



**COMMITTEE OF THE WHOLE MEETING
MAY 24, 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

The Committee of the Whole convened for a meeting on Monday, May 24, 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

Allocation of Funds:

Ms. Zerga explained the three versions for the Allocation of Funds ordinances, “A”-Resolution #81-2004, “B”-Resolution #82-2004 and “C”-Resolution #83-2004. There was discussion as to the differences between the different versions. Mrs. Hlas asked if the members of Council understood the difference between all three versions, and there were no questions. Mrs. Hlas indicated that “A” and “B” are almost the same, however with version “C” which was her version, the residents will know that a portion will go toward roads and infrastructure.

Mr. Pelot stated that he was in favor of version “C”, noting that with this version the residents will see this as an investment into the City. It will be spent on infrastructure, roads, etc. Mr. Zita also agreed with Mrs. Hlas and Mr. Pelot. Mr. McGlone asked Ms. Zerga which one she felt would be best, and she felt that “C” would be the best Resolution for Council to pass because it separates the 2% increase from the credit adjustment. It also states that funds in excess of \$500,000.00 will be put into a specific infrastructure fund.

Mrs. Hlas moved to add version “C”- Resolution #83-2004 to the Regular Council Agenda for tonight, seconded by Mr. Pelot. Mr. Conklin stated that this would be item J on tonight’s Regular Council Agenda.

Roll Call: Yeas: Hlas, Pelot, McGlone, Mowery, Price, Zita, Mr. Conklin.
Nays: None

Motion Passed 7-0.

Allocation of Funds continued:

Mrs. Hlas inquired from Mr. Lyons as to the change in the language for Ordinance #61-2004, specifically where it referred to the allocation of funds section. In the first reading of this ordinance, the allocation of funds for 50%-45%-5% was crossed out. But when we had our second reading for this ordinance, they were put back in and the ENR section was taken out. Ms. Hlas stated she understood why the ENR was removed, but questioned why we need the allocation of funds 50%-45%-5% back in there if they were not in the original legislation that went to the voters? Mr. Lyons gave a lengthy explanation as to the changes, stating that they are existing sections in the current tax code, which is where it all began. In the first version Mr. Lyons indicated the ENR was an assessment and cannot appear in the language. Mr. Lyons stated that you allocate annually through your budgetary process and the language in that allocation formula is vague because it states "up to", meaning if you put zero in you would still be in compliance with that language. Mr. Lyons stated that when we removed this in its entirety, there was an objection raised to that, which precipitated the change. The removal of the allocation of funds 50%-45%-5% is not essential, however the removal of the ENR language is essential. If Council felt it necessary to remove it he would comply with their request and make those changes. There was further discussion as to what version Council intended to adopt and if it was the original first reading, would Council have to take it all the way back to the beginning. Mr. Lyons indicated that it could stand as a third reading tonight and Council could include a modification in the motion, you just need to be clear on which version Council wanted. Mr. Conklin called for a five-minute recess so the Clerk could distribute both versions to all of Council to review before moving forward. After the short recess it was Council's decision that the first reading of the original legislation for ORD #61-2004 is what was originally intended by Council. Mrs. Elaine Tompkins questioned why this is not left in, as she objected to this, adding that she felt Council did not have the proper time to look into this earlier. Mrs. Tompkins stated that it should remain Council's responsibility to write what they wish to adopt.

2004 Budget review:

Ms. Zerga stated the first third of the year provides a picture of where we are currently and where we anticipate to be at the end of the year. We need to keep in mind that the budget was prepared for 2004 prior to the shortfalls. The city is currently operating under the "only fix what is absolutely necessary" mode. Preventative maintenance whether it's a building or a vehicle will not be done unless the safety of any employee or a resident mandates it. By not maintaining our buildings and equipment, cars and trucks, we are only creating larger problems for down the road, which still needs to be addressed. During the Staff Meeting last week, we were discussing what our Street & Service Dept. are responsible for, what services are provided and what additional cuts we could make if any. We have cut everywhere we could cut and have put repairs and maintenance on hold. Ms. Zerga discussed the comments made by Mr. Weinsheimer-Supt. of Public Service at the recent Staff Meeting and suggested he attend tonight's meeting to give his input. Mr. Weinsheimer distributed a listing of all of the services provided by his department (see attached report). Mr. Weinsheimer explained the report in detail, adding that most of our buildings are over 25 years old, right now he has only 13 employees who are on call 24/7, 365 days per year who perform all of these duties and services.

At 6:49 PM Mr. Conklin recessed the meeting in order to convene the Regular Council Meeting at 7:00 PM. This meeting will continue where it left off after the Council meeting is over.

2004 Budget Review Continued:

At 9:13 PM Mr. Conklin reconvened the Committee meeting. Mr. Mowery discussed the situations on overtime and asked how much and who approves this. Mr. Weinsheimer stated that the weather or an emergency dictates when overtime is necessary. Overtime is not scheduled, it is caused by something such as a flood, a storm, a traffic accident, etc. Mr. Weinsheimer indicated that for this summer we are already short of manpower, and right now ditch enclosures are 2-3 weeks out.

Ms. Zerga continued her discussions regarding the 2004 Budget review. Ms. Zerga stated that due to the fact that we do not have a good history of accounts, this has caused us to adjust the budget. Mrs. Zerga stated that Mayor Kernan is working on a memo announcing a wage and hiring freeze. Mrs. Hlas asked if this applies to all non-union employees? Ms. Zerga stated that it is for the non-bargaining such as Mr. Collins, herself, some of the administration staff, and part time employees. Ms. Zerga provided a spreadsheet of account balances (see attached report). There was discussion on the details of each of the funds and their balances. Ms. Zerga explained that even with the potential transfer of the ENR funds by the end of the year, we would be \$78,000.00 in a deficit. There have been several unexpected expenses that have come up already this year. Ms. Zerga indicated that the State Highway Fund does help to offset the Service Department. There was discussion as to the expense of maintaining State Route #21, and that we do not collect enough money to maintain this. Ms. Zerga recommend using the permissive tax the same way we use the license and gas tax where 92% goes into the Streets and State Highway Fund. This money would be used for that purpose. Mrs. Zerga stated that even after all these cuts, the only alternative is to only fix and repair the hazardous items, and to layoff employees. This still costs money, we will only be able to provide minimal services to the residents, and down the road these problems will still need to be addressed. A good example of this is by not maintaining our buildings, when the time comes we will have no choice but to replace or repair it, where will the funds come from? Mr. Price asked what is the answer, adding that you cannot raise taxes all the time? Ms. Zerga stated that by controlling the budget as we are now and hopefully with the income tax increase we will have a balanced budget and continue to provide the services. Ms. Zerga stated that prior to her employment here, bills were paid out of money that was available and everything was grouped together. Everything should be kept separate, because when you keep it all together and you pay out all the bills, you really do not know if you are going over or not. Ms. Zerga stated that ultimately the biggest mistake we made was to not look to the future, we never considered how we were going to pay for the things that we would need, for something as simple as a dump truck, or a police car.

Mayor Kernan stated that the goal with the tax credit rollback is to use that revenue for our infrastructure, which will raise revenue by increasing the taxable base, not to raise taxes. Instead of raising the taxes on the fewer people, you have more people to tax, because you would have more residents and businesses with improved infrastructure.

Mr. Carris Sr. stated that he hoped Council has learned something here tonight. The only way that we are going to get the capital we need in order to progress forward, is for each Council member to go out there and sell the tax increase/credit issues. Mr. Carris Sr. stated that he was ashamed that this tax issue passed by only 4-3 it should have been 7-0.

Old Business:

None

Adjourn:

There being no other business to come before the Committee of the Whole, the meeting was adjourned at 10:08 PM.

John Conklin, President of Council

Date approved: June 14, 2004

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