Rittman City Council Met in
A REGULAR MEETING
on Monday, January 9, 2012 at 7:00 p.m.

Members Present: Lynn Beaumont, Rick Hanlon, Steve Johnson, Glen Russell, Richard Lapehn and Darrell Carey
Members Absent: None
Presiding: Mayor William Robertson

Invocation was given by Dr. Richard Lapehn, Pastor followed by the Pledge of Allegiance

Approval of Minutes – December 5, 2011
Carey so moved, upon roll call; Carey-Yes, Hanlon-Yes, Russell-Abstain, Beaumont-Yes, Lapehn-Abstain, Johnson-Yes and **motion carried.**

Workshop

a. Discussion of Budget Reductions

City Manager Boggs advised he has some information if Council wished to begin discussions tonight, but they haven't received all the information as yet from the county and Barb (Rissland, Finance Director) is working hard to close out the year. He advised during discussions with her late this afternoon they felt that knowing exactly where they stood with the carryover balance would help them to know exactly how much needed to be cut and it was probably best to wait until the next meeting if Council agreed.

Council was in agreement the discussions should wait until the next meeting.

Citizens Forum - None

Old Business

a. Ord. No. 7685 An Ordinance of the Council of the City of Rittman, Ohio, To Approve the Editing and Inclusion of Certain Ordinances as Parts of the Various Component Codes of the Codified Ordinances; To Provide for the Adoption of New Matter in the Publication of Such New Matter; to Repeal Ordinances and Resolutions in Conflict Therewith; and Declaring an Emergency. Second Reading. Ord. No. 7685 was read on second reading. Carey moved to place on third, all Yeas on roll call and **motion carried.**

New Business

a. Res. No. 7687 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, to Oppose the State of Ohio Assuming Control Over the Collection of Municipal Income Taxes. Three Readings and Adoption. Res. No. 7687 was read on first reading.

Boggs advised Council may wish to have some discussion here as he and the Finance Director disagree. He advised as he stated in his memo he felt this should be passed, but they would certainly want to hear from both sides (before making a decision).

Rissland advised she would say in answer to the question "Is this a good thing for the City of Rittman or not?" would be "It depends". She advised it would depend on the fee that the state would charge us to collect. Rissland advised many municipalities our size and smaller and larger have joined together to be a coalition of governments to collect taxes. She advised what happens with municipal income taxes is that there is one person who is really busy part of the time and then slow, as there is slow time for that collection. Rissland advised there is an economy of scale to having one big computer system to track and collect all of the information. She advised there were a lot of redundancies across the state as we were all buying software, we were all buying forms. Rissland advised there would be access to information by the state that we (Rittman) don't have and the reason cities will form their own groups for collecting income taxes. She advised the state was selling it as a one stop shop for taxpayers, which would be helpful. Rissland advised there were some things the state collects for us now that they do very well such as the motor vehicle license fee. She advised the state would turn the money over to us and we would have one check to deal with and that money flows in (to the city). Rissland advised the state also collects school income taxes and they do that quite well. She advised her only thought would be that it would depend on what they (the state) would charge because they could do it better and more efficiently, but what we

would lose is the personal contact on the local level. Rissland advised those who come in and want someone to fill out their form for them would probably be lost. She advised you would gain online filing and online access to your account, which we do not have the technology or people to run that kind of system. Rissland advised those were just some of the pros and cons.

Boggs advised the only rebuttal he would have is that one of the reasons a lot of the cities were passing this legislation was because it basically circumvents home rule, which has been whittled away for quite some time now under this administration. He advised while he couldn't argue the fact there might be some advantages as regards to record keeping, it would definitely be a downgrade in service. Boggs advised he was amazed at the amount of people that come in to get assistance on taxes with the tax clerk as well as come in to pay the water bill. He advised a lot of people come into City Hall for various purposes. Boggs advised like Barb (Rissland) said it would depend on the cost and so there was less opposition he felt the state would make a "low ball" offer, but once it was turned over it (control) would never come back. He advised the state would then be in (total) control of the fees. Boggs advised right now they (Rittman) have control if someone doesn't pay their income tax by sending it to a collection agency, which we've been doing on 99.9% of our collections lately, but we also have the right to send it to court as a criminal case. He advised he was not convinced the state would have the manpower or desire and efficiency to go after local collections of those who don't pay. Boggs advised he thinks if people pay it was one thing, but if they don't he didn't feel the state would have the desire and efficiency to do so and he was very concerned, at this time, of the state taking over the municipal tax collection just like many other city manager's and mayors are around us.

Hanlon inquired if this was for personal filing of city income tax or did it also include businesses for filing.

Carey advised they (the state) would do everything.

Hanlon inquired if businesses required to file quarterly would file to the state.

He was advised yes.

Lapehn inquired as to how this would change staffing here in the city.

Rissland advised it would depend on what level of service you would want to provide. She advised she would think ultimately if the state took over collections that what they would want to do is transfer all of that to the state. Rissland advised right now our person that does income taxes also in the slower times works on EMS collections and helps as a backup for utility billing. She advised they would have to address that issue as we would probably not need an income tax administrator, but we would need to fill some of those other duties that are being performed by that position.

Lapehn advised so we don't know what it would do.

Rissland advised we don't know.

Boggs advised we don't know yet, but one of the things we will be talking about at the next meeting is cuts in service. He advised since we are going to talk about cuts in service and if the state takes over (tax collection) and we would be paying close to what we pay that person in salary, we were obviously going to eliminate that position. Boggs advised he didn't believe they could afford the luxury of such.

Johnson inquired if we have ever looked at using RITA and what that would cost. He advised Creston and Wadsworth use it. Johnson advised from a small business perspective, the money they spend out for payroll keeping track of city taxes was greater than what they do for federal and state and their cost per dollar was enormous to keep track of city taxes. He indicated for example $400 in earnings and as a small business owner they spend out $200 keeping track of all the cities owed a small amount of income taxes. Johnson advised RITA was easy for his wife (who handles payroll for their business) to use because of the way it is done. He advised the City of Rittman was a little more work for her. Johnson advised if they were looking at ways to cut costs he felt they should look at what it would cost to use RITA and what it costs us (City of Rittman) to collect and administrate income taxes as he had never thought of it until this was brought up.

Boggs advised he was unfamiliar with RITA until (Rissland) explained it to him. He advised he was not as opposed to hiring RITA or some other agency as he was the state taking over income tax collection because with RITA we have control. Boggs advised once the state has control we all know it wasn't coming back (to Rittman).

Rissland advised with this (issue) pending she would say to wait and see if the state takes it over and if they don't and this is put on hold they can look at RITA. She advised they collect anywhere from 2-6% and it depended on what kind of income tax and whether or not there was a lot of follow up on the individual. Rissland advised they have grown considerably probably in the last 2-3 years and they could keep more control over your collections if you go with someone like RITA. She advised they (RITA) prosecute and we can have any level of collection that we want and they have attorneys on staff to collect. Rissland advised they switched to RITA when she was in Kent and they also have things like pay by bulk because they are so big and you can access that quantity buying and using it for other types of your business like printing and utility billing and things like that.

It was noted RITA is Regional Income Tax Agency.

Rissland advised it was a coalition of governments and was actually run by different officials from a number of units and they just collect taxes.

Lapehn advised realistically we would still lose ½ a position. He advised it was not a win-win, but it was transferring something from a regional body to a state body.

Rissland advised that was correct.

Johnson advised when she (his wife) does that she was paying a number of city taxes with one form versus one for each city. He advised with his (electrical contractor) business they were working a day here and a day there because they have smaller jobs and they were scattered with 3 or 4 people working in different locations. Johnson advised it wasn't like at a factory where you work at the same location day after day because they were mobile and it makes reporting and keeping track more difficult. He advised it was not a lot of money they owe the cities it was just a matter of keeping track so it was right.

Lapehn advised he would also be opposed to the state taking this over, but he would also be opposed to RITA doing it too if there is any possibility of us keeping that position in the city and keeping the income tax that Rittman receives from that position in the city and keeping it local. He advised to him it seemed like we were turning into the Wal-Marts of the world. Lapehn advised he and Larry differ politically about some things as he sees the home rule as the state's rights issues with the federal government and the federal government dupes all the state's rights and the state complains about their rights and then we on the local level complain about home rule as the state was gobbling us up. He advised we also had local townships complaining about municipal rights in their area. Lapehn advised he would love to keep the half position and see how long they could string it along. He advised he agreed with Larry, but for different reasons.

Mayor Robertson advised with contractors in the city working such like Steve's (Johnson) business and he inquired as to who tracks them to make sure they are paying income tax.

Rissland advised that would be Shelley (tax administrator).

Robertson inquired as to who would do it if the state were collecting the income tax.

Rissland advised that was one of the things that the state probably doesn't do as well because we know what is happening in the community and the state is further away.

Robertson advised that was his thinking with RITA being one thing and the state was even farther removed. He advised it makes you wonder about how much were they (state) even going to care about who was paying tax to Rittman and what employers were paying for actively working contractors in the city. Robertson inquired as to how hard it would be if they (Rittman) were trying to check to see if the guys driving the bulldozers at the old middle school actually paid their taxes. He advised instead of knowing if we collected it now they would be trying to track it back through some other organization. He advised the philosophy was whether or not we want the State of Ohio to control our city.

Rissland advised that was the down side of shipping it out.

Beaumont advised he agreed with Richard (Lapehn) and he believed it comes down to philosophy and economics. Beaumont advised he believed we all live here for a reason and he believe we live here because it is a small community that we have an input. He advised people can come here every other Monday and voice their opinion. Beaumont advised he didn't want to get to the point of someone coming to them on a Monday night and our answer was, "Call RITA". He advised they would say, "Who's RITA?". Beaumont advised or tell them to call the State of Ohio or come in and speak with the City Manager on Tuesday morning. He advised we would have lost why we live here. Beaumont advised he has never lived in a big town and he really believes that is why most people live here because we know each other and we have can talk to each other if we have a problem. He advised he didn't care if the problem was a street light out or a tax problem and he really really did not want to get to the point where we say, "Call RITA" and they respond "Who's RITA?" or "RITA who?". Beaumont advised he understood (Rissland's) point of the efficiency of all of it, but he believes there is a benefit to a small town philosophy and he totally agrees with what Richard (Lapehn) was saying and he felt there had to be a big change before he would agree to turn anything over to RITA.

Carey advised he works with the RITA and CCA forms every day and the (average taxpayer) was going to have some real difficulty. He advised it was very difficult to get in touch with people and even more difficult to get them to call you back and he would not recommend going that way. Carey advised he would guess the state would be even worse as it was difficult to get in touch with them regarding state tax already.

Robertson advised it was dependent on what they (state) were going to charge. He advised it could be more than what we are paying our tax administrator.

Carey inquired if they (state) has given out any idea as to what kind of rates they would charge.

Rissland advised no, not that she has seen.

Hanlon inquired if it was necessary to pass it tonight or could it be three separate meetings and pass it in the middle of February.

Bower advised either way.

Boggs inquired if this resolution required three readings.

Bower advised they could pass on one reading.

Carey inquired as to how soon they needed to be able to send this resolution.

Boggs advised he was not given a deadline and he didn't know how fast the state was moving on this issue. He advised he could try to find out for the next meeting if they wanted to move it to second reading.

Carey moved to place on second, all Yeas on roll call and **motion carried.**

b. <u>Res. No. 7688 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Hereinafter Referred to as the Local Public Agency (LPA), in the Matter of the Stated Described Project. Three Readings and Adoption.</u> Res. No. 7688 was read on first reading. Russell moved to suspend the rules and have second and third reading, all Yeas on roll call and **motion carried.** Res. No. 7688 was read on second and third reading.

Carey advised with the $500,000 the city would receive solar powered school zone signs and he inquired as to what else.

Boggs advised the grant was in two phases and it first required they set up a committee and discussed safety issues within a 2 mile radius of the school. He advised the things that were discussed and recommended in the safe route travel plan with the committee and the consulting firm hired decided to apply to purchase a device that lays out a matted school zone crosswalk signs. Boggs advised currently the crosswalks were painted and they don't last. He advised they wanted these high visibility matted type signs that are applied with heat and an overlay. He advised they are hoping it would also provide at least 4 solar powered flashing school zone signs with 2 on Metzger and 2 on Saurer. Boggs advised they were also hopeful to get signs displaying the vehicle speed either mounted on school zones signs or a trailer that could be set up in any location so when school was not in session they could be used elsewhere in the city. He advised they also included in the grant application to have sidewalks installed to the LMI area of Home, Nautilus and Diane streets.

Hanlon inquired if it was a federal grant.

Boggs advised it was a federal grant through the Ohio Department of Transportation under the safe schools projects.

Hanlon inquired if it was 50/50 match.

Boggs advised this grant (if awarded) is 100% funded. He advised regarding the *not to exceed $500,000* clause was because a (figure) had to be put in and he had no idea, at this point, the total cost. Boggs advised they were also looking at getting LED flashing signs at certain areas of the schools as well as lighting along the new walkway from the school to W. Sunset. He advised since these items will be on school property the schools will be passing a similar resolution at their board meeting. Boggs advised he believed the final cost would be well under the $500,000. He advised they could apply for up to $500,000 per year and once they had the plan in place the committee could meet and apply for grants each year.

Lapehn moved to adopt, all Yeas on roll call and **motion carried.**

c. <u>Res. No. 7689 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties, Ohio, Authorizing the Finance Director to Request Advance Payment on Current Collection of Estate Taxes Due to Said City from the Wayne County and Medina County Auditors. Three Readings and Adoption.</u> Res. No. 7689 was read on first reading. Lapehn moved to suspend the rules and have second and third reading, all Yeas on roll call and **motion carried.** Res. No. 7689 was read on second and third reading. Russell moved to adopt, all Yeas on roll call and **motion carried.**

d. <u>Res. No. 7690 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties, Ohio, Authorizing the Finance Director to Request Advance Payment on Current Collection of Real Estate Taxes Due of Said City from the Wayne and Medina County Auditors. Three Readings and Adoption.</u> Res. No. 7690 was read on first reading. Carey moved to suspend the rules and have second and third reading, all Yeas on roll call and **motion carried.** Res. No. 7690 was read on second and third reading. Russell moved to adopt, all Yeas on roll call and **motion carried.**

<u>City Manager's Remarks</u>

City Manager Larry Boggs advised the recreation center had to close for a few hours this morning as there an issue with the electric poles at the (corner of W. Sunset and DeCourcey) location. He advised the center had lights, but had to shut down the equipment for fear of stressing out the motors.

Boggs congratulated Finance Director Rissland for her award from the Finance Officers Association. He advised she received the award of excellence in financial CAFR reporting.

Boggs advised he had an inquiry regarding Mark's Equipment on Industrial Street where a (fire destroyed part of the business structure) several months ago. He advised unfortunately the owner didn't have insurance and was (forced) of business. Boggs advised he sent a certified letter and tried to make contact through the phone last week. He advised he missed the return call today where the owner acknowledged receiving the letter and he indicated he plans on boarding up the

door that was vandalized. Boggs advised he would keep trying to make contact with the owner and get the issue resolved. He advised the structure probably needed to be (demolished) although he hated to see that as it was in the floodplain and it would be hard to get something rebuilt due to floodplain requirements. Boggs advised he was assuming it was in some type of bankruptcy proceedings, but he would find out and report back to Council.

Finance Director's Remarks

Finance Director Barbara Rissland advised Council would have their year-end closing at the next Council meeting.

a. Approval of Financial Report for November

Carey moved to approve, all Yeas on roll call and **motion carried.**

Council Remarks

Council Member Darrell Carey congratulated Barb (Rissland) on her award. He inquired as to what was going on with Rawiga.

Boggs advised he was led to believe that the new owners of the property would be contacting him and to date he has not received a phone call.

Carey advised so someone did buy it.

Boggs advised his understanding was that it was purchased, but would not take effect until January 3rd and one of the reasons he wouldn't hear from them until after that date.

Council Member Glen Russell inquired regarding the water report for November where there were some violations if there were procedures setup so that would not continue to happen.

Boggs advised every time they are inspected by the EPA they work on the issues pointed out. He advised he believed the comment was on the report that overall the plant was operating well. Boggs advised he didn't know if anyone gets 100% when they are inspected, but yes they always try to correct any problems found.

Russell inquired regarding the health department as to how much they charge when they inspect the recreation center and was it inspected once a month.

Boggs advised he didn't know how many times a year they inspect, although he felt it was at least quarterly. He advised he believes the rec ctr pays close $300 annually and they want to increase it. Boggs advised his feeling was that as a city they already pay the health department quite a bit for property tax and this was not a commercial operation he felt they ought to be giving a local government non-profit organization a break since their taxes also pay their (health dept) operation.

Russell inquired if he received a response (to the letter).

Boggs advised he has received no response whatsoever.

Russell inquired if a letter could be written to Mr. Rufener on behalf of the recreation center thanking him for his donation from Council.

Boggs advised he intended to do so just as he did the previous year. He advised he would thank him from the City Manager and Council.

Council Member Steve Johnson congratulated Barb (Rissland) and advised it was a great honor and he was glad she was doing such a great job for us. Johnson advised he agreed with Larry (Boggs) as it seemed kind of odd that they (health dept) charge us for that. He advised it was one of those things that were intergovernmental and you would think they could do it at a reduced rate or do it for nothing.

Council Member Richard Lapehn advised the state wants to keep their employees so they will bleed us dry and we want to keep our employees and the feds want to keep their employees so they will bleed the state dry. He advised he would like to say how grateful they are to the Rufener family for the very very generous gift to the recreation center and what a privilege that they saw it as a way to give back to the city and how very generous and they certainly appreciate it.

Robertson advised it was really nice furniture if they haven't seen it.

Boggs advised very very nice furniture.

Council Member Lynn Beaumont advised his family held his granddaughters birthday party at the recreation center last week and the new furniture was fantastic. He advised it was unbelievable. Beaumont advised he believed it all goes back to the discussion earlier that they have to take care of themselves. He advised if we are going to turn ourselves over to the state or the federal government then we are in big trouble. Beaumont advised he thinks we should do what we have to do to take care of our people for as long as we can. He advised if someone has a problem they know they can come to City Hall whether its trash pickup or income tax and talk to someone. Beaumont advised he really didn't want to be in a situation where somebody comes to City Hall and they are told to call RITA. He advised he agreed with the other comments regarding the health department. Beaumont advised at that same party for his grandchildren and his grandson told him it was the most fantastic pool. He advised his grandson lives in Boston and wanted to know how it (rec ctr) was paid for and he explained it was paid by those who use it and his grandson replied, "Do you know what it would cost to use a facility like this in Boston?" Beaumont advised this is what we have and this is the reason we live here. He advised when you think about what we have here and what we can enjoy. Beaumont advised he felt they needed to take a step back and say this

is what we are paying for and we want to keep it all right here. He advised he also felt it was ludicrous and he would march to the county administration office and talk with the administrators and make them as mad as he always has and do whatever they have to do to say how ridiculous it is to increase our fees for this pool (inspection). Beaumont advised if we can't take care of ourselves and pay the fees we have before then, we seriously need to take some action to do that. He advised he didn't believe he was alone as he felt everyone in the room felt the same way. Beaumont advised they do what they have to do to take care of ourselves. He advised if there are regulations to meet, we will meet them, but they were not going to take advantage of us and he felt they needed to take a stand and say that. Beaumont advised fees were going up everywhere and we are paying someone else's salary and let's take care of ourselves and whatever we have to do and complain about it, let's do it and they can quote him on that. He congratulated Barb (Rissland) and advised that was why they have very professional people taking care of our business here and congrats to her. Beaumont advised regarding the property on Industrial Street he didn't realize that property was as bad as it is and he felt they seriously needed to do something about it as it was a blight in the industrial area and whatever we need to do as far as our property maintenance code we needed to do. He advised we want people to come and do business in Rittman, but we want them to do it within the rules and the right way because we really don't want those kinds of property problems here.

Council Member Rick Hanlon had no remarks.

Mayor William Robertson had no remarks.

a. <u>Approval of Vouchers 56258 thru 56426 and 956401 and Memo Expense #'s 111103 thru 111109 w/Then and Now Certificates</u> Hanlon moved to approve, all Yeas on roll call and **motion carried.**

<u>Motion to Go Into Executive Session for the Purpose of Discussing a Personnel Matter – 7:53 p.m.</u> Hanlon so moved and invited the City Manager, Finance Director, Mayor and Law Director, all Yeas on roll call and **motion carried.**

<u>Motion to Come Out of Executive Session – 8:50 p.m.</u>
Russell so moved, all Yeas on roll call and **motion carried.**

<u>Adjourn: - 8:51p.m.</u>
Carey moved to adjourn, all Yeas on roll call and **motion carried.**

_____
Mayor

_____
Clerk of Council