

**Minutes of the Meeting of the Finance Committee of Council  
Held in the Council Chambers of the Municipal Building  
On Monday, January 10, 2022**

The Chairman, Councilwoman-at-Large Tammy Holtzmeier, called the meeting to order at 6:37 P.M.

**Committee Members Present**

Chairman, Councilwoman-at-Large Tammy Holtzmeier  
Ward 3 Councilman Tony Moore; Ward 2 Councilman Dennis McBride

**Others in Attendance**

Clerk of Council Barb Brooks; Ward 1 Councilwoman Jennifer Demaline; Law Director John Gasior; Council President Brian Fischer; Ward 4 Councilman Scott Radcliffe; Councilman-at-Large Craig Witherspoon; Mayor Bryan Jensen; Planning/Economic Development Coordinator Pam Fechter; Dylan Reynolds, Chronicle Telegram; Tom Corrigan, Westlife; Gigi Benjamin, Calfee Halter; Assistant Finance Director Beth Raicevich; Finance Director Bill Logan; Safety Director Duane Streator

**Further Discussion of the Proposed Income Tax Increase for the Purchase of Parkland**

Mr. Logan stated that he thought that they got through the numbers and how the income tax would work at the last meeting, so unless anybody wanted to review that, tonight they would focus more on the language of the Resolution itself and the ballot language and that is why Gigi Benjamin was there. Blake Beachler of Calfee Halter was here at the Work Session last week but he is ill with COVID so Ms. Benjamin is here in his absence, so Mr. Logan said he would like to turn the discussion over to her. There were a couple changes on the Resolution and he will make copies of the latest version and give those to everyone.

Ms. Benjamin stated that she understood that there were some questions about whether to limit the scope of what the income tax revenue could be used for to the acquisition of residential property for parkland purposes rather than commercial property and also how to define the term "parkland". As you will see in the revision, what Mr. Beachler has suggested for the language that defines parkland is "parkways, recreation, wildlife or waterfowl refuge, forest reservations and other reservations and property adjacent to any of the foregoing to provide for the ingress and egress to parkland." So it would be a fairly broad definition. Any property that the City would purchase using the income tax revenue to make the purchase would be subject to Council's approval so this is not approval to purchase anything; it is approval to set up the source of funding for it. So you should decide when any property becomes available whether or not it is consistent with this use. The word "parkways" is in there because we envisioned a circumstance where you had parkland and then you had a road that was going through the park but it was still part of the parkland in that respect and so we wanted to make the definition as broad as possible. Again, this does not require you to purchase anything; it just gives you the opportunity to use the income tax fund for that purpose. Then the other question was whether or not Council wanted to limit the use of the income tax revenue to purchase residential property as opposed to any property and again, you would have the opportunity to make a decision as to what you wanted to purchase. So those are the changes that we made in response to your comments at the previous meeting.

Mrs. Holtzmeier said that they appreciate Ms. Benjamin coming this evening and talking to them about those two points. And she added to Mr. Logan, that it is always good to review some of the financials so she thought that since we have the time, we would like to go over that and review the funding. She said that a third question they had was with the purchase of parkland throughout the City, there are some

areas of the City in our Master Plan that have designated roads going through them. If that area is purchased for parkland, how does that affect the accessibility of those planned roads. Ms. Benjamin said that she thought that is why Mr. Beachler suggested the language of “parkways” because it would permit the use of income tax revenue to purchase roads and parkways within parkland. And he also included language to say “ingress” and “egress”, property adjacent to any of the foregoing to provide for the ingress and egress to parkland.

Mrs. Holtzmeier stated, so the language would allow for the purchase of the property for the use of the roadway but this would not be for the actual construction of the roadway on that land. Ms. Benjamin said that was correct. Mr. Logan stated, and the levy being proposed would not include construction of anything; it is really just for the purchase of the property, which includes the legal and engineering type costs associated with that but not for any infrastructure improvements or anything like that.

Mrs. Holtzmeier said, so would it be fair to say that those thoroughways that were already planned in the Master Plan could still exist? It does not prohibit it or neglect it? Ms. Benjamin said that she would agree that it would not prohibit it.

Mr. Moore said that he just wanted to be certain that when you are talking about residential, we are not pigeonholed into just residential. It could be residential or commercial? Ms. Benjamin said that she does not believe that this Resolution as drafted would limit the purchase to land that is currently zoned residential. Mr. Moore said, or to commercial; it could be any land. Ms. Benjamin said, yes.

Mr. Gasior said that is stated on the 2<sup>nd</sup> page of the Resolution. He said that Mrs. Holtzmeier brought that up last week at the Work Session and after discussion with the Mayor, Mr. Logan and Mr. Beachler, we put that in there. He thought that we are dealing with about 5,590 acres approximately of residential land that is not developed. The City Engineer has to fine tune that number but we are dealing with a large area of residential property and since the thought was, if what we are trying to do is cut down on congestion and more and more residents coming in, the idea would be that you would want to go after the residential property and you are going to need parkland close to where the residents live so buying up commercial or industrial property for parkland does not seem to be something that the voters might be interested in. And you can always buy the parkland in industrial or commercial through the other funding mechanisms available. You do not have to use this particular fund.

Mayor Jensen stated that the reason this is before the Committee is because people do not want to see more residential property and because it is going to be on the ballot we want to make it as simple as possible for the residents to understand that we do not have any other intentions than to try and control residential development. If we were going to try to say that we wanted to stop commercial development, people would say that that is the thing that generates the most amount of money that can help the General Fund, etc. so that is where we want to be careful; we want people to realize it is just for controlling residential development. The simpler we can make that language sound, he thought the easier it will be to get support.

Mr. McBride stated that if a piece of property comes up that is adjacent to the park where Crushers Stadium and the YMCA are, he would want to say that everything surrounding that is commercial except what borders in Sheffield. So if there is another piece of commercial property we could buy that but we would just have to purchase that out of the General Fund or via a grant or by some other means. Mayor Jensen pointed out the wall map and noted that everything that is on there in the dark green is all the area we are talking about. We did not put on a bigger levy to look at purchasing more and more land but

he thought that this proposal is reasonable and again, it is for residential development that he thought that people want us to stop. Residents come before us in Planning Commission asking how we can deter or stop residential development; it is never asking to stop commercial; it is always the residential that people are concerned about.

Mr. Gasior added, and the residential is where the need for parkland is also because that is where people live and that is where they want to enjoy the parks. They do not want to have to drive to the industrial or commercial section in town to enjoy the parks so he thought first and foremost you might want to recognize that you want to buy residential land for parkland because that is where people will most likely enjoy it.

Mrs. Holtzmeier said that one of the other questions that was outstanding from last week was, what if some of this parkland that is purchased through this tax is able to be converted into something that our safety forces would use. She asked Ms. Benjamin if that is addressed in this Resolution and Ms. Benjamin said that it is not specifically in there. This permits the use of the municipal income tax revenue to purchase the land and there is no prohibition in this on disposition of it. If you purchased it for the purpose of creating parkland and then it turned out not to be necessary for that purpose, there is no prohibition of using it for some other municipal purpose. Mrs. Holtzmeier asked, or even after a period of years, say, 10 to 20 years? Ms. Benjamin responded certainly after the expiration of the tax she thought you would have some more flexibility.

Mr. Logan asked, if the City buys residential property for the purpose of parkland using this tax money, do we as a City have to obtain a Special Use Permit to operate that property as a park? There was an answer of, yes from Mr. Gasior and Ms. Fechter. There were questions then about the need for another Special Use Permit if the Safety Director would want to put a fire station on that same property or does the language say that we could buy the land and then do whatever we want with it?

Mr. Logan said that he thought that Council would have to pass a Special Use Permit. Right now if you wanted to take Schwartz Road Park and turn the building back into a fire station as it was at one time, wouldn't the City have to obtain a Special Use Permit? Mr. Gasior said, yes. Mr. Logan said, and that is his only point, that Council has the authority to not allow that. Mr. McBride added, right, and he thought that the other thing is that the language does not expressly permit it but it does not expressly prohibit it either. It is a minimalist use of a park where you put a police substation in or a fire station. If we would have to put in a sanitary lift station for whatever reason most of that is underground and he does not know if that would really be a big issue. It is almost like it is an accessory use attached to the park.

Ms. Benjamin said that she thought that the language that is proposed in this Resolution talks about the intent of Council at the time that they acquire the property and she thought that is true for any property that the City acquires from different sources that have limitations on their use. Does it prohibit you from ever putting a fire station on property that was purchased as parkland? She does not believe that it does.

Mayor Jensen stated that if you look at what we have consistently done with all of our parks, we have not changed them and again, if we needed one of the parks for a fire station we would go back and have that discussion. That would be up to Council when that time comes if there is a necessary use in terms of a police or fire station and he thinks that everybody is going to understand that. So he did not think that you want to confuse the language any more than it is

Ms. Fechter added that in our Code, under permitted uses, a public safety facility is allowed under residential. There are a lot of uses that would be allowed in a residentially zoned parcel, such as a public utility substation, a school, public library, etc. When you talk about a Special Use Permit, yes, any time you change a park, you have to come in and amend it but there are a lot of uses allowed in our already zoned residential land so that helps a bit too with not having to put too many restrictions on it because the kinds of things we would use it for are already permitted uses.

Mrs. Holtzmeier asked the Mayor if this proposal that he brought before them to reduce residential growth was a stand-alone solution or was part of a layered solution where there are other things coming to help reduce growth? Mayor Jensen said that this is a part of the solution. Avon is about the only community that is looking at doing something like this. If you look at surrounding communities, they are considering ways to increase residential growth and population in their cities so we are doing something here that is unique, that is not being proposed anywhere else. It is not going to be a "one thing cures all" but what it does is to help us take our funds and multiply them because a lot of the grant applications that that are to purchase park property, usually ask for an investment from either an individual or a municipality. For instance, for the Lustri property, the City was able to put \$300,000 toward the property, the grant application was accepted and we received grant money for \$1.1 million dollars. So if we can continue to look at those different projects and continue to add money, we can take a million dollars and approximately buy 5 times what we could with that in terms of just stand-alone purchasing it. The goal is not to stop unless Council tells him to quit looking at pieces of property that might be available that the City could use for parkland. If the residents vote against the income tax increase and say they do want to pay for this, it is going to be a clear message that they want to see more residential development. Again, if he did not think this proposal was a good idea, he would not put it forward and ask Council to put it on the ballot. But it is just one piece of the whole puzzle. He does not think you can solve it just with one thought by saying, alright, we will take \$20 million dollars worth of residential property and we are done. He thought that we always want to continue to look at other avenues to help benefit our residents.

Mrs. Holtzmeier asked if any of those avenues have been to update the Master Plan to help deflect the increase in residential growth? Mayor Jensen said that a planner has looked at the map and what we will be bringing before Council in the future is just to show what type of residential property can be built and how much area we have. We can look at roadways, too, in terms of the Master Plan so that we can continue to make sure that those roadways go through there to help our safety forces get from one side of the City to the other.

Mrs. Holtzmeier said that last year, Council appropriated some funds to have a study conducted to look at the minimum lot size for residential builds in Avon and she asked what the status of that was. Mayor Jensen said that Ms. Fechter has that status and we will bring that before Council in the near future but the study basically shows how many houses can be built in certain areas. So if this levy passes and we are able to purchase more property, we can use the study to show how many houses are designated on that piece of property. Ms. Fechter said that the study did not give them everything they wanted to know so they asked Mr. Cummins to identify all the available residential property. Now we are going to take out those tracts of land that are wetlands or undevelopable to help us as we look at parkland. It may show that we can have 200 houses in an area but we know that it is a wetlands so we need to remove that from our numbers so we can get a true number of what exactly is going on in the City with residential land. Mrs. Holtzmeier asked when that might be presented to Council and Ms. Fechter said, hopefully within the next couple months. They just had Mr. Cummins do the map and now they are going to sit down with that map and go through the parcels.

Mrs. Holtzmeier stated that, for her, being able to look at different solutions and employing multiple solutions concurrently is always preferred. To have the most information you can and be able to wisely plan for the future is always smart. She asked the Committee and the rest of Council to consider if that is a piece of knowledge they want to have as well when looking at this proposal. Do they want to see them independently or put them together? She asked Mayor Jensen if they could talk about the timing of his proposal.

Mayor Jensen said that the reason it is so important to get this on the May ballot instead of waiting for the November ballot, is because there are opportunities for discussions with property owners right now about buying their properties. If we wait until November, the problem would be that some of those properties may no longer be available. So if the residents pass this levy then we know that those funds will be coming available and we can talk with the property owners and try to negotiate with them about selling their land. The City is limited in the amount of funds that we would have available right now to purchase parklands outright. Not that we still could not purchase a piece or two but if you look at the vast number of acres that we possibly could purchase with the passage of this, he felt this was a good time. Since this has been in discussion and the papers have covered some of it, there has not been a resident who has come to oppose it or even discuss it and usually when there is something that affects them, those residents will be out there. The Mayor said that he has had overwhelming support in his office with people calling him telling him they think it is a good idea, that they are willing to pay the small amount of money it would take to try to keep the development controlled.

Mrs. Holtzmeier asked Mr. Logan to review some of the financial aspects of this and Mr. Logan said, before he talked about that, he would just ask Council to really review the ballot language which is on page 3, Section 4, of the Resolution. This did not change but it is kind of wordy. Mr. Gasior said that he was thinking the same thing and was wondering if it could be broken into a couple of sentences. Mr. Logan said, yes, there are a lot of words there and he does not think anybody wants it to scare off the voter so they do not want to spend the time reading it. He said he was just suggesting that everyone really read that. We understand it but will the average voter understand it?

Mr. Logan said, financially speaking then, just based on projections and on where we ended up in 2021, taking this income tax from 1.75% to 1.90% would generate about \$1,948,000 annually and it would not be effective until 2023. So in 2023, you could expect about \$1,948,000 of additional revenue. He suggested that it all go into its own Special Revenue Fund which Council would authorize, and would only be spent with Council's approval for parkland acquisition. Right now our current rate is 1.75% with a credit limit of 1.50% for the Avon resident who works outside the City. That means every resident of Avon who is working outside of Avon is paying that difference of .25% which actually goes to the fund for the safety forces. The credit limit under this proposal would move from 1.50% to 1.60%. If the levy is passed, the new income tax rate would be 1.90%, with a 1.60% credit limit so that means the Avon resident working outside of Avon goes from paying .25% to their home City of Avon to .30%. Right now the numbers show that of people working in Avon on a daily basis about 80% of them come from elsewhere; about 20% of Avon residents actually work here in Avon. Also, should this income tax levy pass, we are asking Council to abolish, or terminate, the Parks and Recreation Property Tax that still has two years left of collection. This being one of those years, 2023 would be the last year of collection for that. It is a five year Property Tax Levy at .35 mills and it currently collects in total about \$355,000 annually for the Parks Department. It is about \$11.33 per \$100,000 of home valuation, so a \$400,000 home is paying about \$45 for that tax. That would be abolished and that would require a separate Ordinance by Council; it would not go away just because voters pass this tax levy. Council would have to make that choice.

Mr. Logan said, so for a couple of examples, if this tax goes through, an Avon resident working in Avon who has an annual income of \$100,000, and a home value of \$400,000, their Avon income tax would go from \$1,750 to \$1,900 on the 1.75% to 1.90% increase, but they would save about \$45.00 property tax on the \$400,000 home so the net change to that person is an increase of about \$105. The Avon resident not working in Avon, their Avon income tax on \$100,000 salary is \$250, the .25%. If the tax goes through, their income tax to Avon would be \$300 as now they would be paying the .30%. So their income tax goes up \$50 but their property tax of \$45, again assuming a \$400,000 home, goes away, so their net change is a \$5 increase. And that is the bulk of the residents living here because the bulk of the residents living here work somewhere else; they do not work in Avon. So that is just to give you an idea of what it might mean to a resident.

Mr. Moore asked Mr. Logan if he was talking about annual numbers and Mr. Logan said, yes. Mr. Moore then said as soon as somebody hears "tax increase" they are going to be alarmed. He thought that if we could put together like a high, medium, and low...he was not talking about a huge amount of money here for the purpose of the City slowing down development. He said that he fully supports this and that communication is going to be the really crucial part of this. As Council members, when they are out there talking to the residents, they are going to ask what this means to them. What is that number going to be? He wants to be able give them dollars for the year that they would be paying to help reduce some of the residential development. So he would like to see some numbers, high, medium, and low to better educate the residents. Mr. Logan said it would not be a problem to provide that.

Mrs. Holtzmeier said to Mr. Moore that she thought that was a great point. And she said to Mr. Logan that the examples that he mentioned tonight would also be helpful for Council to have so they could refer back to them. She asked if there were any other questions from anyone.

Mr. McBride stated that he had a comment. He said that what Mr. Logan talked about was great for some discussion tonight but they were there to decide if they were going to do this or not. It sounds like they are putting this on the ballot and those examples are going to be talking points to explain the proposal to people. Those could be used if there is an actual committee that does mailers to explain what happens if this levy is passed. Mr. McBride added that he would love to have the repeal of the property tax in this Resolution but given the way it is written, it is already too wordy. And he does not know if you can pass a tax and repeal a property tax in the same ballot language; he does not know if that is even permitted.

Mayor Jensen said that they would like to see that Ordinance pass before Election Day to show to the residents that if the tax levy passes, the property tax will be repealed. That would show to the residents that there is another Ordinance that if this passes, the other one will be repealed. That will be important for the message. Mr. Gasior noted that in Section 7 of the Resolution for the income tax levy, it says "if electors should approve, Council shall forthwith pass legislation".... Mr. McBride said, but this is not in the ballot language. Mr. Gasior said, no, but it is publicly stated in the Resolution. Mr. McBride said, but again the key is going to be in the messaging; that is the bottom line.

Mrs. Holtzmeier asked Mr. Fischer for his thoughts and he said that a lot of his questions have been answered. He said that his concern was the timing but he agreed that if there are properties available now that is why we need to get this on the ballot at this time. He also agreed with several others that if we are going to do this, messaging has to start yesterday. We have to explain why we are doing it. The language has to be cleared up because as Mr. Logan said, walking into a voting booth and seeing all that wording could just turn people off right off the bat. So the language should be simplified and then put to

the voters; he was never afraid to let voters decide whether or not they want to put skin in the game. So as he said, he supports it but he thinks the messaging really has to get out soon.

Mrs. Demaline said that if they choose to move forward with this legislation, she would like to discuss the timelines as she knows they are under a tight deadline with the Board of Elections. She asked when they could expect the final language for the ballot and when they will be proceeding with a vote on that. Mr. Gasior said that his hope is that they will have a final version of the language at next week's Work Session so Council can discuss it more thoroughly and be prepared to pass something at the Regular Meeting on January 24<sup>th</sup>.

Mayor Jensen asked if a Special Meeting should be held on the 17<sup>th</sup> to have a reading of the Resolution so at least there will be two readings. Mr. Gasior said that could be done and it could be amended if a change was made in the week between the 17<sup>th</sup> and the 24<sup>th</sup>. The Mayor said he just thought it would show the residents that it is moving forward and if they had an objection, it would put them on notice to be here on the 24<sup>th</sup> over trying to pass it by emergency on the 24<sup>th</sup>. That extra reading, he thought, just gives more the impression that we are not trying to push something by them that they are not aware of.

Mr. McBride stated that he thought the other thing we have to have, if this income tax increase passes, is the Ordinance that repeals the property tax. And it would be nice to have that in place already so we could move that along on the same time frame as the ballot language. Mayor Jensen asked Mr. Gasior if he could have an Ordinance repealing the property tax on the agenda for January 17<sup>th</sup>. Mr. Logan noted that the property tax can be repealed but it is going to collect for this year; it would not be collected in 2023. He added, and you do not want to pass that before you know the outcome of the tax increase. Mr. McBride said it could be passed with the caveat that it is conditionally repealed if the income tax passes. He thought we could do that. Mrs. Holtzmeier stated that, just to clarify, next week's Work Session meeting is Tuesday, January 18<sup>th</sup>. Mr. Gasior said they can talk about whether we can put that contingency in an Ordinance to repeal a levy.

Mrs. Holtzmeier asked if there was a Finance Committee consensus on whether or not to continue moving this forward? Mr. McBride and Mr. Moore said, yes, and Mrs. Holtzmeier said that she agreed as well. She stated, so that can continue to be discussed at our next meeting and possibly read. Mrs. Holtzmeier then said that since they had discussion tonight about some current residential property that may be available as a reason to look at the timing of this now, she would ask Council President Fischer to have an Executive Session at the Work Session to hear about some of that.

Mrs. Holtzmeier adjourned the meeting of the Finance Committee of Council at 7:28 P.M.

Transcribed by Gail Hayden, Assistant Clerk of Council