

CITY OF KETTERING
CITY COUNCIL
WORKSHOP MINUTES
OCTOBER 11, 2022

The Council of the City of Kettering, Ohio, met in a workshop session on Tuesday, October 11, 2022, in the Deeds Conference Room, Kettering Government Center, 3600 Shroyer Road. The meeting came to order at 6:01 p.m.

Council Members present included Mayor Lehner, Vice Mayor Fisher, Mr. Duke, Ms. Duvall, Mr. Klepacz, Mrs. Hall and Mr. Scott.

Staff Members present included City Manager Mark Schwieterman, Assistant City Manager Steve Bergstresser, Law Director Ted Hamer, Finance Director Nancy Gregory, Budget Manager Kelly O'Connell, City Planner Ryan Homs, Economic Development Manager Amy Schrimpf and Community Information Manager Mary Azbill.

Mr. Sterling Abernathy and Dr. Mark Morris were also in attendance.

Mr. Schwieterman opened the workshop by introducing Dr. Mark Morris from Miami University to present the 2022 Community Survey results to City Council.

Dr. Morris explained that of 27,000 households, 1250 addresses were selected using a random sampling. Recipients were sent a paper survey which could also be completed online, and two reminder postcards. A 29% response rate (345 respondents) was achieved. Morris stated that Kettering received incredibly high ratings across the board for services including a 95% satisfaction rate.

Ms. Duvall asked how the results are representative if 51% of respondents are 65 and older. Dr. Morris explained that it is not representative; the data is skewed by age, home ownership and time lived in Kettering. The results are missing those living in multi-family units and young people due to lack of response.

Dr. Morris stated that in the past five years, 25% of the population said the city is a better place to live, and only 11% stated it has gotten worse. Respondents gave mostly nine out of ten numbers with no complaints about living, family and retirement. Sixty-four percent of respondents felt Kettering should pursue moderate growth in the next 5 years.

Mr. Duke stated the city is landlocked and unable to grow unless it's up rather than out.

Dr. Morris stated that 20% of respondents reported trash service is getting worse while 32% stated that Parks, Recreation and Cultural Arts improved. Mr. Duke commented that dissatisfaction with services oftentimes depends on the state of a neighbor's property.

Ten percent of survey respondents know of Kettering's volunteer program, 18% know of someone who volunteers, and more than 25% are interested in becoming a volunteer. Dr. Morris sees a great opportunity here.

Interactions with City employees were rated very high. Since 9/11, satisfaction numbers for Fire personnel has significantly increased.

The Parks, Recreation and Cultural Arts category shows large amounts of grey that might be telling us few of the survey respondents are using their programs and facilities.

Mr. Scott agreed that no opinion means respondents are not using the facilities.

Dr. Morris explained that transportation is a difficult thing to measure. Mr. Duke stated transportation is an issue for younger families. Dr. Morris stated that 95% of respondents used an automobile for transportation.

Dr. Morris stated that since respondents were mostly 65 and over, it was a struggle to get young responses who are more inclined to participate in focus groups.

Mayor Lehner recommended giving participants money or a gift. Dr. Morris recommended offering surveys at community events. Mrs. Hall stated she recently facilitated a focus group offering participants \$150. Dr. Morris stated that by giving something of value, it creates a bias and that gaining more responses does not create value with the results.

Mr. Klepacz suggested that the City should choose a few items from the survey to work on and use current information as a benchmark.

Long-Range Forecast – Mrs. O’Connell presented the long-range forecast (LRF) to the group showing a trend over a period of ten years based upon specific assumptions. The LRF is different from the budget document due to under spending and the effect of encumbrances. Mrs. O’Connell provided revenue assumptions and indicated that income tax revenue makes up 79% of the General Fund and is more volatile than property tax. She noted some LRF income tax revenue assumptions, such as the 2022 forecast increase from \$52 million to \$53.2 million. During 2023–2031, the LRF includes a 2.5% growth factor for withholdings and 2% for other expenditures. Mrs. O’Connell stated the LRF assumptions for property tax revenue include a 3% increase and 5%, respectively. Property tax is 11% of the General Fund, equal to \$7.7 million in the 2022 Budget. The 2022 Revised Forecast was not changed, and updates and re-appraisals are estimated at 3% and 5%, respectively.

Mrs. O’Connell continued with LRF expenditure assumptions including personnel, capital equipment, operating, operating subsidies and capital improvement subsidies. Personnel is one of the largest expenditures. ARPA funds totaling \$13.7 million were used for public safety personnel causing an increase in the City’s fund balance that can be used for CIP expenditures, as well as \$2 million for community programs and \$1 million left in 2023. Across the Board pay increases for all employees were estimated at 2.25% for 2023, 4% for 2024-2026, and 3% for 2027 – 2031. A 3-5% estimated increase for annual health insurance was assumed, as well as annual underspending impact. Capital equipment includes \$2.7 million over three years for catch-up vehicles (ARPA plan), 2023-2031 includes \$5.2 million for fire apparatus replacement plan utilizing General Fund and EMS Fund dollars.

Operating expenditures for 2022 and 2023 include \$1 million each year for Community Programs (ARPA plan), 2023-2031 - growth factor of 1% plus utilities and chargeback increases. Operating subsidies include Streets - equipment purchases, snow events, fuel prices, Police pension - growth dependent upon ACB, PRCA - 3% subsidy growth/year, Frazee - \$300,000 loss/year and Debt - \$520,000/year. Forecast assumes no new debt.

Capital Improvement Subsidies include 2023-2027 - reflects the plan presented at CIP Workshop, 2028-2031 is an average of previous 5 years, Gas Tax Program - \$800,000/year, 1% for the Arts Contribution, Boonshoft Fund contribution - \$3 million/year ending mid-year 2028.

Mrs. O’Connell discussed margin and reserve assumptions. She demonstrated a positive operating margin through 2031. The Capital Improvement Program requires uses of fund balance each year. Fund balance reserves include a \$500,000 economic development commitment through 2031 and an \$800,000 assignment of gas tax revenues to CIP. She stated that a general policy for operating margin is that personnel, operating, capital outlay and debt are funded by current operating revenue while capital improvements may be funded by forecasted average City CIP transfers equals \$7.4 million.

For reserves, the general rule is at least two months of operating expenditures are available as unrestricted fund balance (15-20%), and Kettering has three months of operating expenditures and transfers.

Mayor Lehner asked Mr. Schwieterman how the City will fix the gap when the Boonshoft funding is spent. Mr. Schwieterman stated that funds would need to be accounted for in the annual operating margin after the Boonshoft funding is exhausted, unless additional revenue is raised to fund the City’s Capital Improvement Program..

Mr. Schwieterman reviewed the agenda for tonight’s Council meeting.

- Occupational Health Centers of Ohio, with whom the City contracts for drug and alcohol screenings, will exceed \$25,000 for 2022 to approximately \$30,000. This company provides the City pre-employment screenings which have increased significantly due to so many new hires.
- Banking Services – The City will use competitive bargaining and negotiated quotes to contract for banking services, waiving sealed bidding, for a one-year period. Mr. Schwieterman stated that Plattenburg will continue to provide auditing services for the City in 2023.
- Curb, Sidewalk and Drive Approach Program 2023 includes concrete repair of deteriorating curbs, sidewalk and drive approaches of properties. Property owners are responsible for the necessary repairs and will be assessed accordingly.
- Street Construction Tree Replacement Program 2022 – Approximately 40 trees will be planted along the extension of College Drive and Donation Circle.
- Federal Infrastructure Investment and Jobs Act - Applications for project funding through the Miami Valley Regional Planning Commission include: Dorothy Lane resurfacing (South Dixie Highway to Haig Avenue, 2026 construction), Bigger Road reconstruction (East David Road to Wilmington Pike, 2027-28 construction), MVRPC Regional Level 2 EV Charging Stations for Dorothy Lane (2024 construction) The EV Charging Stations project will be dependent upon MVRPC funding availability.
- Lead Abatement Program - In January 2022, the City received \$250,000 in CHIP funds through the State of Ohio. The CHIP-LAP is a new program designed to assist with the costs to eliminate lead-

based paint hazards in homes currently receiving CHIP assistance. These funds will be offered as a grant to CHIP housing rehabilitation clients. Funding necessary is estimated at \$45,000.

- Rental Assistance – The STAYPUT Program received additional funding of \$750,000 for a total of \$5.2 million to date. A supplemental appropriation will also be on the agenda.
- The new City Manager appointment will take place this evening.
- Tax Incentive Financing (TIF) Funds - Surplus cash balances in the Delco/Meijer TIF Fund (\$40,847.34) and the H&H TIF Fund (\$61,106.82) must be transferred to the General Fund.

Mr. Schwieterman said he would be attending the Ohio Municipal League conference from Wednesday through Friday, returning for Kettering Leadership Academy Thursday. He invited Council members to stop by to say hello.

Strategic Plan Update – Mr. Schwieterman stated the deadline to award a contract for the strategic plan consultant fast approaching, and the City would like to move forward with awarding the contract. A \$130,000 supplemental appropriation would be on the next Council agenda for approval, and \$20,000 will be included in the Mayor & Council Office 2023 operating budget for unanticipated expenses. Council agreed to move forward with the process and award the contract.

Bobbie Place Training Center – The conversion to a police training facility was estimated to cost \$300,000, but quotes received are \$266,000.

Joint Meeting With Kettering School Board - Mr. Schwieterman stated the City would host the meeting on November 29 at 6:00 p.m. at Fire Headquarters.

Ridgeway Bridge Photo Shoot – The artist who designed artwork for the Ridgeway Bridge will be conducting a photo and video shoot Thursday through Saturday.

Income Tax Reporting – The income tax numbers for September are in and show a decline from last year to this year, and corporate tax is the culprit. The City's refunds so far are \$1.3 million which is significantly less than other cities have seen.

The City Council Workshop Meeting adjourned at 7:26 p.m.

ATTEST:

PEGGY LEHNER
MAYOR

LASHAUNAH D. KACYNSKI
Clerk of Council