumptions, such as the 2018 forecast remains at budgeted amount of \$49.5 million, 2018 includes a 2.1% growth factor based upon July YTD results, 2019 – 2027 includes a 2.5% growth factor, all years are adjusted for known employment fluctuations and the forecast does reflect the impact of HB 5 and HB 49. Mrs. O'Connell stated the LRF assumptions for property tax revenue include a 3% increase every 3rd year for the re-valuation and appraisal impact and the real property forecast for 2018 is an 8.2% increase from 2017 due to valuation update. She also noted the LRF for the Local Government Fund reflects the Ohio Department of Taxation projections through 2018 and a 2% increase thereafter. Future receipts may fluctuate based on each 2-year Ohio Budget. She also noted effective July 2017; all Municipal Direct funds are now part of the State's Targeting Addiction Assistance Fund. Next she noted the investment rate begins at 2% in 2019 with a 0.25%

increase every two years. Mrs. O'Connell continued with LRF Assumptions she noted the EDGE revenue 2018 forecast includes \$682,500 grant revenue offset by expenditures, proceeds from sale of assets include \$582,000 from the PNC Bank sale and the Alternate Solutions Health Care loan forgiven \$1,055,160 (offset by expenditures). She also mentioned the refunds and reimbursements including the Bureau of Workman's Compensation rebate of \$379,000 for the entire City and MVRMA loss year closeout amount of \$262,000. The expenditure assumption included in the LRF include an across the board pay increase of 2.5% for years 2018 through 2017 and new Fire Department staffing request. Other LRF expenditure assumptions include \$75,000 for ADA consulting in 2017 as well as the Volunteer Firefighter pension plan closeout. In 2018 the expenditure assumptions include \$620,000 for SCBA gear replacement, \$95,000 for EOC equipment, \$275,000 to the Kettering Development Corporation and \$2.5 million for economic development funding (including EDGE). Other expenditure assumptions include \$140,000 per year for the Town & Country loan forgiveness (2018 – 2021), \$131,000 per year for Police and Fire RMS depreciation (2019 – 2027), \$100,000 per year estimated EDGE contribution (2020 – 2027) and \$3.6 million KMC loan forgiven (2021). The Mayor asked how the KMC loan is scheduled to be forgiven. Mr. Schwieterman said there are construction benchmarks as well as employment benchmarks that must be met for the loan to be forgiven. Mrs. O'Connell also explained LRF expenditure assumptions concerning capital equipment, debt and CIP expenditures. She noted the LRF excludes the ice arena solution and the residential reconstruction program. Mr. Klepacz stated he would like Council to discuss both the ice arena solution and the residential reconstruction program in the near future. Mrs. O'Connell reviewed the general policy for operation margin. She stated personnel, operating, capital outlay and debt are funded by current operating revenue and capital improvements may be funded by reserves. She then reviewed the general fund operating margin and noted on average the City CIP expenditures are \$7.5 million. Mrs. O'Connell also stated the City is spending \$3.0 million of the Boonshoft fund on CIP projects every year, it is estimated that fund will be exhausted in 2028. Mr. Klepacz asked if the Boonshoft fund was earning interest. Ms. Gregory said yes it is earning interest, so it may last longer, 2028 is only an estimate. Finally Mrs. O'Connell reviewed the general policy for reserves. The GFOA recommendation for reserves is at least 2 months of operating expenditures are available as unrestricted fund balance. She also noted that since Kettering relies largely on income tax, which is less stable than property tax the City's target is 3 months of operating expenditures. The Council members thanked Mrs. O'Connell for her presentation.

Mr. Schwieterman noted the proposed net CIP Outlay for 2019 is \$11,030,000; He noted the CIP Outlay will be drawn down from the City's General Fund balance (reserve) and the Capital Improvement Fund.

Mr. Bergstresser began a power point presentation regarding the Capital Improvement Program for 2019-2023. Mr. Bergstresser discussed several Capital Improvement Projects including traffic controls, roadway improvements projects, streetscape projects and drainage projects.

During the Traffic Controls portion of the presentation, Mr. Bergstresser mentioned \$10,000 has been budgeted for 2019 for traffic controls maintenance items, \$20,000 has been budgeted in 2019 for miscellaneous transportation and \$20,000 for the pavement marking program. In addition, \$25,000 has been placed in the budget for traffic signal replacements Phase 2.

Mr. Bergstresser also reviewed the Roadway Improvement Summary with the Council members. He mentioned \$1,080,000 will be spent on the general asphalt resurfacing program in 2019. Mr. Lautar asked how the County decides where they will conduct water main replacement projects. Mr. Bergstresser said it is determined primarily by the number of water main breaks, if there are a lot of breaks in an area that is a good indicator the main may need replaced. Mr. Bergstresser noted \$200,000 (C/O) has been put in the budget the Valleywood Parking Lot reconstruction. The thoroughfares, arterials and collector street improvements have been budgeted at \$820,000 for 2019. Mr. Bergstresser stated curb, sidewalk and drive approach work would be done in the Wenzler Park Neighborhood in 2019 totaling \$450,000. Mr. Bergstresser noted there is

\$125,000 in the budget for ADA curb ramp replacement program. Mr. Bergstresser also discussed the completion of College Drive, which is budgeted at \$1,050,000. He stated he and Mr. Gorsuch are working with ODOT and the Dayton Development Corporation (DDC) to try and obtain funding for the project. ODOT is attempting to award Kettering \$150,000 for the project. Mr. Klepacz asked how ODOT came up with that amount. Mr. Bergstresser said typically they will try and fund a project from the nearest existing roadway to the proposed business entrance. Staff will keep Council members updated as the potential funding assistance comes into focus. Mr. Bergstresser noted the County Line Widening project right-of-way acquisition is budgeted at \$450,000, \$90,000 from the City of Kettering, \$90,000 from Beavercreek and \$270,000 of FAST Act STP funds. Mr. Lautar asked if staff has looked into citizen's concerns regarding the placement of a traffic light at Vale Drive. Mr. Bergstresser said the traffic study shows a traffic light at that location is not warranted, therefore, federal funding would not be able to be secured for the light. A traffic signal at that intersection is not in the plan. There is \$1,194,000 in the budget for the East David Road project; \$730,000 (City) and \$464,000 (FAST Act STP).

Tom Robillard, Planning and Development Director arrived at 6:20 p.m.

Mr. Bergstresser mentioned there is \$1,251,000 in the budget for the Hilton Drive roadway and water main improvement project; he also mentioned Vectren will be working to replace the gas line in this area as well. He noted there is \$30,000 budgeted for the Ridgeway Bridge right-of-way acquisition. Mayor Patterson asked why we need to acquire right-of-way, the bridge is already there. Mr. Bergstresser stated it will depend on the type of bridge abutment that is used for the new bridge; the concrete may extend further than the current bridge. Mr. Bergstresser then noted there is \$2,296,000 in the budget for the Schantz Avenue bridge replacement, \$648,000 (CITY), \$1,298,000 (ODOT Municipal Bridge) and \$252,000 (CitySites 1% for the Arts fund). Next he stated there is \$34,000 budgeted for the Wilmington Pike resurfacing project for right-of-way acquisition from Rancho El Grande to David Road. He also stated there is \$195,000 budgeted for the West Stroop Road (north side) sidewalk project. There is \$20,000 budgeted for the light pole and bus stop painting and \$85,000 for the Shroyer Road Street Light Pole replacement project. Mayor Patterson asked if the base of the new light poles are better than the old ones, the old ones seem to rust and not last too long. Mr. Bergstresser said yes, the new poles will all have aluminum bases. The budget contains \$200,000 for Waving Willow storm sewer improvements and \$25,000 for miscellaneous drainage.

Next Ms. Thaman reviewed with Council several miscellaneous PRCA improvements including; dog park design at \$50,000 (C/O), PRCA unplanned CIP items \$30,000. Ms. Thaman said \$80,000 has been budgeted for park path/asphalt repair; \$30,000 has been budgeted for park concrete repair, \$25,000 for park amenities replacement, \$30,000 for park painting program, \$75,000 for park irrigation improvements and \$55,000 (\$25,000 C/O) for park restroom improvements.

Ms. Thaman also discussed the budgeted improvements for park infrastructures that totaled \$252,000.

Ms. Thaman said the budget includes \$144,000 (C/O) for the Gentile Park design and \$1,400,000 (C/O) for the Gentile Park construction.

Mr. Duritsch noted the KRC/CIL/KIA improvements for 2019 include floor refinishing, water line replacement program and boiler replacement the total costs for these projects is \$111,000.

Ms. Thaman stated the budget contains \$270,000 for the Water Park and main pool improvements.

Mr. Duritsch said the budget contains \$65,000 for Lincoln Park fountains concrete repair in 2019. He also stated there is \$232,000 budgeted for Delco Park Improvements including fence replacement, landscaping and sports lights. Also there is \$60,000 being budgeted for the Indian Riffle Park fencing.

Mr. Bergstresser said \$50,000 has been placed in the budget for replacement of the State Farm Park pedestrian bridge. The bridge will be purchased in 2018 and installed in 2019.

Mr. Schwieterman said there is \$450,000 budgeted for the Rosewood Arts Center. Mayor Patterson asked what the \$450,000 will be used for. Mr. Schwieterman said the City is working with Martin Clark to raise the funds and it is possible a new smaller, 25,000 square foot building could be built on the Rosewood property.

Ms. Thaman stated \$15,000 would be the cost to make work space improvements at the Southdale Habitat Environmental Center.

Mr. Duritsch informed Council there are electric service upgrades needed at the Park Maintenance Facility, those improvements are being budgeted at \$95,000.

Mr. Klepacz asked if there is any maintenance needs at the Veteran's Memorial in Delco Park. Mrs. O'Dell said there are no maintenance items that need to be addressed in 2019.

Mr. Lautar noted he did not see any funding in the budget for the bicycle committee. Mr. Schwieterman said yes, that was an oversight he will make sure it is put back in the budget at \$10,000 per year through 2023.

Mr. Duritsch noted \$6,700,000 is being budgeted for the Government Center and North Building facility improvement projects (including Police Department renovations), as well as \$951,000 for miscellaneous City building improvements. He also mentioned there is \$1,500,000 in the budget for the demolition of Building #2 in the Kettering Business Park.

Representative Butler - Mr. Schwieterman stated Representative Jim Butler will be at the September 25<sup>th</sup> Workshop Meeting to give the Council members an update on several topics.

ICMA Conference – Mr. Schwieterman noted he will not be in attendance at the September 25<sup>th</sup> City Council meeting, he will be attending the ICMA Conference.

Agenda Review – Mr. Schwieterman reviewed the agenda for this evening's meeting with the Council members.

Fire Department Staffing – Mr. Schwieterman asked the Council members if there were any questions regarding the Fire Department Staffing memo that was sent to Council in their Friday packet. There were no questions from the Council members. Staff will proceed with the hiring of six additional firefighters and promote a flex firefighter to a flex captain position. Our current part-time firefighters will be utilized to cover staffing vacancies created by leave usage.

Five Rivers MetroParks – Mr. Schwieterman noted the Five Rivers MetroParks would like to attend a future Council meeting and give an update on their master plan.

Health Insurance Fund – Mr. Schwieterman reviewed the history of the City health insurance plan. He noted staff is recommending staying with United Health Care in 2019 and the market analysis is that there be a 10% reduction in premiums. Staff will communicate with all employees that the premiums could go back up; it is all based on claims. Mr. Schwieterman also noted at end of year 2018 there was \$7.1 million in the health care fund balance; the general fund gave a \$1,150,000 "loan" to the fund when it was originally set up. Mayor Patterson asked if the health care fund could now return the \$1,150,000 to the general fund. Mr. Schwieterman that can be done, if that is Council's desire. Mr. Schwieterman said staff is recommending following the market trends and reducing the premiums. Council approved of the plan.

Woodman Drive/Wilmington Pike Traffic Signal – Mr. Bergstresser responded to some question staff and Council members have been receiving regarding the bridge closure on Woodman Drive and why the traffic signal at Woodman Drive and Wilmington Pike is

still operating. Mr. Bergstresser said the light has to remain functional during the Woodman Drive closure because we still have local traffic going through that area. The traffic light timing has been adjusted to work with other traffic lights in the area.

Montgomery County Environmental Services (MCES) – Mr. Schwieterman said the MCES committee has completed a Master Plan. Staff will send an executive summary of the plan to Council members in a Friday packet. County representatives will be at a future Council meeting to present the plan, eventually Council will need to pass a resolution to accept the Master Plan.

Miami Valley Communications Council – Mr. Schwieterman noted the Executive Director of the MVCC, Brian Humphries will be retiring on January 1, 2019.

The City Council Workshop Meeting was adjourned at 7:21 p.m.

ATTEST:

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DONALD E. PATTERSON  
MAYOR

LASHAUNAH D. KACYNSKI  
Clerk of Council