



**COMMITTEE OF THE WHOLE MEETING
MARCH 22, 2004**

Committee Members Present: Brenda Hlas
Dennis McGlone
Bill Mowery
Scott Pelot
James Price
Mike Zita
John Conklin

Administration Members Present Mayor Joseph Kernan
Claude Collins
Jeanne Zerga
Jeff Pritchard
Mike Lyons

The Committee of the Whole convened for a meeting on Monday, March 22, 2004 at 6:00 PM, in Council Chambers of the Safety Administration Building. The meeting was called to order by John Conklin, President of Council, followed by the pledge of allegiance and a moment of silent prayer.

Committee of the Whole-General Topic of Discussion

None

Income Tax Increase:

Ms. Zerga opened the discussions and explained that with this increase from 1.5 to 2.0 % it would generate \$866,000.00 in new revenue, but we would still be short \$166,000.00. If the tax credit was changed to 1%, that would generate \$648,000.00 of additional revenue, and would address our road program. There was discussion on the overall reduction in revenue. Mr. Pelot stated that this year we have no road program, we have made numerous cuts and there simply is no where else to make any more cuts. Ms. Zerga expounded on Mr. Pelot's statement, adding that this also means the city cannot purchase any new equipment, we cannot replace police cruisers, buy trucks, etc. Mayor Kernan stated that last year the city received a windfall from the sale of the Regenes property, which saved us, next year there is no pot of gold out there. Mr. Mowery asked for clarification on this issue going to the voters. Mayor Kernan stated that this tax increase must go to the voters for their decision. Mr. George Tomko, 2525 Reimer Road Extension, Norton stated that if there is no real pot of gold for next year, then just bite the bullet now and change the tax credit, adding that if we think the .5% is not enough then do a full 1% from all residents. Ms. Zerga stated that if the tax credit were changed now, we would not see this additional revenue until at least April of 2005.

Mr. Stanley Shields, a Norton resident stated that he pays taxes, and a lot of people who don't pay taxes still live here and receive the city services. He would like to see more done about the collecting, and would also like to see more cuts made somewhere.

Mr. James Price stated that he believes the increase to 2% is a no-brainer, however he would be taking a serious look at the credit issue, he supports this but and we really need both. Mayor Kernan stated that we have made all of the cuts we can, and he has asked Ms. Zerga to go over the 2004 Budget packet again to see if there is any possibility we overlooked something that could be cut. Mayor Kernan stated that with all of the cuts we have already made, we are now to the point where we will be looking at cutting into the Police and Streets departments. Mr. Shields asked how long most Council members have lived here in Norton, and stated that he will be voting against all of this. Mayor Kernan asked Mr. Shields if he works in Norton, and Mr. Shields stated he works in Doylestown. Mr. Keith Hetrick, a Norton resident stated that we should keep in mind that even with changing the tax credit, you still would have about 12.7% of the residents footing the bill, he felt all residents should be paying. Ms. Misty Villers, a Norton resident stated that she favors the 2% tax increase, as most other communities are at 2% or more, but cautioned the tax credit issue. Ms. Villers stated that we should be careful as this may not help to keep Norton a favorable community to live and work in. Mr. Alex Stavarz, a Norton resident stated that he felt the tax increase would pass, it was on the ballot in the early 90's and failed. Mr. Stavarz questioned Mr. Price and what this would mean to his finances, Mr. Price stated that it would cost him about \$500.00. Mrs. Hlas commented on the fact that if we have no funding set aside for a road program, and if we wanted to do one, which costs about \$500,000.00 each year, the tax increase alone would not cover this. Ms. Zerga stated that this is correct, the road program would not be funded with that increase. Mrs. Hlas stated that if the tax credit was changed this would generate the required revenue for a road program, and she would like to see that money earmarked for this specific purpose. Mr. Stavarz stated that we need to determine what the money is to be spent on. Mrs. Hlas stated that she personally does not have a problem swallowing the .5%, but she does have a problem with the 1% credit. She is willing to pay money, but would like to see what the .5% tax credit rollback would generate before dealing with the 1% tax credit rollback credit issue. Mayor Kernan stated that the reason that they have asked Council for rollback is to see where it puts the city. We need to see that there is enough revenue to do a road program, buy equipment, etc. Mrs. Hlas asked about the \$40,000.00 earmarked for replacement of equipment was this just for the Service Department or all Departments? Ms. Zerga replied stated that this is for setting money aside for all Departments, except the Fire Dept. Mr. Mowery asked about a rainy day or slush fund, and Ms. Zerga stated that in the 2004 Budget there is \$15,000.00 set aside for a start of this fund. Mr. Mowery asked Mr. Collins about the potential personnel cutbacks to the Police department, and if the State of Ohio has mandates on the number of officers we are required to have as a city. Mr. Collins answered that there is no mandate, we currently have 16 full time officers, and there have been no additions to this department in several years. Mr. Pelot stated that we need to look into the future, even with making these changes, we still have nothing in place to address our infrastructure, adding that we have no new growth and cannot attract new businesses. Mr. Pritchard commented on Mr. Pelot's and Mr. Stavarz's comments, this is what he has been saying all along. We should not be going to the General Fund to do the road programs, and at \$500,000.00 that is just the bare minimum. Mr. Pritchard stated that we are in desperate need of a quality industrial park, adding that the school issue is just another side of the coin. Mr. Jack Gainer, a Norton resident stated he is not for either issue and if Council adopts this he would do everything he can to see that the members on Council do not get re-elected, and would petition to change it. Mr. Gainer stated he felt both issues should go before the voters, even if the credit issue is only as advisory. Mr. Gainer stated that he is sick and tired of someone else making financial decisions for him. Mr. Gainer discussed the school issues and stated he has several suggestions for paying for the roads, and other ideas for the schools.

Mr. Gainer stated that the safety forces should come first, adding that this is till a 33 ½% tax increase no matter how you look at it, not only are the 12.7% who work and live here, but all of us will be paying more in taxes. There was discussion as to what should and should not go to the voters, and Mr. Conklin asked Mr. Lyons for his legal input on this issue. Mr. Lyons indicated that Council could send the tax credit issue to the voters if you wanted to, you are not prohibited in doing that. However, originally he indicated that Council could not. Mr. Lyons stated that Council does have that authority and it would only be as an advisory issue, and if the voters approved then Council would still have to take action on the decision of the voters. Council could also take a vote on this soon, and let the voters decide if they wish to file a referendum against it or not.

At 6:58 PM Mr. Conklin temporarily recessed the Committee of the Whole meeting in order to convene the Regular Council Meeting at 7:00 PM. This discussion will continue after the end of the Regular Council Meeting.

At 8:06 PM Mr. Conklin re-convened the Committee of the Whole meeting back to session, continuing with the discussions regarding the 2% tax increase.

Mr. Todd Williams of 4062 Greenwich Road, Norton stated that he is concerned with this increase and that it comes during already difficult times. If this increase goes through, he will be forced to look for a second job, and he will vote against this, and for whoever votes to approve this. Mr. Williams stated that he would still like the city to make more cuts, you all are saying you have made cuts, show us where the cuts have been made. Ms. Zerga commented on the fact when the 2004 Budget was done all departments were told to cut back 5% across the board, there is no funding set aside for replacement of cruisers, computer upgrades, equipment, no road program at all. With that being said we still would be \$300,000.00 short, and Mr. Collins stated that there have been two employees that will not be replaced, and there will be no part-time summer help this year. Mr. Price asked Mr. Williams if he saw the city make more cuts would this be a compromise for him to accept paying more taxes, and if so what cuts would he like to see. Mr. Williams stated the he knows there are places where cuts can be made. You cannot say that you can't tighten you belt any more, I live within my budget and expect the government and schools to do the same.

Ms. Carol Parch, a Norton resident, stated that she did her own research and contacted Stow, Green, Akron, Cuyahoga Falls, Tallmadge, and they all give 100% credit. In order to be fair to the voters, she felt that we should explain in detail the simple dollars and sense issues. Ms. Parch also commented on the potential workload increase the quarterly filings would create in the Finance Department. Ms. Zerga stated that the workload would change, but temporarily outsourcing our collections would correct that. Ms. Zerga stated the first step would be to find out who is not paying taxes and get that collected. Mr. McGlone stated that he is also concerned about fully educating the public and Mr. Conklin stated that with several discussions at the committee level, and three full readings at council level, the public would certainly be informed of the issues.

There was discussion about the school levy and Mrs. Hlas indicated that a 9.9 mill would generate about 2.8 million per year. Mr. Mowery stated that maybe we need to focus on one problem at a time, and maybe we as council should attend the School Board Meetings, and Mrs. Hlas replied that our responsibility is to be here not at school meetings. There was more discussion about the school levy and Mr. Price wondered what is it that Green and other communities are doing that Norton is not doing, they are all growing and moving ahead. Mr. Price stated that he has been told an employee at McDonalds brings in more revenue than a \$100,000.00 does. Mayor Kernan stated that school tax laws are not the city's responsibility, this is a responsibility of the State, and if you don't like the way they are doing it, then you need to talk to your State Legislators. We have immediate needs now, and they need to be addressed, or next year we will have more serious problems to address, and we cannot wait for the State to get involved.

Mr. Gainer stated that maybe what Council needs to do now is get a constitutional amendment or something to get this started now. Mrs. Parch questioned the facts about the amount of millage for the levy and that it should be short term, not long term. Mr. Don Harbert, a Norton resident spoke about the cuts the school will be making this fall, and the fact that 25 teachers are going at the end of this school year and the school board will be voting on this at their next meeting. This would mean even more tax dollars going out the door, there goes the Police and the Fire Departments, and other cuts. There has also been talks about splitting up the school district, which means it could go three or four different ways. Ms. Hlas stated that there are five different zip codes here in Norton. Mr. Williams spoke again stated that he has to live within his budget, and that the city should have to live within their budget as well, instead of paying taxes. Mr. Williams stated that as a public school district it costs about \$7,000.00 per year per student. Mr. Williams stated that he sends his daughter to a school that he pays \$2400.00 per year and she gets the best education possible. Mrs. Hlas inquired if that school gets any other funding besides that \$2400.00, and Mr. Williams stated that they do not. Mr. Williams replied that he would like to see the city go after the deadbeats that don't pay their taxes, adding that there is always some type of waste in every department, which needs addressed. Mr. Carris Sr., stated that we need to get back to the agenda items or we will never get anything done. Mrs. Hlas stated this is a very, very hard decision that we have before us, and we want the public to give us their input and comments. We may not get re-elected, but if we think we are doing what is best for the city, then we will do what ever it takes to do what is best for the city, whichever decision we make. Mr. Conklin stated that maybe we could make more cuts, it may be the road program, or if there are cattails growing in your ditch, we won't be there to clean them out. If it snows and there have been no snowplows down your street for three days, you better be buying a 4-wheel drive vehicle to get to work. If we cut back to two trucks, one driver and we are out of salt. Mr. Williams stated he would rather have that happen then to pay more taxes. Mrs. Hlas stated that when push comes to shove, the residents will be the first to complain that the roads are a mess, the roads need plowed, grass needs cut, etc. Mr. Price stated he is leaning towards the increase to 2% and that it must go to the voters, one at a time and build on that. Mr. Pelot stated we need to look at both issues, one by itself is not enough and raising the tax rate ½ of a percent is a good place to start with. Mr. McGlone stated that he is all for the tax increase to 2%, but felt the credit issue should not be up to us, this should go to the voters also. Mrs. Elaine Tompkins asked for clarification on Mr. Pelot's comments, and what is required to go to the voters. Mr. Conklin stated that the tax increase from 1 ½% to 2% must go to the voters, and it is the recommendation of this body, and it is the action of the voters whether this would take effect.

Mr. George Tomko stated that if you go to the 2% tax increase, who is going to pay the taxes to the city, the same 12% or 13%? Mr. Zita stated that is correct, and Mr. Tomko stated so then those 12% to 13% of the residents are taking a double hit, while the other residents are still getting their free rides, this isn't fair and does not make sense. Mr. Zita indicated that he would go with both issues at the same time in order to accomplish our goal and be fair to everyone. Mr. Mowery commented that he is not for any increases. Mr. Stavarz stated that Council needs to do something with the tax credit and do the job they were elected to do. If you cannot do that, then maybe you should go back to being a township or a village. Mrs. Hlas stated that in order to get business into the city we need infrastructure, and in order to get infrastructure we need money, and its our job to figure out where we will get this money to move the city forward.

Mr. Conklin stated that both organizations are swirling into a black whole. He understands the residents concerns, and wonders how deep do we have to go before we hit the main juggler vein? Right now all we have to offer our residents is police and fire protection, once that is gone, the residents are on their own. There was more discussion and it was decided that our next Committee of the Whole meeting on April 5, 2004, we would start at 6:00 PM and would continue these discussions.

New Business

None

Old Business:

None

Adjourn:

There being no other business to come before the Committee of the Whole, the meeting was adjourned at 6:57 PM.

John Conklin, President of Council

Date approved: April 12, 2004

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