

**CITY OF SPRINGBORO
425 S. PIONEER BOULEVARD, SPRINGBORO, OH**

CITY COUNCIL SPECIAL MEETING

SATURDAY, APRIL 12, 2008

9:30 AM

**CITY COUNCIL
John Agenbroad, Mayor**

**Marie Belpulsi, Deputy Mayor
Scott Anderson
Sheila Lairson**

**Jim Chmiel
Tom LaDu
John D. Parise**

**CITY STAFF
Chris Thompson, City Manager**

**Chris Pozzuto, Asst. City Manager
Lori Martin, Clerk of Council**

Robyn Brown, Director of Finance

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- ITEM 1. CALL TO ORDER.** Mayor Agenbroad called the Springboro, Ohio City Council Special Meeting to order on Saturday, April 12, 2008 at 9:30 AM at Heatherwoode Golf Course, 88 Heatherwoode Boulevard, Springboro, Ohio.
- ITEM 2. PLEDGE OF ALLEGIANCE.** Mayor Agenbroad led the Pledge of Allegiance.
- ITEM 3. ROLL CALL.** Agenbroad, Present; Anderson, Present; Belpulsi, Present; Chmiel, Present; LaDu, Present; Lairson, Present; Parise, Present.
- ITEM 4. DISCUSSION: COUNCIL REVIEWED ESTABLISHED GOALS.** (The following reference materials have been attached for the record: Agenda of Discussion Topics, 2008 Projects/Goals, 2008 Planning Commission Projects, Heatherwoode Golf Club 2008 Events, 10-Year Financial Projections dated 4/11/08.)

City Council referred to the attached documents concerning City goals, planning goals, and 10-year financial projections. It was noted that the SR741 Access Management Plan recommendation to Council to be incorporated into the Mobility Master Plan was added to the 2008 Planning Commission Projects. The 2008 Planning Commission Projects spreadsheet lists items that the Planning Commission intends to tackle this year in general order of priority. In reference to the City's Comprehensive Land Use Master Plan update, the Planning Commission will review the results of the open house held last week on April 8 at Heatherwoode and the public's comments. The updated plan does not change the City very much; it just confirms the future land use plans for the community and strengthens the plan. The final recommendation for the plan update will be forwarded to Council for consideration this year, and Council will receive a compilation of the public's comments collected at the open house. The Land Use Master Plan update will require a Public Hearing before the ordinance to amend the plan is adopted by Council, and another public meeting concerning the plan update may be scheduled.

1) 2008 Projects / Goals

- a. Policy Discussions: Park improvement revenue sources
- b. Acquisition Policy
- c. Park District potential

In reference to the items on the 2008 Projects/Goals list, policies regarding park improvement revenue sources, park acquisition, and park district potential were discussed.

It was noted that the Park Board is currently considering a dog park in Springboro at North Park, but the project is still under discussion. It was also noted that the land at the water tower could potentially be used for park space.

In regard to funding park improvements, Council has authorized monies from the General Fund to finish improvements at Clearcreek Park and to begin implementing the Master Plan for E. Milo Beck Park; however, no revenues are coming in or anticipated in the future for park improvements. Current funding will support park improvements over the next five years, but based on the funding projections the City will be unable to acquire more parks.

Council discussed the possibility and option of working with Clearcreek Township to merge park services or establish a park district. In the past, there has been no interest in merging services with the City, but Council discussed the idea that it would be good to work together locally in a cooperative effort. There is also the potential for discussions with the Warren County park district. It was noted that the State has begun looking at how cities and townships spend money and meet community needs in a more cooperative manner in the form of House Bill 521, which has established the Ohio Commission on Local Government Reform and Collaboration to achieve more cost effective and efficient local government through consolidation. Potentially, monies from State local government funds will be tied to local government cooperation, which would help to eliminate the redundancy of services among local governments e.g. park services. It was also noted that the Local Government Fund has been diminishing, and over the last three years, the State has been combining Local Government Funds and Local Government Assistance funds.

Council discussed scheduling a public meeting with the Township Trustees to discuss the potential for cooperative programs and services and decided to extend an invitation to the Township to meet. Ms. Thompson will approach the Township Administrator, and then Mayor Agenbroad will follow up with the Township Trustees. The Township's parks include Kesling Park and Patricia Allyn Park, which is restricted to a passive park; the City's parks include Clearcreek Park, Community Park, North Park, and E. Milo Beck Park, which is also restricted to passive activities. It was suggested that a joint park district and joint levy to support the district would be more beneficial to the entire area in accommodating the softball and soccer leagues, etc. Fees for park use were discussed, but only the sports associations, which are insured could be charged; individuals could not be charged due to liability issues. Another consideration was that sports associations could be asked to help maintain the parks.

Council continued their discussion in regard to how the City would fund park improvements and acquisitions in the future. The E. Milo Beck Park Master Plan is a 10-year plan and current funding would only carry the plan through the next five years. Funding beyond the next five years would require approval of additional funds from the General Fund. The phasing plan for E. Milo Beck Park could be shortened if the City had more park revenue. The Council will begin addressing future park funding by meeting with the Township to discuss the potential for a park district.

2) Miracle Field – City Participation and Contribution: suggested stipulations: site plan review required, City not responsible for maintenance of facility per agreement (not on City land), \$100,000 over 4 years – disbursement of first installment to commend when 75% of goal pledged / and annually thereafter.

Miracle Field, a baseball field for handicapped individuals, would be located at the entrance of the City on SR741 in front of the Junior High School. It was suggested that if the City were to contribute money to the

project, then the City should consider a site plan review. It was noted that the field would be located on school property, which would exempt it from site plan review, but it should at least be reviewed by the engineers. Under state law, school districts are quasi-governments and are not subject to plan review, but Council agreed with staff's recommendation that the City would not want to contribute to the project without an engineering review. Also, the City does not want to take responsibility for long-term maintenance of the facility, and the City would not enter into any agreements concerning the project, but pledging a contribution would be acceptable. Council briefly questioned issues such as the school district's role as the property owner and how many residents would use the facility, which were uncertain. It was noted that there are several large contributors to the project, along with the Springboro School District, which has contributed the land, and Clearcreek Township, which has contributed \$100,000.00 to the project. The City would be willing to help make the project a part of the community by making a donation along the lines of the YMCA, the School District, and the Township. Council concluded that the City would be willing to contribute up to \$100,000.00 in in-kind donations as long as the project is subject to review by the Planning Commission and the engineers.

3) Projections: priority fund discussions

a. General Fund – second phase of 2004 recommendation

b. Water Fund

c. Sewer Fund

d. Municipal Building Fund

e. Other Funds

Council discussed the recommendation of the Citizen Task Force Committee appointed by Council in 2004 to study alternative revenue sources to ensure the financial stability of the General Fund. Step one of their recommendation was to reduce the income tax credit by 0.5%. Step two of their recommendation was that the City would eventually have to consider another revenue source in addition to the revenue raised by the income tax credit reduction to guarantee the future stability of the General Fund. According to the current 10-Year Projections, there will be a \$357,000.00 ending balance in the General Fund by 2018; therefore, based on the projections, the Committee's recommendation was accurate and is still "holding water."

Council reviewed the percentage increase in expenditures over the next ten years. The 10-Year Projections assume a 4% increase in income tax revenue annually. The projections are based in part on the history of income tax revenue received. Certain years cannot be factored into the average percentage due to factors such as the income tax credit reduction in 2005. The 4% increase also reflects the potential for increased revenues from new businesses developed in areas such as South Tech. Under operating expenditures, there is a 6% increase in 2009, which drops to 5% in 2011-2013, and levels-off at 4% for the following years due to Police Department staffing. The Police Department is currently down four officers. Two officers will be hired almost immediately and two additional officers will be hired within the next two years. Once the four additional officers are hired, the Police Department staffing levels will be adequate with no projected needs for additional officers. It is anticipated that the Police Department will be at the appropriate staffing levels by 2010. Once staffing levels are met, percentage increases level off at 4% because no new employees are being added. The staffing levels for the Police Department are based on the City's build-out projections, and the staff recommendation is to have Police Department staffing levels achieved in the next two years. The Police Department currently uses overtime because they do not have enough officers on shifts, rotations, and duties, and if an officer is injured, another officer must be called-in. The recommended staffing levels for the Police Department is a reasonable compromise or balance based on the number of calls for service and population. It was noted that the City is actually behind in the hiring process, which is why the Department will be hiring four officers in a short time period. Council discussed and determined that four additional police officers outweighed the expense of overtime and would provide the best service for the community. The need for increased staffing levels in the Administration and Service Departments was discussed. As it stands, staffing levels in these areas will be maintained or might even decrease. The Zoning Inspector will not be replaced because his duties will be absorbed by other staff members, and the Dispatch Center staffing will decrease through attrition. The only time staffing levels seem low in the Service Department is during a snow event, which is why the idea of having a contractor plow city-owned parking lots such as the lot at Heatherwoode is a good idea.

Council discussed the minimum ending fund balance requirement for funds, specifically the General Fund. By law, a positive balance in all funds is required. Negative fund balances could cause a state of emergency in which the State would take over the City's finances, and a low ending balance could affect the City's bond rating as well. It was noted that, in 2004, the Citizen Task Force Committee first considered 0.25% tax credit reduction, but realized that was not going to raise enough revenue to support the General Fund in the short-term, which is why 0.5% was recommended. But, the Committee also recommended that the City find a way to raise revenues in addition to the income tax credit reduction, such as an income tax increase, which would not penalize seniors, as it would only impact earned income. It was also noted that Police Department and Dispatch together is a \$3M operation supported by the General Fund.

Council discussed the status of Town Hall Meetings, and it was suggested that Council hold a community open house this year to hear residents' questions and concerns and to collect information in lieu of a Town Hall Meeting. It was suggested that the City have staff present to answer questions about streets, finances, and engineering. Council decided that a Community Open House would be held in early October, tentatively, Tuesday, October 7, at Heatherwoode Golf Course. Council Members will bring their calendars to the next Work Session to confirm the date.

Council discussed the Water and Sewer Revenue Funds. Staff has advised that there will have to be an increase in water rates to offset costs of operations, capital, and debt. In the 10-Year Projections, water sales increase by 10% beginning in 2009 due to debt payments on the water and sewer plants and increasing costs for operations and capital. Historically, the City has had enough reserves in the Water Fund to put off increasing water rates even after accepting the bond for the water plant, but as of 2009, the City will no longer have enough revenue to support the required 125% coverage in the ending balance required by the bond covenant. It was noted that the only balance needed in the Enterprise Funds is enough to cover operations. Council discussed the advantages of paying off the Municipal Building Fund in five years rather than ten years, which would save a great deal of interest, and agreed that five years is preferable. Council always has the option of extending the debt term, if desired.

Other major funds were commented on as follows: In regard to the Storm Water Utility Fund, there is no one to measure the amount of permeable surface in the City. Staff recommends increasing the commercial rate for Storm Water Utility from \$7.00-\$14.00 per year, other communities charge significantly more. The City has about 500 Storm Water Utility users totaling \$3,500.00 per year in revenue. In regard to the Street Capital Improvement Fund, the street resurfacing program dictates the level of fund balance for this fund. One consideration would be to extend the resurfacing program to 15-20 years; the current program revolves every 10 years, but extending the program would be a level of service issue. In regard to the Land Acquisition Fund, the City has paid down over \$1.2M on the South Tech land purchase. In regard to the Water and Sewer Capital Funds, Trash Fund, and Storm Water Fund, these funds assume the 4% increase over 10 years. In regard to the Golf Fund, the City pays \$120,000.00 per year for the management contract with two more years remaining on the contract. Staff recommends raising green fees. It was noted that Heatherwoode has been recognized as a top golf course in the area in the past three years. The numbers, based on the new rates and an increase, would still undercut the competition, and the rate could always be reduced later. It was noted that the signage in front of Heatherwoode on SR741 gives the golf course a presence on SR741, and has received a lot of positive comments.

The City is set on Water and Sewer Capital, but Council continued to discuss the increasing expenditures in the Water and Sewer Funds with respect to water rates. Council's review and approval is required before any water rate increase is put into effect, and as it stands, the increase would take place in 2009. Council has the flexibility to lower the rate, but typically the City would not reverse an increase, as it would have a negative impact on the fund. One consideration was a freeze or moratorium on the percentage rate increase for several years. Again, the reserve balances in the Enterprise Funds only need enough money to cover operations, but the Water and Sewer Funds do require additional reserve balances in order to maintain the 125% coverage, and after this year, the City would not have the 125% coverage required by the bond covenants. The City's bond counsel, Paul Stubbins, will present information to Council at the May 1 meeting in regard to refinancing the sewer bond, which could alter what water rate increases might be required. Capital Asset Financing was discussed with consideration given to paying for capital in cash versus using

bonds for capital items. It was noted that the City's debt ratio is very good, and a higher General Fund balance is good for the bond rating. Also, the City could cooperate with other jurisdictions to borrow bonds, whereby each entity pays their portion of the share of costs, which reduces overall costs. The City will compare bond counsel's rates for the City Building before and after the bond rating and against borrowing with other jurisdictions. A list of capital items could be blended with other jurisdictions' capital items for a bond, but the total expenditures have to be a minimum of \$5M. It was noted that the City has not borrowed for capital with the exception of the water plant, the sewer plant expansion, and the new city building. It was emphasized that in light of the projected ending fund balances especially in the General Fund, the City would have to consider the second step of the recommendation made by the Citizen Task Force Committee in 2004 and seek an additional source of revenue to support the General Fund for the long-term.

Other items from the 2008 Projects/Goals list were noted as follows: Citizen Satisfaction Survey – Forty-four percent responded to the recent citizen satisfaction survey conducted by the City, and a report of the results will be presented to Council at a meeting in June. New City Building - The bid for the construction of the new City Building will be opened in May, and the contract for construction will be presented to Council on June 5 for approval. Some site-work issues pertaining to the pre-construction contract bid are being negotiated with Miller Brothers Excavating. The Master Mobility Plan and Strategic Plan – Both plans will be presented to Council for approval this year. Police Department Quarterly Updates – The Police Chief will focus on the Police Department quarterly update to Council to incorporate into Council agenda packets. Public Information – Staff will continue to work on issues with the media. The South Tech Landscape Master Plan – Staff is still acquiring the easements to implement the Landscape Master Plan at South Tech to attract development to the business park. The landscape plan will improve the frontage on SR741. Newsletter Improvements – Staff is producing a quarterly newsletter with a new format. Bond Rating – The Bond Rating presentation to Moody's Investors Services went well, and according to the City's bond counsel, Paul Stubbins, the City should anticipate a single or double "A" rating. Economic Development – There have been positive comments regarding the City's Business Retention Specialist Nick Motto, who is the City's liaison to the business community. Traffic – Initiatives on SR73/I-75 will begin in 2009 as well as the Austin Interchange Project, and the SR741 corridor and SR73 Access Plan are finished. Coordination – Ms. Thompson meets with the School Superintendent and the Township Administrator on a regular basis for coordination purposes. Town Hall Meetings – This year's Town Hall Meeting will be in the form of a Community Open House in October. Business Appreciation – The Breakfast Appreciation Breakfast occurred on April 10 this year at Heatherwoode. Springboro Day at Heatherwoode – The Springboro Day at Heatherwoode event will take place on Sunday, October 19 of this year. Additional information regarding Heatherwoode events is attached.

Finally, it was recommended that the Planning Commission attend a Council Work Session in June or July for a joint meeting. The Planning Commission should have the final Land Use Master Plan update information by that time, and Ms. Thompson will schedule a date with Council and Planning Commission to meet.

ITEM 5. ADJOURNMENT: With no further discussion, Mayor Agenbroad thanked Council for giving up their Saturday morning to attend this session, and then adjourned the April 12, 2008 City Council Special Meeting at approximately 11:45 AM.

John Agenbroad, Mayor

Presiding Officer

Lori A. Martin, Clerk of Council