

**Rittman City Council Met in  
A REGULAR MEETING  
on Monday, May 14, 2012 at 7:00 p.m.**

**Members Present:** Darrell Carey, Rick Hanlon, Steve Johnson and Glen Russell

**Members Absent:** Richard Lapehn and Lynn Beaumont

**Presiding:** Mayor William Robertson

Invocation was given by Barbara Brooks, clerk followed by the Pledge of Allegiance

**Approval of Minutes – April 23, 2012**

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

**Council Member Lynn Beaumont arrived at 7:04 p.m.**

**Workshop**

**a. Discussion of the 2013 Budget**

City Manager Larry Boggs advised this item was put back on the agenda if Council had any need to discuss the budget or the ordinance that was tabled at the last meeting.

Council Member Rick Hanlon inquired if this was the appropriate time to discuss the analysis of the income tax allocations.

Boggs advised whatever they felt they needed to discuss.

Finance Director Barbara Rissland advised at the last meeting there was some discussion of the percentage of income tax that goes to the water fund (25%). She advised she put together some numbers trying to see what sort of impact or what kind of reduction you would have to do in that percentage to make any sort of difference in the general fund. Rissland advised in the first section of the report on utility billing going from left to right was the number of customers by consumption. She advised there were approximately 53 accounts per page giving a rough idea of what consumption the water users have. Rissland advised approximately 58% of our customers use 3,000 (gallons) or less, that was the minimum bill, and it ranges according to those percentages up to over 12,000 per month. She advised the average residential consumption was 3.69 (between 3,000-4,000 gallons per month) Rissland advised income tax makes up \$345,000 of the revenue in the water fund and user charges only make up \$500,000 so, if they start reducing the percentage of income tax collections that goes into the water fund they were looking at what sort of water rate increase they would have to do to make up that money. She advised 25% of income tax going into water fund was \$345,000 and at 20% it would drop to \$276,000 with \$69,000 going into the general fund. Rissland advised at 15% going to water would be \$207,000 and \$138,000 in the general fund and on down the scale and obviously at 0% (going to the water fund) the general fund would get \$345,000. She advised the last section (on the spreadsheet) shows what kind of (water rate increase they would need to make up those dollars and if they wanted to make up the full amount (that now goes to the water fund that could be reallocated to the general fund) would be a 69% increase in the water rate. Rissland indicated at 20% going to water and 5% (additional) going to the general fund they would need approximately a 13.8% increase in the water rates. She advised if they dropped the allocation currently going to the water fund to 15% the rate increase would need to be 27.6% all the way down to zero percent going to water and the full amount to the general fund would require a 69% increase in the water rates to make up that difference if in fact they wanted to do that and everything else remained constant. Rissland advised obviously if they get new water users that helps generate revenue and cover the fixed costs in the water fund. She advised anything collected in user charges could only be used for water purposes so, that was a very good correlation of user charges and consumption since the resident could control their consumption. Rissland advised anything someone pays for water could only be used to pay for water generation, meter reading, waterlines and the like. She advised obviously the next question would be how much it would impact the residential users primarily. Rissland suggested they look at the worst case scenario and advised they could go wherever they want to (from that point). She advised the highest percentage increase at 69% would increase the minimum users by \$6.90 a month or \$82.80 a year. Rissland advised our average residential customer uses 3.69 per month, which is 74% of the residential customers using 4,000 gallons or less per month. She advised it would impact 74% of our customers at the maximum \$103 a year. Rissland advised this is just some basic information on the impact it would have on our water fund if we wanted to keep our capital (from the income tax collections) at the same level it is right now (25%) and have the same revenue stream.

Hanlon inquired at what point the sewer bond would be paid for.

Rissland advised there were actually two debt issues in the sewer fund. She advised the larger one was approximately a quarter of a million dollars a year and this was the last full year and next year there would be a half year and that (debt) will fall off (be paid). Rissland advised at one point they discussed a USDA loan outstanding that has a higher interest rate and thought of paying down on that debt shortening the term saving interest, but that money (from paying off the larger debt mentioned) would be free to do other things with too.

Hanlon inquired if it (the larger sewer debt mentioned) would be paid by June of 2013.

Rissland advised not necessarily June because when you make payments on municipal debt it was usually to pay the principle in either June or December although she would have to look to see when it was actually due. She advised the principle was usually due in December and they pay semi-annual interest payments.

Hanlon inquired when the debt was paid as to how much annual savings would there be for the sewer fund.

Rissland advised approximately \$250,000 on that issue, but there was still \$76,000 she believed in debt service on the USDA loan that goes out probably another ten or so years.

Hanlon advised he was wondering if they could keep the residents' bill the same by lowering the sewer bill and increasing the water (portion of the) bill to balance that out. He advised he liked the idea of someone using water paying for the water instead of income tax paying for water.

Rissland advised she could do that calculation for next time as to how much a \$250,000 would impact the sewer rate and equate it to a dollar amount pretty much the same as they did on this (spreadsheet). She advised potentially they could reduce it.

Hanlon advised the Council Members then could look at whether they wanted to do that.

Mayor Robertson inquired if potentially that could be done.

Rissland advised they were separate funds.

Hanlon reiterated they were separate funds. Hanlon inquired if they needed to go to the voters to lower their sewer costs.

Rissland advised no.

Hanlon inquired if we need to go to the voters if we are going to reduce the amount from the general fund coming into the water (from the tax collections).

Rissland advised yes. She advised that was an income tax allocation that went to the voters. Rissland advised another thing to keep in mind if they decide that was the direction they wanted to go and place it on the ballot for November that the Board of Elections said the deadline was August 8<sup>th</sup>. She advised they would need to act fairly quickly if that was what they wanted to do. Rissland advised or they could do some combination of if not the full 25%. She advised obviously if any city around here increases their income tax rates it was going to impact our income tax (collections) and they could revisit it again.

Council Member Steve Johnson inquired if there was an amount out of the capital fund that comes from income tax as well.

Rissland advised yes, 25%.

Johnson inquired if it was a possibility to take that 25% (capital) and ask the voters to redirect it (to general fund). He advised as he understands it if the money is in the general fund they can take it from the general fund to sewer or water or capital if we desire, they just can't go the other way.

Rissland advised they could do that. She advised also they could take it from general fund and put it in the enterprise fund, but they cannot go the other way. She advised anything that was user charges has to be spent for that purpose. Rissland advised one of the dangers of reducing the capital was the deferred maintenance costs and if they don't do the capital projects it just gets more expensive. She advised as long as they were disciplined to spend money on capital she felt that was a good idea.

Hanlon advised Orrville just raised their capital from 20% to 25% out of the general fund. He advised it was a good number to go with. Hanlon inquired if it was known if any surrounding areas were allocating their water (fund) out of income tax.

Boggs advised he doesn't know of any (other city) that has done it like (Rittman) did.

Rissland advised she has never seen it before.

Boggs advised it was done (approved by the voters) a long time ago.

Rissland inquired if Council needed any additional information or would be interested in her providing such.

Council Member Darrel Carey advised he would like to see the impact of the \$250,000...

Rissland...on the sewer fund and added (she could also provide) how much longer the other debt issue was outstanding and how much they could save if they paid it down versus reducing the rate.

Hanlon advised also the when we will be free and clear of that debt.

Rissland advised yes as to the actual time period.

Hanlon advised on the spreadsheet under the consumption of 12+ (thousands of gallons) there were no rates listed and he inquired if they had any idea what a rate increase would cost those 53 customers or was it because they were at a varying level.

Rissland advised they were at varying levels and when she was pulling the rates out of the ordinance that was where she stopped. She advised she could give a more detailed breakdown of our

largest consumers if they would like for next time and the rates and how much annually that would impact. Rissland advised this was a snapshot and she used maybe March or April consumption. She advised on the larger consumers she could use an annual average.

Hanlon advised working with the worst case numbers listed and (to generate) \$345,000 (in revenue into the general fund) was a 69% increase in the water.

Rissland advised right.

Hanlon advised so, he thinks the 12+ (thousands of gallons) consumption users were mostly businesses.

Rissland advised mostly, yes.

Hanlon advised we didn't want businesses to no longer be able to afford water and he would like to know how much that was going to impact business.

No further discussion.

### **Citizens Forum**

Vicki Pelfrey of Strawberry Hill advised she was requesting some figures regarding the paving of (the streets at) South Fork and to provide them to her at the next meeting. She advised she would like to know how much the City of Rittman saved this past winter on vehicle expenses, repairs, gas, overtime hours and benefits due to it being a light winter. Pelfrey advised she wasn't sure if the city was still receiving free salt from Morton Salt, but if not she would like the salt costs included. She advised the State of Ohio provided an extravagant figure in savings (to the taxpayer) and she would like to know what the amount was saved and what was being done with that amount. Pelfrey inquired whenever there has been paving of the city streets in Rittman if the property owners have all been assessed the cost or have any been done for free. She advised she would also like the dollar amount that was assessed to the homeowners. Pelfrey advised there was a \$5 assessment for residents of Rittman for vehicle registration of their license plates and she inquired as to where that money was going.

Stefanko interjected it was \$20 now.

Pelfrey advised okay and inquired as to where that money was going as far as repairs for streets. She advised also she has asked repeatedly for street signs at South Fork as they have been missing for a long time and they need to be replaced. Pelfrey advised if someone could have those figures by the next meeting, she would appreciate it.

Mitchell Engstli of North Fourth Street advised there were some rumors going around that the Rittman Recreation Center is in jeopardy of closing. He advised if that is true he felt it would be very detrimental to the community. Engstli advised he felt it (rec ctr) was a safe haven for kids to go. He advised he had a ruptured disc and he had to do physical therapy of weight lifting to strengthen his back. Engstli advised his wife does the T.O.P.S. program at the rec center for weight loss. He advised he had an idea as he thought the pool was probably a big cost to the center although he wasn't sure, but that would be his guess. Engstli advised he would suggest closing the pool just until the economy gets better and keep the rest of the rec center open and reopen it when the economy was better. He advised he felt that would help alleviate some of the cost of running the center and it was just an idea. Engstli advised he felt the rec center was a beautiful building and very good for the community. He advised he would hate to see it close, if that was what was going on although he didn't know.

Dave Tabaka of Pleasantview Drive advised Councilman Beaumont a couple of meetings ago said that he was probably the most conservative member of Council. He advised he realizes that was a relative statement, but he wanted to point out that conservatism was more than just something you say, but it was something that has to be actively affirmed. Tabaka advised he doesn't believe anyone who calls themselves a conservative would vote against the will of the people, against a reciprocity decrease. He advised Councilman Hanlon at the last meeting stated it was too late for the people to have a vote and assumes from that (statement) that if he could he (Hanlon) would (put it on the ballot). Tabaka inquired since we have known about the budget cuts a long time ago why then could we not have had it on the November ballot or better yet the March 6<sup>th</sup> ballot. He advised he would appreciate a response if Council would care to do so.

Hanlon advised they have been talking about budget stuff for at least a year and Council meets twice a month and it has taken us until now to get to this point. He advised he didn't want to put words in Glen's (Russell) mouth, but he (Hanlon) doesn't think he (Russell) thinks this (proposed credit reduction) was a bad idea as much as he also would like to see it go to the voters. Hanlon advised we didn't know until the state announced we were going to lose \$300,000 that we were going to need this money in the general fund. He advised Larry (Boggs) has done an excellent job making cuts and not replacing people that have retired. Hanlon advised as soon as the state announced we were going to lose these funds we started talking about how we were going to generate (revenue to replace) these funds and it isn't going to happen overnight. He advised if they had time to go to the voters then, absolutely, but it has taken us this long to get to this point. Hanlon advised if it goes to a vote, he will vote for it, but they were still looking at other ways to help out our general fund as you heard here in our workshop. He advised they were looking at allocating a percentage (of funds from the tax collections) from the water (fund to the general fund) and if they can do that, but he didn't want to see a 69% increase in his water bill, but maybe they could offset it with lowering the sewer rates when that bond was up (debt service paid in full). Hanlon advised he didn't know what was

going to happen, but they may also be able to put something on the ballot for November or they (citizens) could put something on the ballot for November to repeal our (Council's) decision.

Tabaka advised apparently that doesn't matter because in reading Mr. Bower's brief and according to a precedent he cited that once something was in the Charter it was the will of Council whether placed there through an initiative or not. He advised it almost seemed kind of crazy that the voters can do an initiative and pass it and it could then be overturned by Council.

Hanlon advised that wouldn't surprise any of us.

Tim Stefanko of Salt Court advised at the last meeting he said something (to Council) to the effect of if they couldn't see the scum then they had no business being up there. He advised he wanted to apologize for looking at (Hanlon) when he said it because he was the new guy up there and he probably had the least knowledge of it. Stefanko advised he could tell them how things generally work though because over the past decade each year there was not much discussion of the finances until it was time for the City Manager to submit a budget and every year the city was broke. He advised they were always trying to find more ways to take money from people in order to pay their bills. Stefanko advised every year Glen Russell says they need to have a workshop and go over the budget line by line and see what could be taken out of it and he imagines he (Russell) said that this year as well. He advised and every year Council says that wouldn't do any good that they were too busy and to let the City Manager and the Treasurer take care of it. Stefanko advised the issue was usually resolved every year where Council finds a new fee to impose or a new tax or whatever you want to call it, but usually they were successful in finding a way to extract more money from the people of Rittman. He advised everyone sitting up there is shocked that they were suddenly going to lose the Local Government Fund and he couldn't understand where the surprise comes from because anyone who pays attention to the statewide news knows that has been coming for a long time. Stefanko advised he has been down here for ten years saying they couldn't count on that Local Government Fund because it was a like a welfare check for the city from the state and that they needed to wean themselves off of it. He advised every year they spend that money and figure it into the budget and now we don't have it. Stefanko advised there has been some discussion about whether overturning the referendum was legal by Council and Mr. Bower brings up a case from the 1930's where voters wanted Council to spend money they didn't have. He advised he would like to know if there has ever been a case in the State of Ohio where the courts said you can't overturn the voter's referendum. Stefanko advised Mr. Bower would probably tell you he didn't find any (such case), but he would probably not tell you that he never looked. He advised everyone sitting up there ran on a platform that they were going to bring in new business so they can bring in revenue for the city and bring jobs to Rittman and they had all these ideas for bringing in new business. Stefanko advised nothing has been submitted in a legislative form that was going to attract new business. He advised nothing has been done and pretty much what he sees is their idea of bringing in new business was to say, "Hey Larry, go get some new business! When you get some make sure you send us an invitation to the ribbon cutting ceremony so we can get our picture in the paper." Stefanko advised he has seen our City Manager work his tail off trying to bring in new business, but the rest of Council he sees nothing. He advised now that they were without this money they were in a position that they were going to have to go to work and start doing some deep painful cuts. Stefanko advised they were going to be deep and painful because they weren't done ten years ago, nine years ago, eight years ago and on up. He advised nothing was ever cut as nothing ever gets cut in this Council and now it was going to be painful. Stefanko advised they needed to do the work, they needed to do the job, they needed to start cutting. He advised every year he hears how they have trimmed it to the bare bones and can't spare another dime. Stefanko advised the Mayor's gavel cost \$246 and he felt they could start by putting that on ebay. He advised maybe they could stop paying Council Members when they don't attend a Council Meeting. Stefanko advised he brought that up a long time ago and he was laughed at. He advised quite frankly for a job where you work 21 days a year he didn't feel they should get paid vacation and sick time when they weren't here, he didn't care what the reason. Stefanko advised they need to sit down and go over and start making some cuts and they were going to be painful and people were going to hurt and they were going to hurt their friends and a lot of people who have done real well by knowing the right people, but it was going to be the right thing to do and something that needed to be done. He advised if they can't make those kinds of cuts or they don't have the courage or guts to make those kinds of cuts then they need to resign and let somebody take their position who would make those cuts.

William Pomeroy of Medina Street advised he came to complain about the cemetery as he felt it was an abomination. He advised they were paying guys to be working up there who weren't even doing their job. He advised there were weeds underneath the trees "that high" (he gestured a height with his hands) and around his mom and dad's gravestone the grass was "that high". Pomeroy advised it was half mowed around the veterans (section) up there and he felt it was an abomination. He advised over the last three weeks he has been going up there and mowing around his mom and his brother-in-law's gravestone. Pomeroy advised they were paying guys to do the job and he felt they should be doing it. He advised if they weren't going to do the job then they (city) ought to hire someone else. Pomeroy advised he works six days a week, 70 hours a week and if these guys can't work a 40 hour shift then they need to get out and that was the way he felt about it. He advised they (city crews) were getting paid to work, he felt they should work.

Charles Copley of East Ohio Avenue advised he would like to commend Council for action they took at the last Council Meeting when they tabled Ord. No. 7702. He advised he felt that was the first step in the right direction. Copley advised it was his understanding that there was a \$300,000 (deficit) gap in paying the bills however, the ordinance in front of you will only generate \$188k and only half of that will go to the general fund. He advised so they were only getting around \$94,000 in the general fund to replace the \$300,000 they were losing. Copley advised that still leaves a \$200,000 gap and they would have to make more cuts, more revenue enhancements or more shifting funds around to make things work. He advised his recommendation would be instead of decreasing the tax credit for those who work outside the city they needed to look at all the other cuts first and then come back to the voters. Copley advised he felt they would have a better case because then they would have truly done all that they could do instead of just saying it. He advised it was also his understanding based on information from October 10<sup>th</sup> that the estimates for 2013 was a \$50,000-\$80,000 loss. Copley inquired if that was still correct and the rest was for 2014.

Rissland advised no, that was what was going to happen as part of the two year cut period through mid-2013.

Copley advised it was \$300,000 total over the two years, but he inquired as to how much of that was in 2013.

Rissland advised she would have to look she didn't have those (figures) in front of her.

Copley advised the last estimates were around \$50,000-\$80,000, which he felt could be made up with cuts as opposed to the tax changes and that would give you the time, Mr. Hanlon, to send it to the voters to have it passed by the voters. He advised on another note, when they were going through the downtown revitalization (plan), one of the items pointed out to the city was lack of parking. Copley advised not having enough parking to support the downtown businesses and yet a few months ago the city decided to close down 15-20 parking places within walking distance of downtown and dedicated those to the safety service division only. He advised in addition they decided they would close 4 or 5 spots right in front of the police station that is again within walking distance of the downtown area. Copley advised he felt these parking restrictions go against the development (plan) and bringing people to town as it limits parking spaces in the downtown area and he asked the city to reconsider those parking bans.

### **Old Business**

#### **a. Motion to Remove Ord. No. 7702 from the Table**

Hanlon so moved, upon roll call; Russell-No, Beaumont-Yes, Carey-Yes, Johnson-Yes, Hanlon-Yes, and **motion carried.**

**b. Ord. No. 7702 An Ordinance of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Amending Section 191.07 (a) City Resident Subject to Income Tax in Other Municipality of the Codified Ordinances. Third Reading.** Ord. No. 7702 was read on third reading. Ord. No. 7702 was read on third reading.

Carey advised at the last meeting this ordinance was tabled so everyone could be here and he inquired if it was possible to table it (again) until Rich (Lapehn) could be here.

Law Director Bower advised yes after Council has some discussion.

Carey advised he knew there were some people who think they are raising the taxes when it was actually adjusting the credit. He advised there is some misinformation and if they decide to do this he felt the city needs to make sure they explain this so everyone understands exactly how it will affect them. Carey advised he has had people who work in the township and live in town asking why they were now going to have to pay 2% to Rittman. He advised he explained they would be paying nothing additional because they were already paying the 1.5% to the city. Carey advised he was surprised how many people still don't realize the money they pay where they work never comes here so if they are going to do this he felt they needed to explain how it truly works.

S. Johnson agreed and advised in his discussions with people it was very difficult to understand the whole (reciprocal agreement). He advised he doesn't often agree with Glen (Russell), but he thought they should put it on the ballot and he felt they should look at the capital 25% instead of the water because he felt they could redirect the capital a little easier from the tables they saw here. Johnson advised if they are going to talk about cuts they were going to have to discuss limiting police protection and cut staff at City Hall and outsource the things that we do there, but those things still had to be done so if they are cut they would be outsourced. He advised they could also cut street maintenance or snow plowing or street lighting or sell some park land or the recreational facilities because that was where the general fund money was used. Johnson advised they needed to pick the \$300,000 out from there and where they wanted to whack it. He advised he would say if they are going to move this one (ord. no. 7702) forward they should amend it to put it on the ballot and also draft an ordinance on redirecting the capital. Johnson advised that would be his thinking.

Hanlon advised if this ordinance were to fail or not pass third reading he inquired if they would be able to put together a 2013 budget.

Boggs advised we wouldn't have any choice as they have to.

Hanlon advised he guessed what he was asking was in 2013 were they looking at cutting \$50,000 of those services or were they just looking at changing some numbers around as was suggested by a citizen.

Rissland advised it depends. She advised she talked to Jarra (Underwood, Wayne County Auditor) today about scheduling the budget hearing on inside millage that would be available as a result of the split with the township and that could be a potential \$45,000. Rissland advised income tax collections were up this year, which was positive. She advised they did save some money because of a mild winter. Rissland advised all of those things help and they buy time, but ultimately there was \$300,000 that was gone. She advised she would have to look at it and see exactly what was going to happen in 2013 and she has asked Jarra for an answer before July so they could prepare the budget with or without that \$45,000 and she is supposed to get back to her and that would help to answer that question.

Council Member Glen Russell inquired as to what we pay right now for the inside millage as far as the city was concerned. He inquired as to "what do the residents pay right now?"

Rissland advised she didn't have that in front of her, she believed it was 2.2%.

Russell inquired if she could get that for him.

Rissland advised yes, she could.

Mayor Robertson inquired as for the police, fire and EMS.

Rissland advised the inside millage only goes to the general fund. She advised for the current inside millage there was approximately four different rates and she inquired if he wanted them all.

Russell advised yes.

Johnson inquired if we could amend this ordinance and send it to the voters and just add an amendment.

Bower advised he could do that.

Boggs advised he would recommend they look at the additional information from the finance director as requested and discussed in the workshop. He advised he would like to see those numbers before making a decision as to which way they wanted to go. Boggs advised if they amend the ordinance they were committing to going one direction. He advised he wasn't saying it was wrong or right, but that they would be committing to one before looking at and deciding on any other route such as changing a portion of the income tax that goes to the water fund. Boggs advised like discussed here tonight he felt there was a possibility of reducing the sewer rate to compensate for increasing the water rate. He advised they didn't have all the numbers yet, but he felt it would be the least painful for everyone.

Council Member Lynn Beaumont advised one thing he felt they needed to remember was that the money they were no longer getting from the state was real dollars. He advised it wasn't a "this is going to happen", but this has happened and they were real dollars that we no longer have in the budget. Beaumont advised so somewhere along the line they need to come up with those dollars, those were real dollars. He inquired where were they going to come up with cuts or increases or move money around. Beaumont advised he felt they were foolhardy if they say let's come up with \$120,000 because they were still \$180,000 in the hole. He advised he felt whatever approach they take they needed to approach it with the intent of replacing those real dollars and come as close as they could. Beaumont advised as stated by one of the residents these were going to be serious cuts. He advised they have cut by attrition, by not replacing people, by making reductions in certain areas, by not buying things we've needed and have been fortunate in areas like the mild winter. Beaumont advised he felt they needed to focus on the fact they needed to make up XXX number of dollars and then decide the best and fairest way to all the citizenry. He advised these weren't just numbers on a sheet, but real dollars and we need to be able to come up with a plan as to how we are going to make up for these real dollars. Beaumont advised he has said publicly that he feels the credit (given for taxes paid other cities) was good because he believes it is fair. He advised he felt the approach that Barb (Rissland) suggested with the sewer fund was fair because it was fair to everybody. Beaumont advised he was in favor of that type of approach where it was fair to everybody and you weren't singling out one section of the populous to deal with (an issue). He advised whatever approach we come up with he felt they needed to keep their eye on the ball and to remember they need to come up with real dollars. Beaumont advised they needed to come up with a plan to make up that amount of money we are losing. He advised we know what it is, the figure was \$300,000 and they were right this in reality is only 35% of what we actually have to come up with. Beaumont inquired as to how were they going to come up with the rest of it. He advised he felt they were going to have to have cuts somewhere and they were going to have to do something with the tax rate. Beaumont advised he liked all the ideas, he liked the discussion, but at some point in time they had to say what were the real numbers and how do they come up with those numbers. He advised we need a comprehensive plan to come up with those real dollars that we are going to lose and he didn't know any other way because that money was gone and it was never coming back so, how do they deal with it.

Carey inquired if there was a possibility they could lose additional funds with this next state budget.

Rissland advised sure.

Carey advised so this wasn't a fix all solution if the state continues to take monies from the cities.

Rissland advised she thinks that will happen at some point and they will be forced to look at it because we aren't the only city and as everyone loses the local government funds and other state levied locally shared taxes, they were all in the same boat. She advised they could only cut so far and then they either have to generate revenue or reduce expenses and everyone has the same tools we have and she was sure the same discussions. Rissland advised they were going to have to either increase the tax rate or reduce the credit as a lot of cities already have and increasing the rate would hurt us (the taxpayer) even more.

Johnson advised from what he read there has been a 20% reduction in state income tax rates over the last 3-5 years. He advised part of the situation and the way the system worked was the income tax going to the state was like us funding the grocery store and they charge 20% extra and gave part of it to the barber so he would give us a free haircut. Johnson advised he believed the state was trying to shut the cost back and we need to find a way to provide our services and make people feel they are getting good value for their money. He advised the money wasn't going to Columbus so they needed to figure out a way to take care of the income so they could take care of their expenses.

Russell advised the only comment he had was that he still feels it should be up to the residents of Rittman to decide what we were going to do.

Hanlon indicated he would like for all Council persons to be here for the vote.

Russell advised if they were going to postpone it for another two weeks and he inquired what if someone was absent at the next meeting. He advised we could go on like this forever.

Hanlon advised they were also looking for more information.

Carey advised he would like to see the information requested and that was more of a reason to table it in his opinion.

Rissland advised she could provide the information so they could see the potential offset.

Carey inquired as to how much from the capital improvements could they move to the general fund from the tax collections.

Rissland advised it was the same as the water at 25%. She advised to keep in mind some of the transferring they've made to start taking steps to try to make things balance. Rissland advised for a while some of the permissive tax funds were being saved just for capital construction projects and with the loss of the money in the general fund they shifted some of the fuel costs and the cost of salt and other items for maintaining the streets over to those funds where she believed they were properly spent. She advised that frees up the money in the general fund. Rissland advised they pushed more of the capital projects to the capital fund and if they cut the capital then they kind of hurt that balance. She advised a lot of times they use that for their matching funds to get our grants for the streets particularly. Rissland advised they could do that though (ask the voters to approve moving 25% of the income tax designated to the capital fund to the general fund) as it would be the same number (as requesting the voters to redirect 25% of the income tax designated to the water fund to the general fund).

Hanlon inquired in the general fund the outstanding encumbrances if that was to date or throughout 2012.

Rissland advised some of the items were for the whole year as there were certain items they would encumber for the whole year the estimated cost such as fuel, although she believed that was low and she would have to come back and get additional appropriations. She advised it depends and gasoline prices didn't go up quite as much as were anticipated and hopefully they would come back down. Rissland advised they do not typically encumber utilities and that was another high cost. She advised some of those were for a short period and some of those were for the whole year.

Hanlon advised just looking at the unencumbered balance we don't know where we're at with that.

Rissland advised the encumbrances that are annual or carryover from the prior year perhaps to cover the December bills are pretty consistent. She advised if you take your actual expenditures except for any capital items and divide it by the number of months was a pretty good indicator or look at your prior year numbers.

Hanlon moved to table, all Yeas on roll call and **motion carried.**

**c. Res. No. 7705 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Authorizing the Finance Director to Create a Solid Waste Management Fund. Third Reading.** Res. No. 7705 was read on third reading. Carey moved to adopt, all Yeas on roll call and **motion carried.**

**d. Ord. No. 7706 An Ordinance of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Creating Chapter 333.11, Golf Carts, of the Codified Ordinances of the City of Rittman and Declaring an Emergency. Third Reading.** Ord. No. 7706 was read on third reading.

Boggs advised Chief Burg put a memo in the packet and he didn't know if Council wished to entertain that finding. He advised (the cities) that already have this (legislation) intact charge an inspection fee and he was assuming they would have to have a sticker for that and it was going to cost the city money. Boggs advised he didn't know if Council wished to consider amending (this ord.) to add such a section.

It was noted that section was already added.

Boggs apologized and advised he misunderstood.

Hanlon advised he didn't think they needed to make money off of it.

Boggs indicated that wasn't his intention, but to make them aware it would cost us to do the inspections.

Hanlon moved to adopt, upon roll call; Beaumont-Yes, Johnson-Yes, Hanlon-Yes, Russell-No, Carey-Yes and **motion carried.**

e. **Res. No. 7707 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Declaring it Necessary to Improve Strawberry Hill, Cutters Landing, Windswept, Pebble Cove, Driftwood, Jasmin, Hawk Ridge, Windsor Mews and Wilers Grove by Planing and Milling the Existing Surface and Installing a New Asphalt Surface, All Together with the Necessary Appurtenances Thereto and Declaring an Emergency. Second Reading.** Res. No. 7707 was read on second reading.

Carey inquired if the roads at this South Fork development have ever been resurfaced.

Boggs advised it was his understanding quite a while ago the city wanted to resurface these streets and there was some outcry from the public at the time and it was never done. He advised he doesn't believe they have ever resurfaced those roads at all. Boggs advised these streets are in very bad shape.

Hanlon inquired in order to get the monies from the Ohio Public Works did they need to speed this up and adopt this tonight.

Boggs advised it would be nice to have it adopted tonight. He advised it depended on what they wanted to do with the (meeting date set to be held on) Memorial Day problem and indicated there would only be one regular meeting a month in the summer.

Hanlon advised he believed the deadline was July 1<sup>st</sup> assuming the budget was already in place.

Boggs advised he felt they would be okay because he and the Service Director would calculate the exact distance from the measurements on the street and they could go out for bids without hiring an engineer.

Rissland advised they may need an appropriation amendment once they get some of those figures.

Boggs advised he believed they could start the process for going out for bids as that does take time. He advised he wouldn't have an agreement letter from them (OPW) until July 1<sup>st</sup>.

Russell inquired if we knew how much this was going to cost these people (property owners).

Boggs advised they have a general cost of the entire project, but he couldn't say what each property owner would owe yet.

Russell advised he talked to some of the people out there and he drove those streets and he agrees these streets need to be paved, but the residents are saying that they are prepared for them to be left that way because about half of them are going to go bankrupt. He advised if they (the residents) don't want those (streets) paved he inquired as to why we (city) were pushing them.

Boggs advised he hasn't heard that this time. He advised he said what he understood took place previously. Boggs advised he hasn't had any complaints.

Russell advised he was saying that the residents are saying that.

Boggs advised he hasn't received any calls.

Russell advised "they have told me that".

Robertson advised at some point they have to work on infrastructure.

Russell advised if our city is losing money then if they (residents in this area) don't want it then let's use the money someplace else.

Boggs advised actually a gentleman came in to City Hall today and asked, because of the way it was reported, whether we were doing the streets or sidewalks in this area, and when we told him it was his street he was very happy and in fact elated. He advised he was sure there are people who don't want to help pay for their street, but there are also some people that want it (improved).

Johnson advised we have had that before like when we (improved) Ohio Avenue there were people who didn't want it done. He advised he did some work in a house in that area and most people complain when the city doesn't fix the streets. Johnson advised he didn't know because he only talked to one person.

Russell advised it depends on who you talk to.

Johnson advised that's right. He advised the streets are bad and they weren't going to get any better. Johnson inquired if there was Issue 2 funding for this project.

Rissland advised yes.

Boggs advised it was not quite 50% (of the total cost of the project) that would be paid for by a grant. He advised they weren't going to get that again.

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

## New Business

a. **Res. No. 7710 A Resolution of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Declaring it Necessary to Proceed with the Sidewalk Improvement Project from the South Side of Rittman Avenue, Greenwood, Pinewood, S. Hickin, Crismore, Grandview, Hillcrest, Fairmont, Bauman, Hawthorne, Sterling Avenue from S. Hickin to Grandview, S. Metzger and Maplewood by Replacing Sidewalks in Disrepair and the South Side of Rittman Avenue, Greenwood, Crismore and Hillcrest by Installing Sidewalks Where Necessary All Together with the Necessary Appurtenances Thereto and Permitting Participation in this Project for Those Who Choose in Other Parts of the City and Declaring an Emergency. Three Readings.** Res. No. 7710 was read on first reading. Hanlon moved to suspend the read on second and third reading. Res. No. 7710 was read on second and third reading.

Hanlon advised last year was a learning experience with phase one and we got through it although he wasn't happy to see concrete being poured in November. He advised hopefully they can get this work complete before October 31<sup>st</sup>.

Carey advised knowing how much sidewalk sections there are to pour in this section there wasn't a chance of getting it done for \$50,000 in one year. He inquired if this would give him the authority next year to go forward until it was done.

Boggs advised they had to do another ordinance next year. He advised they would not be able to get everything in this phase done this year. Boggs advised according to the calculations the areas that do not have sidewalks they would only be able to do three areas this year. He advised there have been some volunteers for the program this year as well from other areas of the city and the budget would be close.

Hanlon advised as money comes in from the first voluntary program and the phase one program and he inquired if those monies were rolled back into the sidewalk program.

Boggs advised he would normally say yes, but he better let the finance director answer that.

Hanlon advised we set aside \$50,000 a year from the capital (fund) to do this program and he inquired if it was going to compound as monies come back.

Rissland advised that would be Council's choice, but at this point in time it's been primarily our money although we have gotten some sidewalk money back in and they could either a) increase the sidewalk program budget or b) use it to be part of the \$50,000.

Russell advised he thought when we first started talking about it that we were going to have it roll over. He advised we put \$50,000 in it at the beginning of the first year and this year we have \$50,000, but as those people pay from the first year he thought it was going to roll over into this and we would have \$100,000.

Johnson advised that was his understanding as well.

Rissland advised we could do that.

Robertson advised the collection was over 3-5 years so they wouldn't get the whole amount back this year.

Hanlon advised the initial estimate was seven phases.

Boggs advised it was still seven phases, but it may take us three years to get through phase two.

Hanlon advised if we do seven times fifty that was \$350,000 and it was going to take a lot more than that to get through Rittman. He advised this was the reason he thought they were going to add money to our \$50,000 as it came back to us. Hanlon advised otherwise our grandkids would be worrying about sidewalks.

Rissland advised it was probably too late for this part of the sidewalk program phase, but for next year they could take anything they have collected to date and increase the budget from \$50,000 plus what we've collected.

Hanlon advised he didn't believe we'd get done without it.

Rissland inquired if they (Council) wanted them to try to do it for this year.

Russell inquired if she knew how much money they've taken in.

Rissland advised no, she believes she brought that to the last meeting and she didn't bring it with her tonight.

Russell advised whatever we have taken in should be rolled into this year and go as far as we can go with it.

Boggs advised it was going to have to be re-appropriated.

Rissland advised probably.

Hanlon advised they would need an appropriation ordinance for the sidewalks anyway once it was bid out.

Rissland advised she had \$50,000 in the budget for the sidewalk program. She advised part of it was the monies that have come in and part of it was straight up capital monies. Rissland advised they had some (money) come in early this year as she thinks those bills were sent out after the first of the year for last year. She advised so that money has just come in in the last few months. Rissland advised all that was in there before was the \$50,000 as she has not re-appropriated it although they could or wait until next year and do a larger (area) next year.

Russell and Johnson advised they would say do it this year.

Rissland advised she would look at other sections of sidewalk and put it in there although she didn't know what that would do to Larry and the Service Department in deciding which (additional) ones to do.

Boggs advised he would envision they would probably do Maplewood if we are going to add another section this year. He advised that would be his recommendation.

Rissland advised she can work with Larry on how much we need.

Boggs advised Grandview was a very long shot and half of Grandview was the city's cost anyway. He advised maybe we do our half (city park property).

Hanlon advised all of those streets were already included in this resolution. He advised they (city administration) can then decide which ones they wanted to do.

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

**b. Ord. No. 7711 An Ordinance of the Council of the City of Rittman, Wayne and Medina Counties, Ohio, Authorizing the Municipal Manager to Accept the Lowest and Best Bid of G. E. Baker Construction of Shreve, Ohio for the Douglas Drive Improvement Project and Declaring an Emergency. Three Readings.** Ord. No. 7711 was read on first reading. Carey moved to suspend the rules and have second and third reading, upon roll call; Russell-Abstain, Carey-Yes, Beaumont-Yes, Johnson-Yes, Hanlon-Yes and **motion carried.** Ord. No. 7711 was read on second and third reading.

Carey inquired if we received a grant for over half of the cost.

Boggs advised it was less than half.

Carey inquired if the remaining portion of that was included in any of the outstanding encumbrances.

Rissland advised capital encumbrances, not yet.

Carey advised the unencumbered balance was \$308,000 in capital so if this is not in there yet we really have \$150,000.

Rissland advised right, but we will be getting some grant monies in and that is not included yet as revenue either.

Hanlon advised some of it could come from the water fund because they were replacing a water line (as part of this project).

Rissland advised some of it will come from water. She advised it was like a 60/40 split.

Carey moved to adopt, upon roll call; Russell-No, Carey-Yes, Beaumont-Yes, Johnson-Yes, Hanlon-Yes, and **motion carried.**

**c. Ord. No. 7712 An Ordinance of the Council of the City of Rittman, Wayne and Medina Counties and State of Ohio, Amending Section 735.06, License Issuance, Effective Period; Fee, of the Codified Ordinances of the City of Rittman and Declaring an Emergency. First Reading.** Ord. No. 7712 was read on first reading.

Russell inquired if it was really necessary to pass this on three readings tonight. He inquired if it was an emergency ordinance.

Boggs advised there was a possibility that state law was going to change. He advised if it changes it will regulate these arcades and at the end of each contractual period they will not be able to renew similar to the cable franchise law stating the cities couldn't renew those franchises that they had to go to the state. Boggs advised the current vendor is requesting the three year renewal. He advised we are trying to get it (approved) to beat the (state) legislation.

Hanlon moved to suspend the rules and have second and third reading, all Yeas on roll call and **motion carried.** Ord. No. 7712 was read on second and third reading. Beaumont moved to adopt, all Yeas on roll call and **motion carried.**

**d. Motion to Appoint a Member of Council to the Nuisance Abatement Board**

Boggs advised this goes along with our nuisance ordinance. He advised if Chief Burg bills a property owner (mostly rental properties) for a violation listed in the ordinance that continually causes the police department to go there for service calls then, they can be billed after a certain time. Boggs advised the ordinance requires they form a board and three citizens have agreed to serve and now Council has to appoint one of its members to serve with those residents.

Hanlon moved to appoint **Beaumont**, all Yeas on roll call and **motion carried.**

**e. Proclamation – EMS Week – May 20-26, 2012**

Mayor William Robertson proclaimed May 20-26, 2012 as EMS Week in the City of Rittman and he encouraged the community to observe this week and thank their local EMS personnel.

**f. Motion to Cancel the May 28<sup>th</sup> Council Meeting Due to the Observance of the National Memorial Day Holiday** Boggs advised he believed Council was pretty well caught up (on business). He advised he has had several discussions with Wayne Economic Development and if an issue were to come about he may have to call a special meeting. Boggs indicated there was nothing currently pending that had to be acted on before the June meeting.

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

### **City Manager's Remarks**

City Manager Larry Boggs introduced the new Rittman Area Chamber of Commerce Executive Director, Tina Gienger. He advised she was chosen by the committee made up of chamber board members and she has been serving in her new position for about a month now. Boggs advised she was doing a fine job and he knows it is a tough job and he thanked Gienger for attending tonight's meeting and advised he appreciated it.

Boggs thanked Ken Mann, City Utilities Supervisor for making a fountain for "Charlie's Puddle". He advised he would love a much larger fountain at this entrance into town, but he didn't want to spend that kind of money and Ken made one for less than \$250. Boggs advised Mann and Hanlon both donated their time as Hanlon hooked up the electric for the fountain. He advised it was not just for aesthetics, but according to those he spoke to at the OARDC aeration was necessary to help control the algae without using chemicals. Boggs advised they are also using barley straw that as it dissipates creates a chemical that hopefully reduces the algae. He advised that in conjunction with the aeration would hopefully keep the algae down this year. Boggs advised if (the algae) gets too bad they may have to resort to chemicals. He advised he appreciated the help.

Russell inquired if he has contacted Caraustar to see if they would donate one of their aerators.

Boggs advised no, he did not contact Caraustar.

Russell advised they might possibly donate one if asked as he knew they had one, if they weren't using it.

Boggs advised he has had several meetings with Wayne Economic Development Council who were good enough to come to Rittman and meet with him and two business people. He advised one business person was looking to build a business here and the other was a current Rittman business owner who would like to improve his operation. Boggs advised these people are looking for loans from either the CIC (Rittman Community Improvement Corporation) or the Wayne County Revolving Loan Program. He advised he appreciates the time and effort made by the WEDC and he has another meeting scheduled on another matter as well. Boggs advised it appears that some things were starting to happen around town; it has been slow, but it seemed to be gaining speed and to keep your fingers crossed.

### **Finance Director's Remarks**

Finance Director Barbara Rissland advised Council had in their packets income tax collections year to date through April and the good news was that it was up a little bit. She advised the better news was that withholding made up the majority of the income increase and that was good. Rissland advised as long as we don't lose any companies that withholding should stay there and continue to help keep our income tax revenue up. She advised when you have increases in business taxes/profit taxes a lot of times it was related to an estimate and if their projections aren't good then they'd have a corresponding loss the following year. Rissland advised so you really like to see the increases in withholding. She advised as Larry pointed out hopefully they were finally starting to see the economy turn around a bit where they see increases in withholding.

Rissland inquired of those who received their pdf file of their financial statement if they liked receiving them in that format.

She was advised yes.

#### **a. Approval of Financial Report for April**

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

### **Council Remarks**

Council Member Glen Russell thanked everyone for coming and invited them to come back.

Council Member Darrell Carey thanked everyone for coming and for all the input this evening and he advised they would try to take all those things discussed into consideration. He advised it doesn't always work out, but they always try.

Council Member Steve Johnson thanked everyone for coming. He advised it would be great if (Boggs) looked into the cemetery issue for Mr. Pomeroy.

Council Member Lynn Beaumont advised he had no idea there were 961 EMS calls last year. He advised that would be almost 19 a week. Beaumont advised that was outstanding and he congratulated the EMS department.

Council Member Rick Hanlon congratulated our new Chamber Executive Director, Tina. He advised we would be having a new Rittman Hardware store in town and it was always good news to hear of a new business in town. Hanlon thanked Mr. Copley for coming and suggesting ways to save money instead of just griping about things. He advised people could complain all they want, but they were really looking for suggestions on what they could do. Hanlon thanked everyone for coming.

Mayor William Robertson advised Sunday, May 27<sup>th</sup> would be the service at the national cemetery at 3 p.m. Monday, May 28<sup>th</sup> Rittman would hold their annual parade starting at Erie Street around 10:30 am going north on Main Street to the shopping center. He advised there was the

ceremony at the Rittman cemetery immediately following the parade. Robertson advised for those wishing to participate in the parade they should contact Scott Kammer of the American Legion.

a. **Approval of Vouchers 57003 thru 57093 and Memo Expense #'s 120408-120411, 120413-120421, 120426 w/Then and Now Certificates** Hanlon moved to approve, all Yeas on roll call and **motion carried.**

**Adjourn: 8:33 p.m.**

Hanlon moved to adjourn, all Yeas on roll call and **motion carried.**

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**Mayor**

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**Clerk of Council**