

CITY OF KETTERING
CITY COUNCIL
WORKSHOP MINUTES
June 11, 2019

The Council of the City of Kettering, Ohio met in a workshop session on Tuesday, June 11, 2019 in the Kettering Meeting Room, 3600 Shroyer Road, Kettering Government Center. The meeting came to order at 6:06 p.m.

Council Members Present included Mayor Patterson, Vice Mayor Lautar, Mr. Wanamaker, Mr. Klepacz, Mr. Duke 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, Police Chief Chip Protsman, Planning & Development Director Tom Robillard and Economic Development Manager Gregg Gorsuch.

Mr. Sterling Abernathy was also in attendance.

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

City Block Party – Mr. Schwieterman reminded the Council members the City Block Party is scheduled for Thursday, June 12th from 6:00 p.m. to 8:00 p.m. at Lincoln Park Civic Commons.

Spass Nacht Event – Mr. Schwieterman stated the annual Spass Nacht event will be held on Wednesday, June 19th from 5:50 p.m. to 9:30 p.m. he noted all are welcome.

Fiber Lighting Ceremony – Mr. Schwieterman stated the Fiber Lighting Event to celebrate the completion of the fiber ring will be held at the Miami Valley Communication Council facility at 3:00 p.m. on Thursday, June 13th. All are invited to attend.

Gas Tax/CIP Program – Mr. Bergstresser displayed the Street Improvement Plan 2019-2026. He noted the state of Ohio’s motor vehicle fuel excise tax (gas tax) will increase by 10.5 cents for gas and 19 cents for diesel as part of the new State Transportation Budget. The additional taxes are expected to raise an additional \$865 million in revenue state-wide, which will be split 55/45 between the State and local jurisdictions. He said based on historical data and forecasted revenue projections; the City’s Finance Department anticipates receiving an additional \$1 to \$1.1 million in net gas tax proceeds each year once the increase has been fully implemented. He stated the gas tax is revenue that is considered to be restricted or committed to expenditures for a specified purpose, in this case state highway and street maintenance & improvements. As such, it is accounted for in two Special Revenue Funds at legally authorized percentages – the State Highway Fund (7.5%) and the Street Maintenance Fund (92.5%). The State Highway Fund is used to offset the cost of maintenance and improvements to State Route 48 (Far Hills Ave) and State Route 835 (Research Blvd / Woodman Drive). The Street Maintenance Fund is used to partially fund the street maintenance activities of the Public Service Department. The current, and projected, funds received from the gas tax are insufficient to cover the annual cost of operations for the Public Service Department’s street maintenance activities; therefore the City is required to subsidize the remaining operating costs from the General Fund, at approximately \$4,000,000 per year. Mr. Bergstresser noted the Finance Department has reviewed historical gas tax revenues and established a baseline in order to calculate the increased revenue from the additional gas tax that goes into effect July 1, 2019. The City currently receives approximately \$1,765,000 annually in gas tax revenue. Based on historical data and forecasted revenue projections, we anticipate receiving an additional \$1,100,000 in gross annual gas tax revenue once the increase has been fully implemented for an entire 12 month period (July 2019 – June 2020). The gross annual revenue will be offset by the increased gasoline and

diesel taxes for our motor vehicle pool, estimated to be approximately \$30,000 annually. Mayor Patterson said he would like these gas tax funds to be used to improve neighborhoods streets. Mr. Bergstresser said yes, staff understands that, he said staff would like to conduct street resurfacing and concrete repair work in the same calendar year to reduce the time residential neighborhood streets are under construction. He also noted all gas tax revenue will continue to be appropriately deposited in the same authorized percentages into the State Highway (7.5%) and Street Maintenance Funds (92.5%). The additional deposits into the Street Maintenance Fund resulting from the gas tax increase will be directly offset by a reduction in the regular transfer from the General Fund into the Street Maintenance Fund. An amount equal to the increase in the gas tax revenue will then be transferred from the General Fund to the Capital Improvement (CIP) Fund. These monies will be specifically identified within the City's Capital Improvement Plan for roadway improvement projects. The Finance Department is anticipated that at least \$1 million annually will be available for new roadway improvement projects within our 5-year Capital Improvement Plan, which represents the anticipated additional deposits into the Street Maintenance Fund, net of funds deposited into the State Highway Fund and the additional cost of fuel for our motor vehicle pool. Actual revenue varies somewhat from year to year, depending on driving habits. Mr. Bergstresser proposed a priority list for additional street improvement projects to be completed with the anticipated new gas tax revenue:

- 1) Residential asphalt resurfacing paired with our annual Curb, Sidewalk, & Drive Approach Program, so that neighborhood streets see concrete repairs and street resurfacing completed in the same calendar year.
- 2) Additional residential asphalt resurfacing to supplement our regular Asphalt Overlay Program
- 3) Significant repairs to exposed residential concrete streets

Based on these priorities and the anticipated \$1 million net additional annual gas tax revenue, staff has developed a CIP program to significantly increase the amount of residential street improvements through calendar year 2024. Mr. Bergstresser then displayed a pavement rating map showing the neighborhoods that staff plans to address through this program.

Mr. Bergstresser stated the new State Transportation Budget also allows for municipalities to increase their motor vehicle registration “permissive tax” to a maximum of \$10.00 per vehicle registration annually. Currently, the City of Kettering levies a \$5.00 permissive tax, which generates approximately \$200,000 in revenue that can only be spent on roadway and bridge maintenance and improvement projects on our major thoroughfares. The \$5.00 permissive tax was enacted by City Council in 1987. Increasing the permissive tax to \$10.00 would generate an additional \$200,000 of revenue annually for Kettering thoroughfare street maintenance and repair.

In order to enact an increase to the permissive tax, Council would need to pass a standard ordinance (not emergency or expedited) by July 1 of the year prior to the registration year in which it would be in effect. For example, in order for a permissive tax increase to take effect on January 1, 2021, Council would need to pass an ordinance to increase the permissive tax by July 1, 2020. Staff is recommending that Council consider an ordinance to increase the permissive tax up to the full \$10.00 that will be permitted by State law after July 1, 2019.

Mr. Klepacz asked how many neighborhoods do we have in the City that still have unimproved streets and should staff take another look at that. Mr. Bergstresser displayed a map showing the neighborhoods with unimproved streets.

Mr. Duke said he would be interested in having a future discussion regarding the additional \$5.00 license tax.

Massage Establishments Ordinance Amendment – Mr. Robillard discussed recommended amendments to Codified Ordinance Chapter 711 regarding Massage Establishments and Services. He stated there are three main reasons to consider the proposed changes to curb human trafficking, eliminate fronts for illegal activities and to recognize the massage therapy profession. Mr. Robillard reviewed the existing Ordinance which was put into place in 1975. He noted in response to the increasing operation of illicit massage parlors in Ohio and across the country, substantial number of municipalities have instituted new

or revised business regulations for massage parlors. A few examples of those communities are Mason, Springboro, West Carrollton, Fairborn, Powell, Westerville, Brunswick, North Olmsted and others. Mr. Robillard said the Planning and Development Department and Law Department reviewed Chapter 711 of the City's Business Regulations, which currently regulate massage parlors, and concluded that substantive revisions were necessary to help prevent illicit massage parlors in Kettering. Mr. Robillard said to help guide the revision process and gain valuable input from experts, staff consulted with representatives from the Dayton School of Medical Massage located in Kettering, and their feedback was incorporated into the Ordinance changes. He noted the massage school representatives are in favor of the proposed changes. Mr. Robillard said the most important of the changes is the requirement, with certain exceptions, that all individuals performing massage in Kettering must be licensed by the City and by the State Medical Board of Ohio as massage therapists. To obtain a license to practice massage from the State Medical Board of Ohio, individuals are required to complete 750 hours of theoretical and practical training with an approved massage therapy school and are vetted through various means including thorough background checks. Additionally, the revised Ordinance requires that all owners of massage parlors in Kettering must obtain a massage establishment license, which requires a background check and a thorough application review before approval.

Mr. Klepacz asked if human trafficking was a problem in Kettering. Chief Protzman said prostitution at some establishments in Kettering has been a problem.

Mr. Duke asked if we are going to license establishments, are we going to require a physical therapist to get a license. Ms. Pasqualone stated 711.03 of the proposed Ordinance exempts physical therapists.

Mr. Duke asked who will be enforcing these new regulations. Mr. Robillard said that will fall under the Planning and Development Department. Mr. Robillard said an establishment maybe be checked on maybe every two years or if there is a complaint. Mr. Duke asked how is the current Ordinance enforced and who is doing the inspections, how are the establishments inspected. Mr. Robillard said he does not have that information here with him this evening.

Mr. Duke said he would like to see procedures on how this new Ordinance will be enforced and he wants to know what we are doing now with these establishments. He said he needs to see more detail before he could be able to vote on the revisions. Mr. Robillard said he will get that information to Council.

Construction Manager At Risk (CMAR) – Mr. Schwieterman asked Council members if they had any additional questions regarding the CMAR process, staff made a presentation to Council members at the May 28th Workshop Meeting and then sent the Council members a follow up memo. Mr. Schwieterman said his recommendation is to use the CMAR process for the Police Department Facility renovation/addition project. The Council members indicated staff could move forward using the CMAR process on the Police Department project.

Kettering Health Network Partnership – Mr. Schwieterman stated the City will be entering an administrative contract with WellVibe for the City's wellness program. The contract will be approximately \$17,000 per year and will be sole sourced through the Kettering Health Network.

At 6:58 p.m. Mr. Klepacz made a motion to enter into executive session under Section 121.06 (k) of the Codified Ordinances for purposes of Conference with Attorney; the motion was seconded by Mr. Lautar. The motion passed by a unanimous roll call vote.

At 7:24 p.m. Council exited the executive session and went back on the public record.

The workshop meeting adjourned at 7:25 p.m.

ATTEST:

DONALD E. PATTERSON
MAYOR

LASHAUNAH D. KACZYNSKI
Clerk of Council