

RECORD OF PROCEEDINGS
Minutes of Rossford Committee of the Whole Meeting
Held May 3, 2010

The meeting was called to order by President of Council Larry Oberdorf and was opened with the Pledge of Allegiance.

ROLL CALL: Scott, Hermes, Richards, Duricek, Oberdorf, Eckel, and Marquette all present.

Mr. Oberdorf explained that the purpose of the meeting was to discuss the TARTA sales tax issue and the 3.5mill renewal levy and listen to comments from those in attendance.

Keith Wilkowski, an attorney representing TARTA introduced himself as well as Steve Atkinson, Marketing Director for TARTA and said he would make a brief PowerPoint presentation regarding the proposed sales tax issue. The presentation was as follows: He began by saying this would provide a better way of funding TARTA by removing the 2.5mill property tax and changing to a ½% sales tax. The TARTA trustees would also revise and reorganize the TARTA agreement if the sales tax passed. Currently he said the organization of TARTA is considered a political subdivision under Ohio law which was created in 1971 as the first transit authority created under the Ohio Revised Code and which proved standard bus service as well as TARPS, Call-A-Ride, and the Mud Hen and Walleye shuttles on game days. He said that in 2009 Rossford utilized 21,780 standard rides, 27,980 call-a-rides, and 1200 shuttle rides for a total of 50,960 rides. Rossford also has 24 registered TARPS clients who used 560 rides and 361 pickups in 2009. TARTA faces several challenges including a change in population, different demographics, more regionally located jobs, and a broader area of where people want to go. A Comparative Operations Assessment (COA) which had significant public participation and was paid for with federal funds and no local tax dollars came up with the following recommendations 1) utilize technology i.e. GPS 2) improve the Call-A-Ride service 3) have more cross-town routes, 4) create a downtown hub and eliminate the loop 5) replace the property tax with a sales tax. He then pointed out the differences between the proposed transit sales tax versus a property tax including that the transit tax was more equitable, that all other Ohio transit authorities use the sales tax, and that everyone who makes a purchase subject to sales tax pays. The current property tax is considered regressive and discriminatory in that it applies only to property owners, is the only property tax funded transit authority in Ohio, and that if applies to property owners only. The cost of the current property tax to the average Rossford resident based on a home value of \$109,000 is \$92.30 per year. The ½% transit tax would require that \$18,460 in purchases be made that are subject to tax (not prescriptions or most food) to equal the \$92.30. Based on a median household income in Rossford of \$53,862 and the national average of 31% of sales of taxable purchases the transit sales tax would cost the average household \$83.49 per year or approximately 10% less than the property tax. He stated that the TARTA trustees believe the sales tax is fairer and more equitable. The passage of the sales tax would extend TARTA services to all of Lucas County as well as Rossford and Perrysburg and allow TARTA to restore services, increase the level of service and equipment, while reducing property taxes. The sales tax issue requires an enabling resolution be passed by all nine member communities and Lucas County by June 30th agreeing to the sales tax and if so the TARTA board would submit a November ballot proposal repealing TARTA's existing property tax and replacing it with the transit sales tax. If the November issue passed any member community would then be able to withdraw from TARTA by providing 60 days notice. He gave the example of if the resolution passed in November the tax would go into effect on April 1st and thus a member could withdraw before having to collect the tax. He also stated the TARTA is amenable to providing contracted service to any community that chose to negotiate such service.

At this time Mr. Oberdorf asked our local representative to the TARTA board Tony Szilagyie to introduce himself which he did.

Mr. Scott said that currently it takes a unanimous vote of all the members in order to withdraw and asked if the sales tax resolution requires a unanimous vote of all the members also. Mr. Wilkowski responded yes. Mr. Scott then asked how much the Rossford millage generates for TARTA and Mr. Richards responded somewhere between \$300-350,000. Mr. Scott said looking at 52,000 rides for \$300,000 it does not seem very economical.

Mr. Hermes said that since non-property owners would also now pay the TARTA tax how much more money would TARTA get. Mr. Wilkowski said the current property tax generates approximately \$17.5million and they estimate the sales tax will generate \$27.5million in Lucas County alone which would allow for expanded service throughout all of Lucas County. He does not have an estimate for Rossford and Perrysburg and the county and/or state could not supply, as sales tax numbers are not broken down lower than a county level. Mr. Hermes asked that they get back to Rossford with a Wood County sales tax number and then we could do an estimate based on 20-30-40% of the total.

Mr. Richards said the sales tax concerns the members of the economic development committee since a customer could go from Home Depot, cross Rt.20 into Perrysburg Township and Lowe's and not pay the tax thus causing lost sales revenue and jobs. Mr. Wilkowski responded that absent unanimous consent Rossford residents will continue to pay the higher property tax without the option to withdraw from TARTA.

Mr. Oberdorf said Rossford has been looking at ways to provide our own public transportation. He said the 60 day withdrawal period concerns him because of the short period of time to opt out. Mr. Wilkowski explained that this is an ongoing right to provide 60 days notice at any time.

Mrs. Eckel said the proximity of the Crossroads to Perrysburg Township is a concern and the tax could affect efforts to develop that area. She asked if the sales tax passed would service be split based on the percentage of the total tax a community was contribution i.e. 10% of budget equals 10% of the service. Mr. Wilkowski responded that he understands the concern of paying for more than received but said we probably do that now with no opportunity to get out where with the new tax we would have an ongoing right to opt out if we did not like the plan for service. Mrs. Eckel asked about a time frame for coming up with a new service plan. Mr. Atkinson said that is usually developed quickly and most likely would be in place by the fall of 2011. Mrs. Eckel also asked if thought had been given into expanding TARTA into Perrysburg Township and Mr. Wilkowski said it has not been thought it was likely that the township would vote to join TARTA. Mr. Marquette asked if there is TARTA service to Owens Community College and was told yes and that it is a contracted service since it is located in Perrysburg Township. Mr. Marquette asked about Toledo Public Schools and was told that is a contracted service also. Mr. Marquette asked if we opted out could we ever get back in. Mr. Wilkowski said that would require the consent of a majority of the TARTA board and the voters in Rossford to approve the sales tax. Mr. Marquette asked if Oregon is the only community that will benefit from adding all of Lucas County and what kind of feel TARTA is getting from other communities. Mr. Atkinson said that several other communities in Lucas County will benefit i.e. several in Springfield Township and he had attended only other meeting in Sylvania in which the sales tax issue was well received. Mr. Richards said he believes that a vote on the transit sales tax would be a gauge as to whether Rossford should chose to opt out or not.

At this time Mr. Oberdorf asked for audience comments reminding them to furnish their name and address and asking for only one 3 minute period per person until everyone had a chance to speak. He asked that questions be pertinent to the issue at hand only.

Tony Szilagye, 155 Maple asked if passage of the sales tax would cause a merge of the Call-A-Ride and TARPS services and allow anyone to get on and maybe get to Sylvania in one trip. Mr. Atkinson said that three zones may be created and that connectivity would improve.

Dave Hufford, 48 Island View wondered why TARTA was thinking about doing this when passage would probably mean that Rossford and Perrysburg opt out. Mr. Wilkowski said that TARTA believes the revenue from all of Lucas County would allow for expanded service in Lucas County even without the revenue from Rossford and Perrysburg.

Dan Baum, 1105 W. ElmTree Rd. asked if the sales tax is being pushed to make up for the possible lost revenue from the TPS contract if cancelled. Mr. Wilkowski said no, that the sales tax idea came up over one year ago before TPS ever became an issue. Mr. Atkinson said if the TPS \$3.5million contract was cancelled it would most likely result in driver layoffs.

Jeff Appelhans, 177 Hannum asked if the sales tax is approved will TARTA automatically provide service to communities not receiving service now such as Holland and Whitehouse and how much that will increase their operating budget. Mr. Wilkowski said the budget will expand if the sales tax is passed but be offset by the obligation to expand service to nine townships and several new communities in Lucas County. He estimated passage if the sales tax could increase revenue to possibly \$40million without discounting the possible loss of Rossford and Perrysburg. Mr. Hermes agreed that the more money TARTA receives the more money will be spent, not strictly for bus routes but also improvements to infrastructure and new buses.

Laura Cooper, 605 Lime City Rd. asked if Rossford opts out do we just lose the service or the taxes also. Mr. Wilkowski said if the sales tax issue passed and Rossford chose to opt out that our current 2.5mill levy would go away and the sales tax would not be collected.

Leonard Michaels, 327 Colony Rd. asked if the sales tax passes will each community have a representative on the board or just Lucas County and whether communities would be compensated for asset value if they chose to leave. Mr. Wilkowski said the proposed reorganization if the sales tax passes provides for an additional 4 representatives from Lucas County with all existing members keeping their representative and every new member able to appoint one member. He also said there is no lump sum capital payment required for a member to get in to TARTA and that compensation for leaving would be determined by negotiations between TARTA and the withdrawing community. Mr. Michaels believes the current contract calls for some type of settlement to be made if a community withdraws.

Bill Verbosky, 317 Eagle Point Rd. said Rossford has been looking at the TARTA ridership numbers for two years and that there is a little more ridership in the early morning and early evening but despite low numbers it did not matter since there was no way to get out of TARTA without an unanimous consent of the other members which was not going to happen. Mr. Oberdorf thanked Mr. Wilkowski and Atkinson for their time and the audience for their comments and said we would take a short break before discussing the renewal levy.

Mr. Oberdorf reconvened the meeting and asked Mr. Hermes to begin the discussion of the 3.5mill renewal levy. Mr. Hermes said the purpose was more to answer questions than to make a presentation. He explained that the 3.5mill renewal levy is a request to continue the levy put in place five years ago which has generated income of \$391,000 annually. This money goes to the general fund and helps pay police salaries and operations and also fire department, public work and recreation expenses not covered by designated levies. He said that over the last five years the city has been very transparent where the levy money has been spent and spent it as stated in the original plan. Since 2005 every department has seen a reduction in costs and personnel. During that time income tax revenue has decreased as well as state and local tax revenue being reduced while some slight wage increases have taken place.

Mr. Oberdorf again asked the audience for comments using the same procedure of giving name and address, 3 minute time limit with one question until everyone has had an opportunity, and holding comments only to those pertinent to this issue. Dave Hufford, 48 Island View Dr. asked what % of the budget goes to salaries and if there is anything left over for projects such as road improvement. Mr. Hermes responded that the cost of salaries and health benefits is 70-80% of the budget and that we have spent between \$100-200,000 annually on roads and street department trucks and equipment. He stated that we have kept spending very tight and reference the purchase of a used front end loader by Mr. Jones as an example of frugal spending on needed items.

Chad Cooper, 161 Maple St. stated that the city spending money on a police test in which the conditional hire ended up receiving a \$6500 settlement from the city and also purchasing a used fire truck are examples of reckless spending. Mr. Ciecka responded that the administration and council laid out a budget plan and has prudently spent money as outlined in that budget plan.

Leonard Michaels, 327 Colony Rd., said the original levy passed with a slim margin but he believes the city has exercised prudent judgment in spending money and that the renewal levy is necessary to prevent ending up in a situation such as Toledo or Maumee.

Dan Baum, 1105 W. ElmTree Rd. said Perrysburg has a lower payroll income tax than Rossford and better services and that the levy will not help the city. Mr. Richards responded that government entities have a number of tax sources and while Perrysburg may have a slightly lower payroll income tax they only give partial credit to residents who work and pay local taxes outside Perrysburg thus it is really higher to those residents. He said Perrysburg also has higher real estate taxes and water charges. He said Rossford has chosen to keep other rates down as best as can. Mr. Marquette said he totally disagrees with the statement that Perrysburg has better services and complimented the work our city employees do. Mr. Baum said to compare police response times. Mr. Oberdorf said he has recently utilized our police and fire departments and was very pleased with their response times.

Mrs. Eckel said just look at what our employees and department heads have accomplished in the last five years in view of what they had to work with.

Tony Szilagy, 155 Maple St. said he appreciated the One Call Now regarding the break-ins and asked about sidewalks on Glenwood. Mr. Oberdorf said he would discuss that after the meeting.

Bill Verbosky, 317 Eagle Point Rd., said regarding Perrysburg that they are much larger community with higher income levels and more businesses and it is unfair to compare Rossford to them. He feels of the total of \$1.9million brought in by the levy the money has been spent wisely. He understands that our manpower levels are low but the city looked at lot of needs and has to wait for the economy to recover before we can improve. He said the renewal of the 3.5mills is essential.

Mrs. Eckel said the city has constantly looked for grants and other money to assist on projects.

Mr. Oberdorf thanked everyone for his or her attendance.

Mr. Richards moved and Mr. Scott seconded the motion to adjourn. All ayes. Motion carried.

Larry Oberdorf
President of Council

Robert P. Watrol
Clerk of Council

