

Brookville City Council
Budget Work Session
January 12, 2021

The Budget Work Session of the Brookville City Council was called to order by Mayor Letner at 6:00 p.m. on January 12, 2021. The meeting was held virtually using the Cisco Webex application. The Pledge of Allegiance was recited. Members Crane, Fowler, Schreier, Swabb, Wilder and Zimmerlin; Manager Keaton, Finance Director Brandt, Law Director Stephan, Clerk Duncan, Fire Chief Fletcher and Police Chief Jerome were present.

Roll Call by Clerk Duncan.

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

Manager Keaton presented a Power Point Presentation regarding Revenue Insufficiencies for 2021. A copy of the Presentation is attached to the minutes.

Member Zimmerlin inquired why the 2020 General Fund ending balance was higher than anticipated?

Manager Keaton replied this was due to several items. We received our reimbursement from FEMA on our cleanup costs related to the 2019 Memorial Day tornado. We also received just over \$300,000 into our General Fund from refunds that were issued by the Ohio Bureau of Workers' Comp in 2020.

Finance Director Brandt commented that Cares Act funds also contributed to the higher ending balance.

Member Zimmerlin commented that had these figures not been included in our General Fund, we would be looking at an ending balance of \$1.3 to \$1.4 million, which is a significant decline based on employers having left. Truly we had a significant drop.

Manager Keaton replied that is correct.

Member Schreier agreed, the numbers look deceptively better than they really are. BWC will lower the rates for 2021 so we probably will not continue to get that much back.

Manager Keaton replied there is a 10% decline in BWC rates for 2021. That is where we will see any kind of deduction because of the rates.

Discussion followed regarding the loss of income tax revenue from Provimi and any potential offsets with the GM plant coming in.

Member Fowler inquired about revenue we could expect if we reduced the income tax credit?

Manager Keaton advised Vandalia would have to pull W2's to compute those figures for us.

Discussion followed about an income tax reduction. The consensus was to support a property tax levy to diversify our revenue stream.

Manager Keaton provided data with various millage rates and the approximate amounts each would generate.

Discussion followed regarding the amount of funds needed in the General Fund to withstand upcoming expenses, and the addition of levies to generate funds to cover those expenses.

Manager Keaton advised Council needs to consider whether to add one levy or two, what the purpose of the levy is, and what the terms are.

Member Fowler commented at some point Council will have to discuss cutting the budget if the citizens do not approve a levy.

Discussion followed regarding educating citizens and promoting tax levies placed on the ballot so that citizens can make an informed decision regarding what is at stake if the levies do not pass.

Member Zimmerlin asked how increasing the income tax rate would affect the City from an economic development perspective?

Manager Keaton replied it is her opinion that raising the income tax rate in 2016 contributed to businesses moving out of Brookville. Surrounding communities have lower income tax rates than ours and the bottom line for any business is their net profit.

Manager Keaton stated if Council wants to move forward with placing property tax levies on the ballot, a Resolution, or Resolutions, will need to be passed at the next Council meeting in order to meet the filing deadline for the May ballot.

Discussion followed on the types of tax levies, their terms, and when to place them on the ballot.

Motion by Fowler, second by Zimmerlin to direct Staff to prepare a Resolution requesting the County Auditor to certify the dollar amount of revenue that would be generated by a new property tax levy of three and eighty-five hundredths (3.85) mills, for a period of five years, to generate money for street resurfacing. All yeas, motion carried.

Motion by Fowler, second by Zimmerlin to direct staff to prepare a Resolution requesting the County Auditor to certify the dollar amount of revenue that would be generated by a new property levy of ninety-six hundredths (.96) mills, for a period of five years, to generate money for the Park Fund. All yeas, motion carried.

Member Fowler inquired whether the overall tax burden on existing homeowners will be reduced if new homes are constructed within the City?

Manager Keaton replied that if new homes are constructed, a reduction factor would be placed on existing homeowners so that the total tax amount generated remains the same.

Motion by Fowler, second by Schreier to adjourn. All yeas, motion carried.



Kimberly Duncan, Clerk

Charles Letner, Mayor