

BEAVERCREEK CITY COUNCIL
REGULAR MEETING May 26, 2020 6:00 p.m.

CALL TO ORDER

Mayor Stone called the meeting to order followed by roll call

PRESENT: Council Member Bales, Council Member Curran, Council Member Duerr, Council Member Garcia, Council Member Schwartz, Vice Mayor Adams, Mayor Stone

ABSENT: None

ALSO IN ATTENDANCE: Randy Burkett, City Planner; Dennis Evers, Chief of Police; Bill Kucera, Financial Administrative Services Director; Pete Landrum, City Manager; Steve McHugh, Legal Counsel; Dianne Miscisin, Clerk of Council; Mike Thonnerieux, Public Administrative Services Director

PLEDGE

Mayor Stone led the pledge and a moment of silence.

APPROVAL OF AGENDA

Council Member Curran MOVED to approve the agenda, seconded by Vice Mayor Adams. Motion PASSED by majority voice vote.

APPROVAL OF MINUTES

Council Member Curran MOVED to approve the April 20, 2020 Work Session, seconded by Council Member Garcia. Motion PASSED by majority voice vote.

Council Member Schwartz MOVED to approve the April 27, 2020 Regular Meeting, seconded by Council Member Garcia. Motion PASSED by majority voice vote.

Council Member Bales MOVED to approve the May 18, 2020 Work Session, seconded by Council Member Curran. Motion PASSED by majority voice vote.

ORDINANCES, RESOLUTIONS AND PUDS

Ordinance 20-09 Income Tax Code (First Reading)

Clerk Miscisin read an Ordinance by Beaver Creek City Council enacting a new Chapter 39 "Income Tax" to the codified Ordinances of the City of Beaver Creek.

Mr. Kucera reviewed the history of the income tax and how the City had arrived to this plateau at this point. He explained one of the goals is to ensure the foundation of the existing revenue sources and try to stabilize them. They would like to diversify the revenue sources and develop a long term goal for continuing operations and addressing capital infrastructure priorities now and in the future along with addressing the back log of infrastructure projects. He said they had stabilized the current revenue sources by having seven of the eight levies on a

May 26, 2020

continuing permanent basis. He said the other goal was to determine the most cost effective way to implement the strategy and timeline. He said there was also a residential group that had a similar mission to the City which was to look at alternative revenue sources and come up with some solutions. He this group, the Beaver creek Fairer Funding Committee (BFFC) made their initial presentation to Council in February. The goal of the BFFC was in line with what the City was looking for which was to distribute the funding of City services and infrastructure improvements between residents and non-residents who utilize these services and infrastructure, diversity the tax base between property taxes and earned income tax, provide residents property tax relief and provide funding for not only current operations but future operations. After reviewing all the different variables Council requested staff to develop an income tax ordinance and tax code for residents to consider. If the ordinance is approved the last component would be to pass a resolution to place the issue on the November ballot, should Council decide to move forward. Mr. Kucera said the Ohio Revised Code (ORC) requires this to be called on income tax but is more aligned as an earnings tax. He said the ORC has standardized what is taxed, exempted and the reporting process. He said the only variables the City has control over is the rate, the implementation date and the credit received to residents who work in other municipalities along with making sure the 3.4 street levy drops off after it expires if the income tax is approved by the residents. It is the belief that the income tax meets the goals of the long term financial strategy. He said the City has provide additional information about the proposed legislation and income tax on the City website at www.beavercreekohio.gov.

Mr. McHugh reviewed key points of the process the ordinance and the resolution that would place the issue on the ballot. He reviewed specific page numbers in the tax code that highlighted the expiring of the street levy if the income tax was passed, the location of revenue generated, taxable income, exempt income, tax credit, local income tax board, and tax returns.

Public Input

Harold Lewis 1423 Townhall Road, Beaver creek, Ohio

Mr. Lewis said he wished people would read the charter. He said they voted in a public hearing on the first reading. He said he was not opposed to an income tax, he was opposed to what he was seeing. He said the ordinance was three pages long and the tax code was an attachment. He said the only thing in the ordinance was one percent and nothing in it about a credit. He said after it passes Council could undo it. He said they were not voting on no credit. He said this was not what was in the ordinance. He suspected no one has read the 62 page ordinance. He said you can't have more than one percent without a vote of the public. He said there was a move afoot right now with the State of Ohio to do away with that. He

May 26, 2020

said let's put it in the code that any tax above one percent must be voted by the residents. He said the state could change it tomorrow and you could change it to one and a half percent the next day. He said give us belief that what we are hearing and seeing will happen. He was concerned about public indebtedness. He said in 2008-2009 there was a real problem with a community that had an income tax and were laying off people. He suggested putting a limit on public indebtedness. He said he wouldn't vote for it unless it was in there and he supports an income tax. He said sooner or later they're going to have one.

Tony Corvo, 432 Ashton Ct. Beavercreek, Ohio

Mr. Corvo said he opposes an income tax because an income tax was just not another way to raise revenue. He said with an income tax you go from a system where we tell you how much to collect and what to do with it to a system where the government tells us to cough it up and don't ask why. He said the government would also have access to their most private information. He said there have been cases in Ohio where that information leaked. He said it's different if somebody has that private information in D.C. or a cubical at the IRS and it's different if it is somebody close to home. He wanted them to consider the warts and ogres involved with this.

Mark Walsh 434 Ramsgate Dr., Beavercreek, Ohio

Dr. Walsh strongly supports the income tax. His big concern was the school system and as the school system goes, so does the community. The school system is having trouble at times passing levies. He said part of that reason is the 14 mills that the City has. Centerville has 2.5 mills because they get enough income from the income tax to support the City. He thought it important to help the schools. He said 75% of the people who come to work in our city everyday are from elsewhere and they pay zero for our services. Many of the calls to our police are from non-residents and pay nothing for that service. They use our roads and they pay nothing. The citizens of Beavercreek have taken it upon themselves to totally fund police and other services with property taxes. He did not think that was fair. He said if you are a Beavercreek resident and work in Dayton, you pay 2.5% income tax on what you earned in Dayton. None of that money comes back to the city. If you have Dayton residents who work in Beavercreek, because Beavercreek does not have an income tax, Dayton residents pay 2.5% income tax to Dayton. He said the lower end of their estimate on what an income tax would bring in is probably \$10-11 million per year. If you look at the last 20 years of us not collecting, we have been handing Kettering, Dayton and Centerville \$200 million. He said that was ridiculous especially when you look at the condition of our roads He encouraged Council to go forward on put the Resolution on for November because it would help make Beavercreek a healthy community into the future and also help our schools.

May 26, 2020

Brian Jarvis, 825 Timberwood Dr., Beavercreek, Ohio

Mr. Jarvis said he has talked to a few residents regarding the income tax. He read a few of the comments including: "Beavercreek is one of four Ohio cities that do not have an earnings tax. If you pay an earnings tax where you work, none of that money comes back to Beavercreek;" "75% of the jobs in Beavercreek are held by non-residents. Without a city income tax, Beavercreek is missing out on significant revenue by not keeping the taxes here by people who work in Beavercreek and live elsewhere." "Most Beavercreek residents already pay an income tax where they work, others will pay a small amount for the very first time. The taxes Beavercreek will collect from non-residents who work here will improve our city and make us less reliant on local property taxes." Mr. Jarvis said he was on the BFFC and there were four issues they were trying to solve. One was that many residents say their property taxes are way too high. Some residents say they're being pushed out of their homes by taxes. Some residents pay their taxes and some who don't want to pay much more. Non-residents are not paying their fair share for local public services. Without an alternative revenue source, the city won't be able to maintain its aging infrastructure, provide quality amenities or address resident's concerns. He said the BFFC had a very good plan in place and in January they presented to a Council at a work session and found the City had its levy options plan for its foundation of moving forward. He said that had a series of proposals for property taxes that were going to go on the ballot. He said they were just to maintain services with very little increase in staffing and didn't address the \$200 million back log of work the city hasn't performed yet. When you added all this up it was an additional 8-9 mills along with a renewal of street levy that is on the ballot. He said with an income tax you can let the levy expire and not have those additional levies go on the ballot. Beavercreek has had a 100% success rate in passing levies over the past ten years. Having an additional 9-10 mills in levies on top of what's there right now would push our city to having the highest city millage rate in Montgomery and Greene counties. His said the alternative of a 1% income tax, with the property tax rollback and not putting those levies on the ballot would save all of the residents a lot of money and benefit Beavercreek long term.

Carol Graff, 1442 Devoe Dr., Beavercreek, Ohio

Ms. Graff said with an earnings tax if you don't earn, you don't pay. Those people out of work wouldn't have to pay. She said on the other hand, if you own property, whether you are earning or not earning, you owe that property tax. She said it costs you whether or not you are working. She said an earnings tax would reduce the reliance on property tax, not eliminate them but reduce the reliance while providing all the essential municipal services and perhaps even address the infrastructure needs some of which have been on the books since 1984. She said

May 26, 2020

this would broaden the payer tax base of users between those who live here and those who work here in the City of Beavercreek. She said her recollection is that the indebtedness of the city is based on the maximums in the Ohio Revised Code.

Mary Brailey, 1399 Townhall Road, Beavercreek, Ohio

Ms. Brailey said she was in support of the earned income tax. She is a long-time resident and a member of the BFFC. She thanked Brian Jarvis for his many hours of research, countless meetings with various people and endless patience of explaining this complicated system. She thanked the Council for listening to them. She said the last time this vote failed in 2013, the then mayor went to an area mayor's meeting and was sarcastically thanked by the other mayors for the Beavercreek residents again being 'stupid enough not to pass the income tax' and in essence shooting ourselves in the foot by not understanding what we were giving away. She said she may have been one of those people who voted against it at that time. She said she doesn't like being stupid so she educated herself with the big picture and the intricacies of this complicated issue. She is now an informed voter and consider this a wise and necessary step. She begged for a fair and honest consideration on this proposal that she has helped to nurture for these last two and a half years.

Dave Brown 140 Shellford Way, Beavercreek, Ohio

Mr. Brown said the BFFC pro income tax group is recommending proposing a 1% income tax in the City of Beavercreek. He said the members of the BFFC are retired and would not be subject to the income tax and can also see a reduction in their property taxes. He said he is retired like the members of the BFFC but doesn't think it is right or fair to shift possibly a substantial tax burden onto Beavercreek working families and singles. With the pandemic and so many unemployed he thought it wrong to place additional stress and burden on them. He said one of the claims of the BFFC is that non-resident workers who pay income taxes where they live are not paying their fair share to Beavercreek for city services so we need a 1% income tax to pay to Beavercreek. He said these workers do support our city every day when they frequent Beavercreek businesses and restaurants before and after work and at lunch. He said by BFFC's logic we should start charging non-resident shoppers at the Greene or Fairfield Mall for city services. He said companies that these non-residents work for pay property taxes to the city as well as the township, county and schools. He said another claim by the BFFC is that we need a city income tax to reduce property tax for retirees on fixed income. He said only non-continuing property taxes are subject to reduction which means only 3.4 mills of property tax could be reduced out of a total of 18.85 mills currently being paid to the city by Beavercreek property owners. He said a 3.4 mill reduction would provide hardly any aid to seniors with their property taxes and Beavercreek's 107 mill total tax rate is still less than those of Kettering, Centerville and Bellbrook.

May 26, 2020

He said this proposed income tax is not the way to help seniors with their property tax. The income tax ordinance is ill-timed and bad for the residents of Beavercreek. Property taxes have worked very well for Beavercreek for the past 40 years and we should be proud that Beavercreek is the largest city in Ohio not to have an income tax.

John Mitchel, Beavercreek, Ohio

Mr. Mitchel emailed his concerns regarding the income tax. (Email attached to minutes)

Donna Sayles, 4221 Maplevue Drive, Beavercreek, Ohio

Ms. Sayles emailed her support of the income tax. (Email attached to minutes)

Dave Roberts, 2272 N. Tulane Drive, Beavercreek, Ohio

Mr. Roberts emailed his object to the income tax. (Email attached to minutes)

Public Input was closed.

Council Member Bales said he has lived in Beavercreek his entire life. He's seen it grow from a township into a city and then transform itself into the most desirable location in the region from a residential and commercial perspective. He said they are no longer a farming community, no longer a township but are a big city. He said they have big city issues. He said the infrastructure is huge. The demand for police services is never ending and growing daily. The desire for high quality parks, recreation and senior adults' services is a requirement and not a request. When you add it all up and ask the residents to fund everything through their property tax it doesn't make sense to him. He said the property taxes are so high that they are forcing some longtime residents to make a choice as to whether they can afford to live here or not. He said this is concerning. He said the current method of funding government operations in his opinion is not equitable and is not sustainable. He said during his campaign for City Council he revolved around two basic platforms; to keep Beavercreek affordable by finding alternative revenue sources and reducing our reliance on property taxes to fund all government services. He said tonight was just the first step and ultimately the decision will be made by every voter in Beavercreek. He urged everyone to read the legislation, understand the tax documents, become informed and ask questions. He understands nobody likes to pay taxes but for the future and prosperity of the City of Beavercreek he personally will pay his fair share and would be happy to make the investment in the community.

Council Member Duerr said in 2013 he voted against the income tax. He thanked the BFFC for their excellent research and work. He thanked Mr. Jarvis specifically.

May 26, 2020

He thought it was justified to take this legislation to a third reading given the importance of this discussion. He said he has thought his way around this a lot and does not know everything. He encouraged \ more people to write in and speak publically. He shares Mr. Corvo's philosophy in terms of some of his concerns and Mr. Lewis deserves direct answers in terms of what's in the code. He said sitting on this side, City Council could get caught holding the ball with a lot of major issues that will come due like the \$200 million infrastructure issue mentioned. He said this a useful debate in which to hear more.

Council Member Garcia asked Mr. McHugh to clarify page 8 regarding military pay or allowances of members of armed forces being exempt. Mr. McHugh said the exemption did not apply to contractors only active military. Council Member Garcia wants to make sure everyone is well informed. She said there is a need to have a third reading. She said if this is approved and approved by the voters it would not be effective until January 1, 2022. She said it's easy to consider the current situation on May 26th but also consider the situation we may be in on January 1, 2022 when this would actually be enacted. She said this is not something City Council can do on their own, the residents will need to vote on it.

Council Schwartz said there was a lot of information. She said to please reach out and ask questions. She addressed Mr. Lewis's question regarding the tax credit stating that this was in the ordinance in section three that says there will be a 100% tax credit for up to Beavercreek's tax rate. She asked Mr. McHugh to address the indebtedness concern. Mr. McHugh said it was in the Ohio Revised Code that puts limits on borrowing based on income. Council Member Schwartz supported a third reading of this ordinance. She thanked staff and the BFFC for all their hard work regarding this issue.

Council Member Curran agreed with having a third reading. He thanked the committee for all their hard work and the comments received from the public.

Vice Mayor Adams said he voted against the income tax in 2013. He has lived in Beavercreek since the mid 70's and we do need alternate ways to fund the city. There are needs that are not being met. He agreed to have a third reading. He asked everyone to please ask questions.

Mayor Stone said this is an ordinance being discussed and even if it is passed it doesn't mean it will go on the ballot. He said that is a whole different action and may take place later in the year or it may not take place at all. He said if there were to be an income tax this is what it would be. He explained it would then be up to those who want it to go out and sell it and those who do not want the income

May 26, 2020

tax to be out and oppose it. He said it was a choice on how you wish to fund your own community. He said those cities in Ohio who do not have an income tax are cities that do not have any industry or businesses and are purely residential communities. He said the people are the ones who ultimately make the decision. He encouraged to get active in this effort whether you are for or against the tax.

Mr. Landrum said there was no choice because of state law to tax college students. He said the charter says that any income tax has to be voted on by the Beavercreek residents. He said there was a timeline that needed to be followed if Council would like to place the income tax on the November ballot.

Mayor Stone suggested discussing a possible change on page 44. Mr. Landrum explained in section 39.01(D) discussed no credit being given for any county or school district income tax. He said it used to say Ohio but that was removed knowing that people may pay an income tax to Indiana or Kentucky. He said it was a question of removing the word county so it would read no credit would be given for school district income tax. Mr. McHugh said he would look into changing the verbiage to say in state county tax.

Council Member Garcia **MOVED** to have three readings for Ordinance 20-09, seconded by Council Member Curran. Motion **PASSED** by majority voice vote.

Mr. McHugh clarified the credit section where it states that it shall not be changed without first obtaining the approval of the change by the majority of the electors of the city at a general election.

Council Member Curran **MOVED** Ordinance 20-09 to the second and third readings, seconded by Council Member Bales. Motion **PASSED** by majority voice vote.

Ordinance 20-08 Street Rename – Old Shakertown Road (First Reading
Clerk Miscisin read an Ordinance to change the name of a section of “Shakertown Road” to “Old Shakertown Road”.

Mr. Thonnerieux explained the city was in the process of completing the Shakertown Road extension project. As a result of the project a small section of the original Shakertown Road still remains and needs to be renamed. He said it was recommended to rename it to Old Shakertown Road and would impact three parcels. He said those effected were notified of the change and only one replied back stating they were in favor of the change.

May 26, 2020

Council Member Curran MOVED Ordinance 20-08 to the second reading, seconded by Council Member Duerr. Motion PASSED by majority voice vote.

Resolution 20-12 Traffic Signal Maintenance Agreement with Beavercreek Township

Clerk Miscisin read a Resolution authorizing the City Manager to enter into an agreement with Beavercreek Township for the maintenance and operation of a traffic signal at the intersection of Shakertown Road and Factory Road.

Mr. Thonnerieux explained the Shakertown Road Extension Project resulted in two additional traffic signals; one at South Alpha-Bellbrook Road and Shakertown Road and one at Shakertown Road and Factory Road. He said the signal at Shakertown and Factory Road is partially located in Beavercreek Township. He said since this project was initiated by the City of Beavercreek, an agreement was proposed with the township that the city would maintain the signal. He said the township has already passed their resolution regarding this agreement.

Council Member Bales MOVED to approve Resolution 20-12, seconded by Council Member Garcia. Motion PASSED by majority voice vote.

Resolution 20-14 Bulletproof Vest Grant

Clerk Miscisin read a Resolution to authorize the application for the Bulletproof Vest Partnership 2020 Federal Grant Program on behalf of the Beavercreek Police Department

Chief Evers said the bulletproof partnership grant was a federal grant to provide funding up to 50% of the total costs of the city's purchase of the approved bulletproof vests. He said since 2000 the police department has taken advantage of this federal grant each year in defraying costs to the city on purchasing officers' bulletproof vests. He said to date a total of \$54,624.66 of federal money has been approved to aid in these purchases to our city. He said this year they are anticipating purchasing 20 vests as replacement vests for patrol officers for a total cost of \$16,460. The city share would be fifty percent of that total and additional monies were placed in the police budget to defray the city's shared costs of these vests.

Council Member Garcia MOVED to approve Resolution 20-14, seconded by Vice Mayor Adams. Motion PASSED by majority voice vote.

DECISION ITEMS

Acceptance of First Quarter Financial Summary

Mr. Landrum said there was a presentation at the last work session.

May 26, 2020

Council Member Bales MOVED to accept the First Quarter 2020 Financial Summary, seconded by Vice Mayor Adams. Motion PASSED by majority voice vote.

COUNCIL TIME

Council Member Curran congratulated Kim Farrell for being elected to the Ohio Parks and Recreation Association (OPRA) Board. He said restaurants are opening for in-house dining.

Council Member Schwartz said everyone should remember where they were at this time last year because of the Memorial Day tornado. She asked everyone to take time to reflect. She attended the Memorial Day ceremony to recognize the fallen service members. She said the Fourth of July Committee hoped to have a decision regarding the 4th of July Celebration next week.

Council Member Garcia has been attending the virtual MVRPC meetings. She said as of today, gyms, dance studios and personal fitness centers are allowed to re-open.

Council Member Duerr thanked all the teachers of Beaver Creek. He echoed Council Member Schwartz's comments regarding reflecting on Memorial Day and for those who have given their lives in service. He commended the golf club for putting in place a number of measures to make people feel safe to play golf. He said small businesses are hurting so please shop local.

Council Member Bales said it felt good to have a live meeting as opposed to Zoom. He thanked citizens for abiding the governor's orders. He asked everyone to try to shop local. He thanked staff for being proactive during the pandemic and the steps taken early on. He said this was the eve of the anniversary of the tornadoes and express appreciation to the residents who dedicated time with the recovery.

Vice Mayor Adams echoed Council Member Bales in thanking the staff during the pandemic. He thanked the Beaver Creek Chamber of Commerce for the Zoom meeting they have been holding regarding the pandemic. He asked everyone to support local businesses as they open up. He thanked the Beaver Creek Rotary for their food donations to Feed the Creek.

MAYOR'S REPORT

Mayor Stone said they had hoped to have a celebration in the streets on the tornado anniversary. He said he was looking forward to the continued rejuvenation of the damaged areas. He said it was coming along nicely. He said the Memorial

May 26, 2020

Day event included the American Legion and the VFW and thanked them for their participation. He asked everyone to be careful as things open up.

CITY MANAGER'S REPORT

Mr. Landrum congratulated Kim Farrell being elected to the OPRA board. He reviewed the current road projects. He reminisced the events of the Memorial Day tornado on the one year anniversary. He said there was an income tax page on the website for more information.

CITIZEN COMMENTS

No comments.

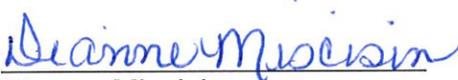
ADJOURNMENT

Council Member Curran MOVED to adjourn the meeting at 7:46 p.m., seconded by Council Member Garcia. Motion PASSED by majority voice vote.



Bob Stone, Mayor

ATTEST:



Dianne Miscisin
Clerk of Council
Cmin05262020