

A Regular Meeting of the City Commission of The City of Springfield, Ohio, was held on Tuesday, November 17, 2015, in the Forum Conference Room of City Hall.

Roll Call was answered by Mrs. Duncan, Messrs. O'Neill, and President Copeland. Mrs. Chilton and Mr. Martin arrived several minutes after roll call.

BUDGET DISCUSSION

139-15 The City Commission met with staff members to discuss the 2016 budget.

City Manager Bodenmiller provided a General Fund overview. The budget document presented for 2016 is balanced only through the use of carryover funds. The year 2016 is another year where the City will proceed with an operational deficit, which is estimated to be \$930,022. The fund balance at the end of 2015 is expected to be \$2,296,168. The General Fund reserve is reduced to \$1.4 million at the end of 2016. The sum of the General Fund revenues is expected to yield \$37,955,218. A modest income tax revenue increase of three percent, or \$855,000, is projected

Sworn positions in the Police Division equal 124. Fire Division staffing matches Charter requirements at 127. Total staffing for 2016 is budgeted to be 568 full-time equivalents.

The Police Levy Fund and Fire Enhancement Fund have insufficient revenue to sustain the expenses currently budgeted. Mr. Bodenmiller recommended \$900,000 for operating expenses. There is no recommendation for elimination of services. Leaf pickup, street sweeping, and snow removal services will be provided in 2016. National Trail Parks and Recreation will be funded at \$650,000 for operating expenses. The Permanent Improvement Fund is budgeted with \$3,261,350 in revenue. Of that, \$293,000 will be used for debt service.

Debt services for the high-rate clarifier at the Wastewater Treatment Plant will significantly impact the Water Fund in 2016. Rate models indicate that an increase in sewer and stormwater rates will be necessary in 2016.

Finance Director Beckdahl stated that 76.2 percent of the General Fund is comprised of income tax. This percentage of the City's revenue stream increases year by year. Of the General Fund expenditures, 66.5 percent is attributed to Public Safety and 11.2 percent to Municipal Court. In general, nearly 78 percent of the City's expenses are fixed. Mr. Beckdahl stated that House Bill 5, Tax Uniformity Act, goes into effect January 1, 2016.

Mr. Bodenmiller noted that employee health care benefits will be reviewed. He expected to increase employee contributions.

The City's income tax receipts are made up of withholdings and net profits. Withholdings for 2016 are projected at \$26.8 million; net profits at \$6.25 million. Total collections, minus refunds, equal \$32,175,000. Of that, 90 percent will be distributed into the General Fund, with 10 percent allocated for permanent improvements. Mr. Beckdahl forecasted at 3-percent increase in income tax receipts for 2016.

Assistant City Manager and Economic Development Director Franzen reported that Springfield's top employers in manufacturing, aerospace, automotive, and transportation industries added jobs in 2015. Significant growth was seen for companies that are suppliers of these industries. This growth is expected to continue into 2016. Navistar has partnered with GM to develop a new commercial vehicle and announced it would hire 300 additional people. While Navistar is outside the city limits, the City will realize additional income tax from those newly hired employees who reside inside the City. Navistar's project is expected to be in production in 2018. HDI Landing Gear, a Springfield company that supplies Boeing, invested in robotics. Full-scale production begins in 2017. Springfield has experienced the closing of Moyno and Thirty-One Gifts. Mr. Franzen reported that these employees are finding easy transitions to new jobs. Springfield's automotive sector is hungry for qualified employees.

With regard to food manufacturing and distribution, Mr. Franzen stated that Dole completed a \$6 million expansion and hired 130 new employees. Dole sees more growth options in Springfield. Food distribution seems to have little ups and downs in employment.

Assurant Group and CodeBlue represent the professional services arena. Assurant will bring employees back to its Springfield offices in 2016. Speedway has fully occupied its location at Nextedge with the ability to house 300 employees. The downtown surgical hospital has outgrown its facilities and is experiencing parking problems. Additional facilities are planned and will manifest in 2016. The PrimeOhio II project is being promoted. Love's Truck Stop will begin construction in the spring of 2016.

The air traffic control tower closed at the airport in 2016. The hangar project has been delayed. Bids came back too high. To resolve this, the City's Engineering Department will design the project, then construction of the project will be bid in March of 2016 and awarded in April if a bid is received within tolerances. Air Force Research Labs is taking a closer look at Springfield after difficulties were present in Wilmington, Ohio.

In the downtown, the Bushnell Building received its certification. A microbrewery will open in the former Rhoades Paper Box building on North Street. Mr. Franzen noted that other companies plan to expand in 2016 in a variety of markets: retail, residential, automotive, aerospace, and entertainment.

The Special Police Levy Fund should create approximately \$2,119,000 in revenue. After all other revenue is tallied and a subsidy of \$1,100,000 is added, total revenue for this fund is \$3,391,359. Expenditures exceed revenues by \$17,311. The fund is balanced with carryover dollars.

Chief Moody stated that it would be necessary to hire officers in 2016, via the lateral-hire method. Crime was down by 18 percent; however, homicides were up by 67 percent. The division is unable to be proactive. On average,

the division responds to 163 calls for service in every 24-hour period. This same trend is seen everywhere in the country. The City is working toward placing a camera in all 28 cruisers. Recently, the Springfield Port Authority funded 12 such cameras so there would be no impact on General Fund or Permanent Improvement Fund. Five vehicles will be purchased in 2016 and 73 sets of body armor. Additional discussion centered around body cameras and the heroin epidemic.

Mr. Beckdahl reviewed the Fire Division Service Enhancement Fund. Charges for services, billed through EMS billing services, are estimated at \$2,225,000. A \$950,000 subsidy will be added to raise revenue to \$3,175,000. Expenditures are expected to be higher than revenue by \$39,025. The fund will be balanced with funds remaining from 2015.

Fire Chief Heimlich reviewed the Permanent Improvement funding requested for the division. He identified the purchases as mobile computing hardware, personal protective equipment and turnout gear, and other miscellaneous equipment. Approximately \$35,000 will be used to modify two garage doors at Station 4. Total funding allocated for these purchases is \$111,600.

Mr. O'Neill stated that a one-mill levy for the benefit of the Fire Division could be successful with the voters. Additional funding was needed to prevent the drain the City is experiencing in the General Fund.

Additional discussion centered around safety forces' terrorism preparedness training.

Mr. Beckdahl stated that total revenue for the Permanent Improvement Fund is \$3,261,350. Total expenditures are budgeted at \$2,427,375. The City Commission was provided with a full listing of the purchases to be made via this fund. Mr. Bodenmiller noted that the City's debt payment, made with PI dollars, has fallen off this year. This may provided a funding source for the maintenance of neighborhood streets.



There being no further business, on motion of Mrs. Chilton, seconded by Mrs. Duncan, the meeting was adjourned.

Yeas, Mmes. Chilton, Duncan, Messrs. Martin, O'Neill, and Copeland.

Yeas 5, Nays 0.

PRESIDENT OF THE CITY COMMISSION

CLERK OF THE CITY COMMISSION