

**MINUTES OF SPECIAL CITY COUNCIL
SHEFFIELD LAKE, OHIO
January 29, 2013**

This special meeting of the City Council was held Tuesday, January 29, 2013. Council President Richard Rosso called the meeting to order at 7:01 PM.

This special meeting was called by Council President Richard Rosso regarding the discussion of potential income tax increase.

*******ROLL CALL OF MEMBERS*******

Present: Rosso, Belaska, Smith, Kovach, McCullough, Erdei, Stark, Elliott, Mayor Bring, Law Director Graves, Finance Director Smith, Service Director Smith, Treasurer Woods

Attending: Concerned Citizens, Fire Fighters; Chief Card, Lt. Langin, FF Davis, FF Mariner, Members of the Media: Avon Lake Press

President Rosso called the meeting to order and advised our decision tonight is whether or not to put something on the ballot. This is not a debate on what the money is going to be used for, obviously it is going to be a general topic but we are not going to have answers to every single penny and it basically comes down to the Administration saying current rate of income – the city is going to get X amount of services and it is to provide additional services or back up to normal manning or services level is going to costs X. That is pretty much it, if you have any comments, questions or concerns – raise your hand, I don't want anybody just jumping out and speaking. We will get everything answered. The only other comment I would like to make before we get started here, I was doing some thinking not so much about the actual proposal where Kerry made about the 2 – 25%'s and the only comment I want to make and we can discuss this later is that one of the comments “hey we can have a ¼% that expires in 5 years so we can show people that we can be trusted.” I am going to make this statement – 10 years ago we passed a ¼% doing the roads and said “hey we are going to have to do this so that people can trust us.” We did everything we said we were going to do. 6 years ago we passed a ¼% because we were pretty much in the same position we are now, we had reduced manning and we did everything single thing we said we were going to do in that restoring everything that needed to be restored. I don't believe we need to prove ourselves anymore, we have done it with the last 2 over the last 10 years. That is open for discussion as we move forward here but I just wanted to make that statement. If you go back to what we said the last 10 years – we have always done exactly what we said we were going to do with increased monies. So at this time I am going to turn it over to the Mayor or his designee. Mayor Bring stated obviously we are here because the last meeting we had I gave you a spreadsheet there that Tammy made up in the steady loss in revenue. We talked about 3 options the last time we were here, I would just like to say it would either be a ¼% or a ½% because I

think the other one is just too confusing for the people. We did a little revenue checking here, on a \$30,000.00 wage on a ¼% it would cost an additional \$75.00 for a resident and \$150.00 for the ½% and that is on a \$30,000.00 wage and obviously it is not going to effect the retirees. With the ¼% just like Mr. Rosso said we would not be able to do any hiring. I just had this discussion with the Fire Chief and one of our Policeman and it is not going to help them out and that is the situation we are into right now. If we can't help them and we stay as status quo we are still going to struggle through this and it is going to be very difficult. The ½% at least we can bring the manpower up, we can ease probably some of our overtime and then we can also buy some equipment which is much needed. These guys can attest to that, we have all been struggling through this and they have struggled through this more then anybody and in our Police Department we just had Mr. Corr in there and we were just talking about repairing the vehicles and everything and the mileage of what is on there and he asked when this would actually go into effect and when we would be able to do anything and we told him probably not until spring time as far as bringing up vehicles for them. He was just asking how he was going to get through it because if you look at the latest mileage projection on what he turned in recently, the oldest 3 have 136,000, 137,000 and 140,000 miles on vehicles. So we are struggling on that part. Just to get the general fund back up to where it needs to be, I would hope that you would consider the ½%. That would also be for our Safety Forces and the City in bringing them back up to where they need to be. Obviously like I told you before when I ran for this position that that was the last thing I wanted to do was come before but the continuing cuts of what has happened to us – it is an on-going thing. Tammy and I don't foresee this as going away so if nothing else I think it is going to get worse. They are pushing it on us to find financing to keep our cities running and we have always been so lean – it is just one of those things where we have to do it. I think David just brought up that on the front page of the paper today that Vermilion is also going to ask for this and I think there is going to be other cities that are going to ask for this too. Everybody is struggling but I would just hope the residents that we can all get together on this and hope they understand. Just like Mr. Rosso said we have always done what we said we were going to do, we have always been frugal – you don't see us being flashy with any of the money and I don't intend on being flashy with the money – I just want to get everything back up to snuff. We are burning our guys out now and what that does is create the situation where somebody is going to get hurt, sick or injured or whatever because when you start asking them to do more than what they are capable of something like that happens and when that happens it is going to cost us more overtime. Tammy will go over the sheets and breakdowns that she prepared. Finance Director Smith advised I have kind of blocked out what the different options would create as far as funding. Kerry asked me before we started what do we need immediately is about \$325,000.00 because I just got the notification that our property values went down and of course our property taxes went down by \$30,000.00 for general fund. We have lost over \$280,000.00 in local gov-

ernment, personal property tax, public utility reimbursement, estate tax is going away. We are down to less than ½ of what we used to get in local government funds and the latest word is they want to take that away which is another \$176,000.00 and every bit of this is out of the general fund - no other funds are affected. It is just the way it has come down. So a ¼% would squeak us but it really doesn't bring us back up to what we were even 2 years ago. But the choice is up to you, I put in the charts for decreasing the credit just to give you a comparison but the only problem is the decreasing of credit only affects the people that live here and work in other cities. It really only affects our residents. I like the thought of increasing the % because that increasing our withholding, if we get a couple of businesses in here – that withholding tax would go up and that would be a benefit to us. Hopefully as things prosper and we can rebuild than that withholding tax will go up and that will help us as well. If we increase the percentage and then it is not just on the shoulders of our residents, it is just across the board percentage increase. I put also in here increase the percentage and decrease the credit which I think would be very, very confusing but I put it in there just so you could have a comparison. President Rosso asked what is the tax rate in Avon Lake, is it 2? Law Director Graves answered not yet. President Rosso stated the Village is 2% right? Finance Director Smith answered right, a lot of the cities have gone up to 2. I just had a chart on that the other day and I didn't think to bring it. President Rosso stated I know the Village is 2 and I know Lorain went up this last November. Councilman McCullough stated isn't Lorain like 2.75% or 3-1/4%? Councilman Erdei stated for sure we will have to specify what this is going for the public and specify that this isn't going for no salary increases or anything fancy like that? Finance Director Smith stated we have had a salary freeze since 2009 and we have had a hiring freeze since 2008. This is going to have to bring on some personnel to replace some people. General fund is the funds our Police and Fire, it is not designed just for a pay increase. Honestly – no, we have to it just to pay the electric bill. President Rosso stated yes make the public aware but if this passes part of this money is going to go for pay increases and it is just the way it is going to be. It is general fund money and basically the Administration will put an appropriation in front of us and then you would vote for it. Councilman Smith stated so what you are saying to all these guys right here for contract negotiations are coming up so have at it. We cannot say whether that is going to salary increases because we got negotiations that are going to be coming up so we can't say that that is going toward salaries or increases. President Rosso stated what I am saying is that you can't say that it is not going to go toward salaries is all I am trying to say. Councilman Smith stated I would hope it doesn't, what little extra we got doesn't end up there but you can't say it is not but you can't it is. They would jump right on that. President Rosso stated they will jump on it anyways but let's be fair, everybody goes to work every day and everybody puts their time in and every year they expect something – somebody I work with and myself included and it some point there is going to be an adjustment. I just want people to know and I don't want anybody up here going out saying if we get this we are not

going to give any money for salaries. Finance Director Smith stated it is for general operations of the city; pay utility bills, salaries, benefits – just to run the city. It is just general operations, it happens to fund our Police and Fire Departments – yes it does. We work to live, we don't live to work – I don't know about most of you, I mean I love my job but you know. Councilperson Stark stated to Kerry's point about the $\frac{1}{4}\%$ and $\frac{1}{4}\%$, I agree with Rick on saying to show us trust but my concern is if we do the $\frac{1}{4}\%$ and $\frac{1}{4}\%$ - if they don't pass the $\frac{1}{2}\%$ and at least we get part of it; even if you get $\frac{1}{4}$ and they don't give you the other $\frac{1}{4}$ we got money coming. If we do it as a $\frac{1}{2}$ and they just strictly vote it down now we are having to go back and reduce it possibly. That would be the only benefit of doing the $\frac{1}{4}$ and then a $\frac{1}{4}$ for 5 years – at least we get something if they don't vote for one of them. At least it is some money coming back into the city. Finance Director Smith clarified so you are suggesting that we put 2 issues on the ballot? Councilperson Stark answered I am just saying think about it, it might be the safer way to go. At least we are guaranteed possibly something where if we put a $\frac{1}{2}$ they can just vote it all no then we have to go back and ask for a $\frac{1}{4}$ again in a couple of months and you are paying fees for special election possibly. Just to put it out there as a possibility. Mayor Bring commented regardless, you are going to pay for 2 elections if you go $\frac{1}{4}$ and $\frac{1}{4}$ so you not going to lose anything. Councilperson Stark stated I just don't know if the $\frac{1}{4}$ would pass. Finance Director Smith stated I worry that we confuse the general public and I like keeping it nice and clean, crystal clear so they understand what we are doing. I think 2 things on the same ballot – that is my opinion. Law Director Graves advised I think you should ask for what you need. Councilman McCullough stated in light of what you said in the beginning Rick and in light of Councilperson Stark has just said – I was leaning that way a lot Leanna but the fact is and in thinking about it it could become confusing and if people say alright we will give you a $\frac{1}{4}$. What if they all split that vote up and end you getting nothing because some of them are going alright I will go the temporary and some of them are going I will go the permanent but I am not doing both. I think if we put one on there, I think if we just took the credit away – it gives us enough money for now. I am sorry but I don't aspire to live in an average community. I said when I ran for this Council position, somebody asked me one of the reasons I was running and I answered to make my house worth more money and the only way my house is going to be worth more money is if our city has good services/above average services and that our schools are better. Well we are fixing the schools, we need to fix the city, we need to attract good quality people that will be here for a long time such as our Fire Department and our Police Department and we are going to have to do the same amount of leg work whether it is 2 – $\frac{1}{4}$'s or whether it is a $\frac{1}{2}$. Did anybody find out how much it is to put 1 on the ballot? Councilperson Stark answered about 5,000.00 or 6,000.00. Councilman McCullough stated so are we going to spend 10,000.00 to 12,000.00? Councilperson Stark stated the more we put on there they start giving you a decrease on what it costs you. My concern is some of us are going out and some of us are running for office again and going out and talking to people

the last couple of days, hearing some of the comments – I want to make sure we get something and a lot of people the last couple of levies, people have been putting these numbers out and they are not getting that number. President Rosso stated you put 2 issues on the ballot, you are going to get the same no's on both and you are going to split the yes's and you got a much higher chance of not passing either because if you are going to no on one you are going to vote no on the other. Councilman McCullough stated what I have been getting is well the city needs money. Law Director Graves stated Tammy in just looking at the statement of need that you have prepared, all of the accumulated cuts have resulted in annual net losses to the general fund of approximately \$500,000.00. A ¼% increase is only going to generate an additional \$295,000.00 to the general fund – that is still is \$200,000.00 less and they are talking about additional cuts. So is it a fair statement to say that what the city really needs is a ½%? Finance Director Smith answered yes. President Rosso stated I think it was 2006 when we put the last ¼% and the residents passed it. We said then that we anticipated that going about 5 years or so. I still have the literature, it would last 5 years on one assumption – that was the state was going to freeze the \$390,000.00 a year they gave us. Now it has made it 6 years and they took it all away. We are quite actually doing pretty darn good from where we were 6 years ago. Councilman McCullough advised Avon Lake is 2-1/2% and Lorain is 2-1/2%. Law Director Graves advised but they also give a larger credit I believe. Councilman McCullough stated but they also have manufacturing that we don't have. I said this 12 months ago, I am all for whatever it needs to get the job done and I want to move forward, I don't want to stay in the same spot. If it takes a ½ to move forward then we need to move forward. I was looking at the ¼ increase and the decrease credit to a ¼ and that gets you over the amount but like \$24,000.00 over the amount and that doesn't even buy a police car. Well it might buy the car but it is not going to get it outfitted. President Rosso stated again I think Alan and I were talking downstairs, none of our action tonight impacts the citizens at all tonight. All we are saying is let's let the citizens make a decision and put it on the ballot. Someone or some committee somewhere is going to have a lot of work cut out for them to get it out there. Administration question is let's put it in front of the residents and let them see what they want and if they say no. Mayor Bring stated there is a lot of people that are always going to say no and those people are never, ever going to go away but there is a lot of people I think that want to see the city move forward. I have talked to a lot of people and they are saying whatever it takes to get us going, it has been relatively pretty positive. Councilman McCullough stated I actually haven't gotten any negatives. Mayor Bring stated the economy has been very, very bad and people have been struggling and there is no doubt about it but again you can struggle and be in a very poor city and not have your services or you can struggle and have a city that has decent services and wake up today and feel a little better about yourself and know that you are going to be safe and that if something happens your fire is going to be put out or if you need a squad or whatever. That means a lot to a lot of people. We have got a lot of elderly residents

that safety forces have been their mainstay of why they like this community and I think we have very good safety forces and I think that we want to continue that. Finance Director Smith advised the nice thing about this is it is all income tax so it is not going to hurt any retired resident – it is not going to affect those people. Councilman McCullough stated I have one comment about the safety and this is what concerns me too and I know we really can't open this up for discussion and say hey where are we going with this money, this, that and the other. One of the biggest concerns I have right now in the city is heroin, I heard about somebody who I never would have suspected of heroin overdose – I am concerned about that. I want to see our Police back to where it should be, I want to see our Fire back to where it should be and the Rescue back to where it should be and they are needing more and more help every day I think with everything that they are combating now. Like Rick said all we are deciding tonight is what are we going to put on the ballot; what are we going to okay to put on the ballot from the Administration. Tammy has always been very upfront with everybody on this Council I think and any time you ask her for numbers she does get them to you. I think at this point if Tammy says we need to increase it a ½% we are going to have to take that at face value because she stays on top of it. That would be my vote would be for a ½% and that is where I am leaning. Law Director Graves stated the legislation before Council right now is for a proposed ½% increase, we could amend that legislation as Council directs. Councilman Smith stated everybody knows what we got to do, we got to go for the ½% - it is a no-brainer because all it does is give us a little bit of breathing room. My only concern is that if this does pass and we do have that little cushion that because we have that little cushion come next year for the next 3 years that that cushion isn't used and disappears unfortunately not by our design through negotiations and contracts and other things like that. That is my only concern because I have seen it done and I have seen it happen, that is my only worry about this is because we are still in rough times. Otherwise everybody knows we got to go for the ½% - it is a no-brainer. Finance Director Smith quipped let me introduce you to Mr. Cheap (Mayor Bring) and Mrs. Cheaper (herself), I think who knows or tries to come to me for a voucher. I think everybody appreciates that we are very frugal, we are very, very careful with our funds and that is the reason we are here today and we haven't gone into receivership with the State of Ohio because honestly if some people hadn't retired and are gone out on disability over the last few years that has kept us kind of even and floating along the way here we would really be dire straits at this time. We are in dire straits don't get me wrong but I think the State of Ohio would have come in and had to because we would have been under water. President Rosso polled Council; is it a ¼ or ½ and if you say nothing at all you are just going to vote no on it anyways. Yeas All - McCullough – ½, Kovach – ½, Belaska – ½, Erdei – ½, Elliott – ½, Smith – ½, Stark – ½.

*Motion by McCullough/Second by Elliott to amend the agenda to include Council#003.

ROLL CALL FOR SUSPENSION OF RULES: Yeas All – Smith, Belaska, Stark, McCullough, Kovach, Elliott, Erdei.

CITIZEN'S COMMENTARY:

Ann Marie Woltman, 649 Sheffield Road asked what is the current rate now? President Rosso answered 1-1/2. Ms. Woltman asked most other cities are? President Rosso answered 2 – 2-1/2 I think.

ORDINANCES AND RESOLUTIONS:

Council#003 – EMERGENCY – an ordinance amending sections 191.01, 191.02(1) and 191.03 of the codified ordinances of the City of Sheffield Lake to provide for an increase in the earned income tax rate by one-half of one percent, for the purpose of providing funds for any and all purposes deemed necessary the City Council to become effective July 1, 2013 and the declaring of an emergency.

*Motion by Elliott/Second by Belaska for SUSPENSION OF RULES:

ROLL CALL FOR SUSPENSION OF RULES: Yeas All – Smith, Belaska, McCullough, Kovach, Stark, Elliott, Erdei.

President Rosso announced this is unusual for us in that we do not have a physical copy in front of us which was supplied to us at the last Council meeting and we chose not to add it to that agenda. If anyone would like a copy please speak now – no voices were heard.

*Motion by Elliott/Second by Stark for ADOPTION:

ROLL CALL FOR ADOPTION: Yeas All – Erdei, Elliott, Stark, Kovach, McCullough, Belaska, Smith.

Ordinance Passes#5-13

Mayor Bring stated I just want to thank all of you and I really appreciate this, this is just one small step and we have a long way to go and we do all need to work together on this. This is going to be a tough go at it, I honestly have a good feeling about this but I do want to thank you so much for this.

PRESIDENT OF COUNCIL COMMENTARY: None.

MEETING ADJOURNED: With no further business before this council, Motion by Kovach/Second by Belaska to adjourn at 7:35 PM. Yeas All.

CLERK OF COUNCIL AFFIRMATION: This Meeting Of The City Council Of The City Of Sheffield Lake, Ohio Was Held And Conducted Under All Rules And Regulations Governing The Sunshine Laws Of The State Of Ohio As They May Apply. All meetings are recorded and available in council offices.

CLERK OF COUNCIL/COMMITTEES
Kay Fantauzzi

COUNCILPRESIDENT
Rick Rosso

and/or

COUNCIL PRO TEM

Eric S Elliott

I, Kay Fantauzzi, duly appointed Clerk of Council of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of the Minutes of this SPECIAL COUNCIL of January 29, 2013.

MAYOR

Dennis Bring