

BROOKVILLE CITY COUNCIL
SPECIAL MEETING
August 25, 2014

The Special Meeting of the Brookville City Council was called to order by Mayor Seagraves at 6:30 p.m. on August 25, 2014 in the Brookville Council Chambers. The Pledge of Allegiance was recited. Members Apgar, Cantrell, Duncan, Garber, Kirklin and Letner; Fire Chief Fletcher, Law Director Stephan, Manager Wright and Assistant Manager/Finance Director/Clerk Keaton were present. Police Chief Jerome was absent.

Motion by Duncan, second by Apgar to accept the Agenda with a correction. All yeas, motion carried.

Manager Wright announced tonight's Work Session is to discuss future budget and revenue items for the General Fund, particularly a new fire station, which is why Fire Chief Fletcher is present. Manager Wright also requested an Executive Session on a Personnel Matter.

Manager Wright reported a new fire station has been discussed for several years, and it is his opinion that this should be a top priority in the near future for the City of Brookville. Manager Wright stated he needs to know whether Council supports this, if so, we can commit to making this a reality and talk about how to finance the project. Manager Wright stated if not, we will move on.

Manager Wright advised the second issue is that revenue must be increased for the General Fund in order to sustain the current level of services that we have and hopefully, bring back some of the capital improvement projects that we have not been able to do in the last several years. Manager Wright stated Assistant Manager/Finance Director/Clerk Keaton has commented in budget presentations that we need to consider additional revenue for the General Fund revenue. Manager Wright advised while we are not in dire straits, we have to look at this issue. Many cities have been hit a lot harder than us and have had to cut services. We have been able to continue our services by not replacing a few employees lost through attrition.

Manager Wright asked if Council wants to pursue a new fire station?

Mayor Seagraves asked how Manager Wright proposes to fund a new fire station in conjunction with an increase in the General Fund?

Manager Wright proposed rolling the construction of the new fire station in with the increased revenue. There are several ways we can increase revenue, the most likely way will be through income tax, because that is where the General Fund comes from. Manager Wright suggested increasing the General Fund enough to make payments on a new fire station. The payments would be approximately \$250,000 annually for 25 years. Manager Wright stated other options to finance a new fire station would be a levy, which he feels would be difficult to pass. The least amount of impact on our citizens would be through an income tax rate increase, because the bulk of this comes from people that do not live here, but work here.

Mayor Seagraves asked what percentage increase Manager Wright would propose on the income tax?

Manager Wright replied probably one-half percent.

Member Kirklin asked of that half percent that we would increase for the General Fund, how much would be used for a new fire station? Would all of it be needed, and if so, where would the money come from for the capital improvements that we have not done recently to meet the needs of some of the older neighborhoods?

Manager Wright corrected himself stating we are proposing a one-quarter percent increase in income tax, which would generate over \$700,000 per year. It would take

approximately \$250,000 of this to fund a new fire station and the remainder would be available for the General Fund for capital improvements, among other things.

Member Kirklin commented that this would pay for the small water lines that need replaced which Chief Fletcher brought up at the August 5 meeting.

Manager Wright replied any expense for water, sewer or refuse should come from Enterprise Funds, which should support themselves.

Member Kirklin inquired if Manager Wright sees the project in the Terrace Park plat not taking a three or four year time frame if we increase revenue and can build the fire station as well? Member Kirklin stated not just that plat in general, but some other older areas of town that are beginning to show signs of age and wear.

Manager Wright replied it would definitely increase the ability to do that, whether it is in the Terrace Park plat or in the older sections of town. Manager Wright stated he does not know whether increasing the revenue would change the time frame set for the Terrace Park plat, it just depends upon how projects are prioritized, which is presented to and decided by Council.

Member Kirklin commented we have to consider the priority of that along with the fire station.

Mayor Seagraves stated he is all for capital improvement, but where does the money come from to increase our Service Department employees? Mayor Seagraves stated we are way beyond the need to increase that staff.

Manager Wright replied increasing staff would also be provided for in that revenue.

Member Apgar inquired if the fire station project could be done in stages?

Manager Wright asked how that could be possible?

Member Apgar stated when he worked at Standard Abrasives they purchased a small building and added on to it later. Could the fire station be built in stages, so we do not get into all of this expense right off the bat?

Member Garber commented that building in stages was discussed several years ago and at that time the answer was no.

Member Apgar stated we went to a lot of expense to improve the existing fire station on Mulberry Street and this will look stupid to now ask voters for funds for a new fire station.

Member Letner commented the voting public tied our hands when they voted not to fund a new fire station several years ago. Member Letner said we are to the point now that the fire station uptown has been there since 1951 and the one on Albert since the mid-eighties. Member Letner said there was no Sterling Meadows, nothing around Golden Gate, and Ben Franklin had just come into the picture when Station 2 was built. Brookville has exploded since then and our fire coverage has expanded and while people do not want to pay more, we need the equipment, we need the personnel, and we need the space to take care of what we have.

Member Apgar commented he wonders what all the voters in town are going to think about it?

Member Duncan advised he thinks we are putting the cart before the horse. We need to decide whether to raise the income tax or not to increase the General Fund. Then we can decide where the money is going.

Member Letner stated as a voter he would want to know where the money will be used.

Mayor Seagraves asked for a quick straw vote on whether an increase in income tax will affect Council Members. Mayor Seagraves advised he is in favor of the income tax because it does not affect him. His wife is retired and he is already paying 2.25 percent to Westerville.

Mayor Seagraves asked each Council Member if it would affect them?

Members Duncan, Apgar, Cantrell and Garber indicated it would not affect them.

Member Letner and Kirklin indicated a raise in income tax would affect them or their families.

Mayor Seagraves stated Manager Wright is correct that the bulk of the income tax comes from non-residents. Mayor Seagraves commented we were crucified several years ago because we tried to take the seniors out and they came back with, if their house is on fire they want just as much service as any of us would get.

Member Kirklin commented for her personally, without meaning to sound flippant, she really does not care. Her bigger concern is insuring that we have a very specific plan and that we do not move forward with a brand new fire station and a beautiful, sterling Golden Gate Park while some pockets of our city look really bad and really need some investment. Member Kirklin stated she is not isolating that comment just to Terrace Park and she wants to be really clear about that. There are some parts of our city that look horrific and really need some attention and need that capital improvement invested in it. Her fear is that we will get the fire station done and it will look great, and will be functional and will finally serve the folks and the industries that are here the way it needs to, but we will still have these pockets that need attention.

Member Apgar stated he thinks Council needs to look at whether a one-quarter percent increase is enough.

Member Kirklin agreed.

Member Apgar stated if we start with the pockets that are bad in Brookville, how much will that cost? If we need more employees, we know salaries and benefits will keep going up. Member Apgar commented a one-quarter percent is not going to do it.

Member Garber replied Manager Wright said a one-quarter percent will raise approximately \$700,000 in revenue annually.

Member Apgar replied immediately one-quarter of that will be spent on the fire station, is that enough for all of this?

Member Garber observed that leaves us with \$500,000 extra in the General Fund. The capital improvements would be done in stages, not all in one year.

Member Kirklin asked if we have projections for the number of additional staff that we need, their salaries and benefits, the investments and improvements in our infrastructure that we need, along with the fire station so that we can look at the whole picture?

Member Garber stated an employee is about \$60,000 per year, fully loaded with benefits.

Member Apgar commented there will be salary increases times the number of employees we have.

Member Garber stated this is additional money; we do not have to ~~worry about our~~ ^{consider our existing} ~~current~~ employees, with this increase as they are already accounted for in our budget.

Member Cantrell commented as some of the higher paid employees leave we can bring in people at a lower rate.

Member Apgar said we do not have the money to cover staff salary increases now.

Member Garber agreed there will be salary increases, but we are already taking care of that through our existing funds. What we need to address is the additional monies we need to cover the additional employees and the additional capital improvements, not the existing ones.

Member Duncan asked what about the fire station?

Member Garber replied he stated additional capital improvements which includes the fire station. If the proposed increase generated approximately \$700,000 minus \$200,000 for 25 years, that leaves \$500,000. Member Garber asked how many additional employees are needed?

Manager Wright replied he would hire three additional employees.

Member Garber stated that will cost \$180,000 which still leaves \$300,000 per year in additional money.

Member Apgar observed it will take a lot more than that just for Terrace Park.

Member Garber replied not per year.

Manager Wright advised he can present a study on all the capital improvements that need to be done within the City, but we could not afford it, even if we raised it to 5 percent. The way he looks at it, you have to set so much money back per year, and be realistic about the amount of money you can get from the citizens. We have to be realistic and somewhat conservative about how we generate more revenue, because otherwise it is not going to happen.

Member Kirklin agreed and stated we have to have a commitment to what the priorities will be.

Manager Wright replied that can be done. A percentage will be committed to fire station, another percentage toward capital improvements and the remainder would be committed for operations.

Mayor Seagraves asked when the last income tax increase occurred?

Assistant Manager/Finance Director Keaton replied our income tax rate has not been raised since 1978.

Mayor Seagraves asked if we will be getting into the situation of raising it another one-quarter percent in two or three years?

Manager Wright replied he does not see that happening if the money is managed correctly. We can continue to operate with the money we have now, but we will continue to get farther behind.

Member Garber agreed, stating it is all in how you prioritize it.

Member Duncan asked if Vandalia can give us a breakdown of where our income tax comes from?

Member Cantrell asked why it matters?

Member Duncan replied it matters in how you sell it. If the majority of our workers are employed in Dayton, an increase will not cost them anything. Member Duncan advised when New Lebanon tried to raise their income tax several years ago they told voters they would do away with their credit if the rate increase did not pass. That is exactly what happened so now those who work outside of New Lebanon have to pay where they work and where they live. Member Duncan commented before we figure out how much we want we need to figure out how we are going to sell it.

Member Garber stated we need to identify what projects we need it for before we ask for it.

Mayor Seagraves stated he thinks it is a huge advantage that we have not had an income tax rate increase since 1978.

Member Duncan advised we have to convince the people that live in this town that do not pay the income tax to vote for the income tax.

Member Apgar stated we have to educate people on that.

Member Kirklin commented the opportunity lies in a full credit or partial credit.

Member Garber observed there is no way to split the tax between where you work and where you live.

Manager Wright advised it cannot be set up that way as it would violate state law.

Member Cantrell stated it would be good to know where the biggest percentage of our residents work as there are quite a few cities that have a lower income tax. Our residents who work in those cities will not vote for an increase. Speculation followed on where most residents work.

Assistant Manager/Finance Director Keaton advised we are currently receiving \$227, 515 from residents who work outside of Brookville for a city with a lower income tax, or a township with no income tax. This is out of \$3,000,000.

Member Garber stated that is 7%.

Member Cantrell stated 7% of our residents will have to be persuaded to vote for a higher income tax.

Manager Wright commented probably a greater majority of residents do not pay income tax at all and that should be the target group. Manager Wright agreed an increase will need to be sold to voters and that is everyone here's job.

Member Cantrell stated she is wary of getting into specifics because she thinks that can create a communication nightmare. She stated she thinks for the betterment of the City as a whole, we should not get into specifics. There will be voters who do not want to support a new fire station and we might alienate these voters.

Member Kirklin stated the flip side of that is if you do not inform folks and all of a sudden a new fire station goes up, it has the potential to backfire horribly.

Mayor Seagraves stated we should spell out up front where the increase will go.

Member Cantrell reminded everyone the residents voted no on a new fire station.

Member Kirklin commented we cannot in good conscience not inform the voters that a large percentage of the requested increase would go to build a fire station. Member Kirklin stated some of the reluctance to the fire station in the past was about the run down areas of Brookville.

Member Duncan stated it all comes back to how we sell it and educating people on the impact it will have on the citizens.

Mayor Seagraves advised we have to educate people that we have outgrown our current fire station as our equipment will barely make it in the doors now. We need to let residents know the new fire station is stripped down to the minimum that we need.

Member Garber stated we need to get back on the subject and listen to Manger Wright and Assistant Manager/Finance Director Keaton's presentation.

Manager Wright continued stating we have lost a lot of revenue from the State of Ohio in the past eight years and we are trying to offset those losses.

Manager Wright gave the floor to Fire Chief Fletcher to present some information regarding the need for a new fire station.

Fire Chief Fletcher presented a list of items that the Fire Department Staff listed as the needs for a new fire station.

Current stations were not designed to house personnel 24/7 and do not meet the national standard for fire stations. *The safety of the men and woman who live in the fire station 24 hours at a time is a primary concern.*

- Totally suppressed facility.
- Smoke and CO Detection throughout.
- Infection control capabilities.
- Emissions control.
- Designed for Male and Female employees.

Current stations are under-sized for modern Fire and EMS vehicles.

- Fire Station on Mulberry has 10' doors; Fire Station on Albert has 12' doors.
- Standard for modern apparatus is now 14' doors.
- Maximum bay depth at each station is 38'; we have eight (8) bays.
- We have a need for 300' of bay depth minimum, but configured differently.

Current stations fail to provide shelter for the entire fleet.

- We can shelter eight (8) pieces of apparatus; we have twelve (12).

Age of current facilities make retrofit unrealistic.

- More square footage is needed for personnel, storage, and apparatus.
- Any improvements should be standard-compliant, and neither building offers a good foundation for an addition.
- Properties are essentially land-locked preventing us from obtaining the necessary footprint.

Training/Meeting space inadequate for our personnel.

- Current training room is too small for the staff.
- Doubles as a communal sleeping room for personnel.

Storage inadequate for our department.

- We have assets spread in multiple locations.
- Plan would be to operate and maintain two facilities: Fire Station 76 on E. Upper Lewisburg Salem Road and the BFD Training Center on S. Wolf Creek Street.

Morale.

- Our personnel are not the highest paid firefighter/paramedics.
- We strive to provide state of the art, well maintained tools and equipment for them to work with. There is a value to this.

Member Garber stated a few years ago the proposed fire station was brick and this proposed fire station appears to have vinyl siding.

Fire Chief Fletcher replied that staff recently met with an architect to evaluate the plans that were drawn up six years ago and asked for recommendations to save money. Fire Chief Fletcher advised that one of the potentials is that those plans called for a building that meets the standard for an emergency service building and that standard is expected to be able to withstand significant wind and other weather exposures. That standard would

allow the fire station to withstand a tornado while everything around it is wiped out. The opposite of that spectrum would be a pole barn. Fire Chief Fletcher stated they asked for a building that would be somewhere in the middle since voters previously voted down that \$4M bomb proof building. Fire Chief Fletcher stated they found that construction costs have increased considerably, and that building would now cost \$5.5M, so they had to shave off \$1.5M in costs to keep it at the original proposed cost. These cuts involve some very high quality, stick built, office and housing staff areas and a cheaper construction for the bay areas. That is where the pre-engineered portion of the building comes in and allows the cost savings. Fire Chief Fletcher provided an example of a similar building that was recently constructed by the same architect in Lake County. Fire Chief Fletcher advised the architect is designing the proposed fire station to be a 50 year useful life building to aesthetically match the neighborhood.

Member Garber asked if the fire equipment could be moved to another location if impending bad weather is approaching?

Fire Chief Fletcher replied he would prefer to keep the equipment at the fire station and operate under the same risk as currently. Statistically there is a greater chance of having a fire at the fire station than in sustaining a direct hit from a tornado.

Member Garber asked how many bays there are for future expansion? What if the population of Brookville doubles in 50 years?

Fire Chief Fletcher replied the worst case scenario would be to park some equipment outside. The proposed plans call for double deep bays and are wide enough to stack vehicles.

Member Cantrell stated the minutia is a little overbearing right now since Council has not decided to go forward with this.

Member Garber replied he is trying to make sure if we build a \$4M building it will last for 50 years.

Member Apgar asked if there would be enough land to expand in the future?

Manager Wright replied there is a little room to expand.

Fire Chief Fletcher stated if there is a need to expand in 20 or more years, it will probably be because Brookville has really expanded and at that point it will need to be constructed in another part of town.

Manager Wright thanked Fire Chief Fletcher for his presentation and excused him from the remainder of the meeting.

Assistant Manager/Finance Director Keaton presented a recap of the financial statements and Appropriations from 2000 through 2014.

Assistant Manager/Finance Director Keaton stated Brookville was notified of city status in April of 2001 and with the Police Union negotiations following our city status, the Arbitrator awarded a 6%, 4% and 4% wage increase beginning in 2002. That wage increase was devastating to our budget and future budgets.

Member Garber asked what Notes we are currently paying that we will pay off in the next few years?

Assistant Manager/Finance Director Keaton stated the only notes we have are 20-year Notes that were issued in 2006 to purchase the land from Joe Walker. The Payless project debt was paid off this year.

Mayor Seagraves commented we picked up the Wastewater Treatment Plant debt.

Assistant Manager/Finance Director Keaton stated those funds will be paid back out of the Sewer Fund.

Assistant Manager/Finance Director Keaton presented the Beginning General Fund balance for years 2000 through 2014, which showed the ups and downs of the General Fund. The General Fund consists of our Police, Fire Operating, and Legislative Departments. Assistant Manager/Finance Director Keaton reported the Police Department budget increased \$687,000, or 91% from 2000 to 2014 and the Fire Department Operating budget increased \$490,000, or 150% from 2000 to 2014.

Assistant Manager/Finance Director Keaton went over the Capital Improvement Fund Appropriations for 2000 to 2014, which showed a major decline in capital projects since 2010.

Assistant Manager/Finance Director Keaton reported inheritance tax has been eliminated by the State. We receipted \$2,470,680 in the last 15 years, which will now be at zero. Local Government Tax is down \$80,115 since 2000.

Member Cantrell asked what are other communities doing to stop this tide of budget cuts?

Assistant Manager/Finance Director Keaton replied a lot of municipalities are looking at the same items we are looking at, increasing income tax rates, or amending the income tax credits.

Assistant Manager/Finance Director Keaton reported a 1% income tax began on April 1, 1971 in Brookville. That rate increased to 1.75% in July 1978 and is still at that same rate today. Assistant Manager/Finance Director Keaton presented Council with income tax rate and income tax credit information for various municipalities in our region.

Assistant Manager/Finance Director Keaton gave a breakdown of the income tax that we received in 2013 and the additional revenue, based off of 2013 information, if we increase our rate. If we increase our income tax rate to 2%, we could potentially see \$770,767 in additional revenue each year. If the rate was increased to 2.25%, we could potentially see an increase of \$1,541,535 in additional revenue each year.

Assistant Manager/Finance Director Keaton went over the additional revenue that could be collected if we amended our income tax credit. Based on a quick review by the City of Vandalia, we could see an additional \$195,000 to \$200,000 annual increase in revenue for each .5% credit reduction.


Assistant Manager/Finance Director Keaton asked Council to review their packet and if they had any questions, to please contact her. We can continue to discuss this at future Council Meetings.

Motion by Garber, second by Cantrell to go into Executive Session on a Personnel Matter as requested by Manager Wright. All yeas, motion carried.

Mayor Seagraves called Council back into Regular Session.

Motion by Apgar, second by Letner to adjourn.


Sonja M. Keaton, Clerk


David E. Seagraves, Mayor