

CITY OF KETTERING
CITY COUNCIL
SPECIAL WORKSHOP SESSION MINUTES
JUNE 2, 2022

The Council of the City of Kettering, Ohio, met in a special workshop session on Thursday, June 2, 2022, at the Kettering Government Center in the Deeds Conference Room, located at 3600 Shroyer Road, Kettering OH 45429. The meeting came to order at 1:05 p.m.

Council Members present included Mayor Lehner, Vice Mayor Fisher, Mr. Klepacz, Ms. Duvall, Mr. Scott and Ms. Hall. Mr. Duke had an excused absence.

Staff Members present included City Manager Mark Schwieterman, Assistant City Manager Steve Bergstresser and Community Information Manager Mary Azbill. Throughout the meeting, Finance Director Nancy Gregory, Fire Chief Mitch Robbins, Planning and Development Director Tom Robillard, Volunteer Administrator Dawn Kirchner and Human Resources Director Jenny Smith were in attendance.

Mr. Sterling Abernathy was also in attendance.

Mr. Schwieterman opened the first session of the two-day special workshop session explaining that the content for both days would be a general overview of City department information. A Zoom recording would be available, as well. He explained that questions from Council would be documented and researched if not available during the workshop.

Mr. Schwieterman introduced Finance Director Nancy Gregory who has been with the City for 35 years.

Mr. Klepacz asked what prompted these special workshops. Mr. Schwieterman explained that prior to the Council Retreat, new Council members had questions and expressed interest in knowing specifics about each department. The information will be similar to what is presented to Kettering Leadership Academy students.

Vice Mayor Fisher asked Mr. Schwieterman if questions that require research were acceptable. He explained that Directors would draw the big picture, and anything that needs follow-up information will be provided.

Vice Mayor Fisher asked if these special workshops could be recurring. Mr. Schwieterman confirmed.

At 1:11 p.m., Ms. Gregory began her Finance 101 presentation by introducing the functions of the 21-member team and the organizational structure. The Finance Department's goal is fiscal responsibility; and, to prove they are doing their due diligence, the department has received recognition from Government Finance Officers Association and the Ohio Auditor of State for the past 39 and 37 years, respectively. Finance is governed by the standards of the Governmental Accounting Standards Board. Finance is made up of Administration and Budget, Accounting, Income Tax and Purchasing. The Administration and Budget function handles risk management and treasury management. The City conservatively maintains the money it has. The Accounting function handles reporting, invoices, receivables, payroll, grant administration and annual auditing. Income Tax represents the majority of the General Fund dollars. The Income Tax function is responsible for income tax collection and reporting. Purchasing is a centralized function that helps departments purchase items within the guidelines of City policies.

Mr. Scott asked how each division is staffed. Ms. Gregory stated that there are 2.5 positions in Purchasing; 8 positions in Income Tax Division; 8 in Accounting; and 3 in Administration and Budget.

Ms. Gregory stated that Administration and Budget is the most familiar to Council as this function prioritizes the budget using information Council gathers from the residents, City staff recommendations and schedules in place to determine where to allocate funds. Using the directives from a financial perspective, the City maintains a positive operation margin to live within its means. The City's fund balance is used for Capital Improvements, which invests in the future. Current-year revenues are used for current-year operation expenditures. The City is willing to dip into savings to help with improvements while maintaining an appropriate fund balance reserve.

Ms. Gregory explained the City's operating margin and stated the balanced operating budget uses the City's current revenues to cover current operating costs including personnel, operating departments, tools, supplies, utilities, memberships and training, capital outlay--dump trucks or vehicles at a higher value and debt services. Capital improvement projects may be funded by reserves.

Mr. Scott asked if the City's reserve amount is floating based on what we anticipate. Ms. Gregory stated that for reserves, Finance not only looks at what the City does, but has best practices that revolve around

local government. It is recommended that municipalities have at least two months' operating expenses on reserve. The City maintains a minimum of three months of operating expenditures in reserve, as the City relies on income tax which is a more volatile revenue source than property tax. When one of the City's largest employers leaves, that can have an immediate direct impact on its largest revenue source. In 2022, \$17.5 million equals 90 days for operating and transfer expenditures. Our budgeted end of 2022 reserve is \$42.7 million, which equals 7 months.

Budget requires the most involvement from council through updates and participation. The white copy of the proposed budget is provided to Council members the day before Thanksgiving, in anticipation of the Budget Workshop the first week in December and then appropriation legislation is presented to and adopted by Council at the second meeting in December with the second reading of the annual personnel ordinance.

Ms. Gregory went on to say that Accounting and Financial Reporting is responsible for the annual financial report called Annual Comprehensive Financial Report (ACFR)—an external audit under the Auditor of State. Finance prepares the ACFR for a January through December fiscal year. The audit report is issued no later than April 1.

Income tax collections represent 79% of the General Fund revenue. City employees provide outstanding customer service and help prepare local tax returns at no cost. Mandatory filing is less than 2% cost to the City, and the state of Ohio could not provide the same service at that low of cost.

The General Fund gets money from income tax, property tax, reimbursements and local government funds. Revenue that funds services was \$51.9 million in 2021.

Mayor Lehner asked how the work-from-home issue is impacted the City. Ms. Gregory stated that the City is monitoring, and a new code was created to track those working from home. Refunds have doubled in 2022 compared with 2021. Work-from-home refunds are 30% and not just one employer.

Ms. Gregory stated the City's tax rate is 2.25%. The increase was approved by voters in 2006. Property tax is the second largest source of revenue at 6.63 mills. A mil is \$1 for every \$1,000 of assessed value. Kettering residents pay for other levies in the system such as Kettering City Schools, Montgomery County Human Services, Dayton Metro Library and Sinclair Community College.

Mr. Scott asked if the City's revenue was impacted when the county recently reassessed property values. Ms. Gregory stated it was estimated that an increase of 7% would take place, and it ended up being 13%. It was several hundred thousand dollars.

Ms. Gregory explained that the property tax millage is 6.63 mills. The .63 in PRCA debt is from a campaign to vote for a 20-year bond issue for improvements to neighborhood parks. December 1, 2028 is the date the current bond matures. If Council approves, another campaign could begin.

Ms. Gregory stated that the centralized purchasing function provides internal control for supply incorporating regulations, policies and laws. There are 5 rights: quality, quantity, time, supplier and price. The right price is not necessarily the cheapest but the lowest bidder meeting the specifications of the project.

Ms. Gregory stated that the General Fund is from where money is spent. Public Safety makes up 49%, and 25% are transfers that cover departments that have their own revenue sources like Parks and Recreation but not enough to cover functions.

Mayor Lehner asked about wasting money on unnecessary items when a grant requires funds are spent/depleted during a grant period to qualify to apply for another. Ms. Gregory stated that those are federal grant funds and not City of Kettering money.

Mr. Scott asked about economic development being only 1% of the General Fund and the City's ability to dip into the General Fund for more, if needed. Mr. Schwieterman stated that the City budgets for operating costs and known incentives the City has to honor. Each year the City holds an economic summit where known agreements are verified. If the City wants to assist a company for \$650,000, we come to City Council for supplemental appropriations. We do it that way rather than pooling cash in the economic development account. Economic development incentives are current year commitments included in our operating budget.

Mr. Scott asked if other municipalities use the same logic for economic development. Mr. Schwieterman stated the City uses the KIP program (tax incentive program) as our major source.

Mr. Klepacz asked about funds Kettering does not receive from Dayton, Columbus, etc., that the City would get revenue from to offset that. Ms. Gregory stated that if someone works in Dayton and lives in Kettering, he may decide not to file if it's a wash. It is only if you become aware of that information, that

may motivate you to file. The City is not into that level of detail. We share information with other municipalities. Centerville might alert us that a refund was given, but we do not have a number.

Mayor Lehner asked if the City will need technological changes to track this. Ms. Gregory stated that it is a possibility. The City needs to get further along and see how it plays out. It will be virtually impossible to find every single person.

Mr. Klepacz asked if we are going to chase people down since we are a mandatory filing city. Ms. Gregory stated that in the last quarterly financial report, there was 26% delinquency. Mandatory filings give the City the best opportunity to know as close to 100% of the population as possible. It is better than what we had before. The City has four auditors--two more since non mandatory filings. By early fall, they all devote time to non-filer projects during the last quarter. Mr. Klepacz then asked how many non-filers there were. Ms. Gregory stated that information is included in the delinquency percentage which is not increasing.

After Ms. Gregory quizzed Council members on the material, Mayor Lehner complimented her for doing a great job.

Human Resources Director Jenny Smith was introduced by Mr. Schwieterman. She reviewed her career with the City of Kettering and those of her coworkers including two managers, two technicians and a secretary to total 99 years of experience. She explained the department strives to ensure a safe and healthy work environment and provides the highest level service to the community. HR is responsible for recruitment and selection. There are 416 full-time employees, 79 regular part time employees and 321 temporary, seasonal, contractual employees. Since January 1, 2022, 17 full time employees have been appointed, 2 regular part time employees have been appointed and 6 promotions have taken place. Employees are considered unclassified and classified. Unclassified are supervisory, salaried personnel. Unclassified are public service and public safety employees.

Mr. Klepacz asked if HR is proactive in recruiting staff from other cities. Ms. Smith explained that they have reached out to other cities and word gets around that Kettering offers things that other cities do not. HR keeps a spreadsheet of candidates the City wants to bring on for future job opportunities if the original one did not work out. Online job alerts are available for interested candidates, as well. During the recruitment process, HR looks at the entire city. There is a hiring manager, a hiring strategy and advertising.

Ms. Duvall asked if the City targets graduates from historically black colleges and universities. Ms. Smith stated that all universities are targeted.

Ms. Smith stated that the Civil Service Commission works with classified positions and the Personnel Board of Appeals works with unclassified positions. The Personnel ordinance lists job classifications, pay rates, conditions of employment and benefits. Police and Fire use a Civil Service eligibility list for hiring and promotions. The Fire Department has three eligibility lists for Battalion Chief, Captain and Firefighter. The Police department has lists for Sergeant, Lieutenant, Patrol Officer and Dispatcher. The lists can be extended for an additional one year and two, six month time periods.

Ms. Smith explained that all City job descriptions were updated by HR. Wage surveys are conducted. In February 2022, HR transitioned to online applications. HR extended their hours to 7:00 a.m. to 5:00 p.m. to cater to those without technology.

Ms. Smith stated that the City offers generous benefits to employees. The City is a self-insured employer with three health insurance plans available. Vision, dental and life are also available. The Wellness Program allows employees to earn activity points in exchange for funds from the City placed in HAS accounts. Flex spending, deferred compensation, education assistance, uniform allowance, paid time off and pension are also offered to qualifying employees.

Ms. Smith explained that the City has five unions including Police, Fire and Public Service employees. HR negotiated 3 year contracts for each bargaining unit.

Ms. Smith said that HR manages a Safety Committee that meets every other month and discusses every injury with no names attached to look for trends and ensuring proper conditions. Since 2014, the City has achieved 100% compliance for safety. HR is also responsible for building morale, discipline, policy enforcement, researching trends and stay interviews.

Mayor Lehner asked about the drug and alcohol policy tied to discipline. Ms. Smith stated it depends on the history of an employee and the level of substances found through tests.

Mr. Klepacz stated that Ms. Smith is the Kettering dream and congratulated her on her ascent to HR Director. He then asked if managers are being trained, if 360 degree feedback is in place and if succession planning is in place and the consistency of performance appraisals. Ms. Smith stated that evaluations are

not consistent across the board but within departments. HR recently participated in 360 evaluations. Mr. Schwieterman stated that the City needs more citywide ethics training. HR is working to get in front of departments with information.

Mayor Lehner asked what the lowest pay is. Ms. Smith stated it is \$10.50 for PRCA positions which were much lower two years ago. They were raised to be more competitive.

Mr. Schwieterman introduced Fire Chief Mitch Robbins

Chief Robbins opened his presentation by describing the fire stations that resulted from the modernization plan. Station 32 on Far Hills was the first completed in 2015. Station 36 is on Hempstead Station attached to Fire Headquarters. Station 34 is on Woodman Drive. Station 37 is on West Dorothy Lane. KFD employs 57 paramedics, 15 captains, 5 battalion chiefs, 2 assistant chiefs, chief, administrative staff, fire marshal, 2 part-time inspectors, fire specialist, secretary and part-time clerk. KFD receives 9,000 calls for service per year. Kettering is the second busiest in Montgomery County. Services provided include structural fires fighting, EMS (87% of the operations) including non-emergency personal lift picking elderly off the ground, Hazmat, technical rescue, rescue task force, fire prevention and public education. There are approximately 50 structure fires per year. Apartment fires increase as buildings age.

Mr. Scott asked about the policy for Narcan. Chief Robbins stated KFD uses Greater Dayton EMS Council protocol. If patient is alert and oriented after the administration of Narcan, they can refuse hospitalization. Everything can be performed on the medic.

Ms. Hall asked how many calls are related to elderly people falling who should be in assisted living. Chief Robbins stated it is a non-emergency personal assist. If there is an emergency nearby, the engine will attend to that first.

Mayor Lehner asked if Senior Services is called when elderly residents call the fire department constantly. Chief Robbins stated their rights cannot be taken from them, and they can call as much as they want. The Police Department has the Kettering Safe Senior Program that works with the Senior Services Coordinator.

Mr. Klepacz asked why there is such a large change in mutual aid from 2019 to now. Chief Robbins stated that in 2019, KFD told Dayton to stop calling as often as it was becoming a daily occurrence. Mr. Klepacz then asked if there is a plan to stop calling fire departments "fire departments" since they do much more than just fire suppression. Chief Robbins stated they do a combination service study over and over to find the best way to run the department.

Chief Robbins explained that mutual aid is a call for resources from neighboring jurisdictions. The City has agreements with Washington Twp., Moraine, Oakwood and Dayton.

Chief Robbins stated that emergency planning is one of KFD's main resources. The Continuity of Operations Plan (COOP) was used during the pandemic describing how the City is run. The Emergency Operations Plan is used when there is a disaster and facilities such as Dispatch are out of operation. Council would assemble at KFD to approve purchases to handle that large-scale incident. Mayor Lehner asked what we charge when working under mutual aid. Chief Robbins stated that state law defines certain areas of responsibility. If we would have an incident like that, it would be a unified joint command using our own channels. The Fire Department has authority for medical emergencies and the police has authority for criminal situations. NIMS training has been mandated since 9/11, and Kettering is in compliance.

Chief Robbins stated the number one question KFD receives is why the City sends medics on alarms. KFD employees can do everything on a medic. If the patient is large, two people are not enough, and more staff needs to be sent. Chief Robbins stated that KFD invoices for medic service transport, and was one of the last cities to do so. Those who work and live in the City of Kettering are not billed beyond what insurance covers. Non-residents pay additional charges, but after three invoices, the invoice is canceled. EMS billing is used for capital purchase--paying debt for new fire stations. Of the EMS funds, 85% pays for debt services for fire stations and 15% goes toward engines and medics.

Mayor Lehner asked about the actual cost per call. Chief Robbins stated he would try to get information on that but that there are so many things that come into play from the fire engine to employee rate to benefits.

Mr. Scott asked if it would be accurate to divide KFD's budget by 9,000 calls for service. Chief Robbins stated that fire equipment is three times as expensive, so that would not be an accurate cost model.

Ms. Hall asked what people are typically charged for service. Chief Robbins stated if EMS billing for non-residents is \$750, insurance will cover \$450 paid to KFD. Residents will not know KFD is charging. Residents would be asked to pay \$300 extra dollars, which is canceled after 3 invoices.

Chief Robbins discussed the Public Protection Classification of which KFD holds a Class 2 ISO rating. This rating puts KFD in the top 2% of fire departments in the U.S.

Mr. Scott asked about Dayton's rating. Chief Robbins stated Dayton also has a 2 rating. With an ISO rating of 2, homeowner's insurance is lower. Nine is the worst category.

Mayor Lehner asked who the city with a number 1 rating is. Chief Robbins stated it is Charleston, SC.

Mr. Klepacz asked about the analysis completed before ground was broken for the new fire station project. Chief Robbins stated that response times were a big deal, and has proven effective since. In 2010 KFD entered into the project and went from 7 to 4 stations and changed the staffing profile from volunteer to career firefighter system. This increased KFD's response times to one of the top 2% of fire department in the nation.

Mr. Scott asked if the Fairmont fire training program helps KFD with staffing. Chief Robbins stated that KFD is an advisory board. That program works to train people to a level 2 and offers a partial scholarship to Sinclair for a paramedic two-year program. That program has successfully graduated five people.

Mayor Lehner asked the status of old fire stations. Chief Robbins stated that Station 31 is now a realty firm, Station 32 is the Fairmont Career Tech Fire Program facility, Station 33 is the potential Police training center, Station 34 is still intact with deed restrictions, Station 35 at Town and Country was demolished, Station 36 at David and Bigger is now a residence, Station 37 on Tait was purchased by Kettering Health.

Mr. Schwieterman introduced Law Director Ted Hamer.

Mr. Hamer stated the Law Department is one of the smallest departments with only 8 full-time employees. It has two divisions--civil and prosecutor's office. The Prosecutors Office handles misdemeanor cases from Kettering, Centerville, Moraine and Washington Township. Centerville cases are under contract between Kettering and Centerville. Washington Township is responsible for processing cases. Prosecutors also devise law enforcement agencies from the jurisdictions on criminal matters. The civil division consists of two full-time attorneys who provide legal advice and representation to the City. Legal advice is limited to City business--no private matters or to citizens. Municipal law, insurance, labor, probate, real estate and tax law are practiced. The Law Director must uphold the Charter, ordinances, Ohio Revised Code and Ohio Rules of Professional Conduct by Attorneys. Conflict of interest rules prohibit representing two people in the same conflict. The Law Department is prohibited to advise City Council and staff in the same appeal. Property owners retain their own legal counsel if they want it. Appeals to City Council include legislative and quasi-judicial. Council acts in its legislative authority for rezoning properties. Quasi-judicial is fulfilled when hearing an appeal. Quasi-judicial authority is the power to hear and determine controversies between the public and individuals who require a hearing resembling a trial. Appeals of Planning Commission and Board of Zoning Appeals are heard by City Council under Sections 7-3 and 7-5 of the Charter. Council needs to be impartial. Allow parties to present evidence. A decision is made by the BZA or Planning Commission and the owner can appeal it to Council. Council should presume the decision of the BZA is correct.

Mr. Scott asked if an appealed decision has ever been wrong. Mr. Hamer could not recollect such situation.

Mayor Lehner used an example of a resident being declined a permit for an addition on her home due to the property line. By the letter of the law, BZA was correct, but the decision did not make sense. Mr. Hamer stated that the letter of the law creates a hardship on the owner who could apply for a variance. BZA may not think it qualifies for the variance and Council turns BZA down.

Criteria that courts will use when looking at Council's decision is whether the decision is supported by preponderance of evidence or unconstitutional. The appeal procedure is that once the BZA renders its decision, dissatisfied party files appeal with Clerk of Council, and Council needs to hold a hearing within 45 days. Council goes into executive session, deliberates and the decision is decided by adoption of formal resolution at the following meeting.

Vice Mayor Fisher asked if there has ever been a time where the BZA has come up with an answer that Council has overturned. Mr. Hamer confirmed and used the case of a cell tower as an example. Vice Mayor Fisher followed up by stating that Council members are spoon fed the information so they know the law was not followed. Mr. Hamer stated that when it comes to these appeals, there is not a lot of latitude. The legalities make it seem like the City has power, but we don't.

Mr. Schwieterman added that the process can be very formal. The previous Council wasn't happy with formal proceedings because it didn't look appealing. However, when we watch an attorney going through a script with our staff and the party, we are creating a record. Mr. Hamer added that this quasi-judicial

hearing can be appealed in the Court of Common Pleas. The City's attorney representing staff is just checking all the boxes. The Zoning Code was adopted by Council and can be changed through legislative authority. Mr. Schwieterman stated that administratively, the Law Department does a lot.

Mr. Schwieterman announced that the tomorrow's packet will include the contract for the search firm for the City Manager recruitment.

Mayor Lehner asked what will happen next. Mr. Schwieterman stated that Council will work with the agency to develop a candidate profile.

Vice Mayor Fisher inquired about the next Kettering School Board meeting. Mr. Schwieterman stated the next date is August, and the Board has not committed to that date.

The meeting adjourned for the day at 4:22 p.m.

ATTEST:

PEGGY LEHNER
MAYOR

LASHAUNAH D. KACYNSKI
Clerk of Council