

Brookville City Council
Special Meeting - Budget Work Session
November 20, 2018

The Special Meeting for a Budget Work Session of the Brookville City Council was called to order by Mayor Seagraves at 6:30 p.m. on November 20, 2018 in the Brookville Council Chambers. The Pledge of Allegiance was recited. Members Kirklin, Letner, Schreier, Wilder and Zimmerlin; City Manager Burkholder, Law Director Stephan, Finance Director Keaton, and Clerk Wheeler were present. Police Chief Jerome and Fire Chief Fletcher were absent.

Roll Call by Clerk Wheeler.

Motion by Kirklin, second by Zimmerlin to approve the Agenda as presented. All yeas, motion carried.

Manager Burkholder thanked Council for attending tonight's Work Session. He also thanked the residents in attendance. He stated a lot of information has been pushed out to Council and it is not Staff's intent to overwhelm anyone. He stated Staff faces the challenge of how to break down so much important information so that not only Council Members understand, but also the public. He informed Finance Director Keaton has worked hard to update a presentation she did back in 2016 that was helpful with the preparation of the 2017 budget and has a lot of information still relevant that should aid in the preparation of next year's budget. He informed this presentation will help to tell the story of what has happened over the last three or four years related to revenues, monies lost and new state legislation. He stated the net operating loss, which we will see businesses begin to utilize to carry losses five years previously to offset current day revenues and we have no idea how that will affect us. He stated the City has never tracked net operating losses before, which is why we do not know how the new legislation will affect us. He stated Staff is asking for direction from Council, a draft budget will be presented, but Council can make changes. He asked does Council want to look at a sustainable budget where revenue will exceed expenditures and capital improvements or are they looking at a deficient budget? He stated Staff needs direction from Council on where they want to go in 2019, what they want to keep and what maybe needs cut. He stated with the challenge of revenues, the first step towards success and gaining support from residents for any additional revenue is to have the full support of Council. He stated he would like to see everyone have the discussions and debates now and then when it comes closer to the approval of the budget, Staff would like to see the Board come together on a consensus, which will help the City to be more successful in the community, help to get accurate information out to the residents and towards getting support from the community. He stated citizen engagement is critical to the success of the community. He informed with that said that is why the Council Retreat, upcoming Blue Ribbon Committee and Capstone Project will be so helpful in gathering information of what direction Council and our citizens want to see Brookville go.

Finance Director Keaton presented a Power Point Presentation with general budget information on property taxes, income taxes, overall expenditures and revenue sources and losses.

Manager Burkholder stated with this presentation it can be seen the amount of reductions we have had from the state legislature and there are more coming. He stated the loss of the Inheritance Tax has been a major reduction in revenue.

Manager Burkholder stated most cities rely on a healthy balance of income tax and levies, some cities have multiple levies to supplement their General Fund. He stated we are vulnerable in the fact that we are so heavily reliant on income tax, which is subject to variability based upon the economy.

Mayor Seagraves reminded the State Auditor has warned us on that fact in the past.

Discussion on various income tax rates in other communities and the possibility of future revenue sources.

Manager Burkholder reminded the next Budget Work Session will be scheduled for Tuesday, December 4 at 6:30 p.m. prior to the Regular Meeting at 7:30 p.m. He stated Staff is always available if Council has any questions before the next Meeting.

Motion by Kirklin, second by Zimmerlin to adjourn. All yeas, motion carried.



Meghan Wheeler, Clerk



David E. Seagraves, Mayor