

RECORD OF PROCEEDINGS
Minutes of Committee of the Whole Meeting
Held December 7, 2015

The meeting was called to order by President of Council Larry Oberdorf.

ROLL CALL: Staczek, Oberdorf, Eckel, Marquette, Ruse, Wagner, and Minarcin all present. Mr. Oberdorf said the purpose of tonight's meeting is to discuss Capital Improvement Projects financing alternatives and asked Mr. Scott to begin the meeting. Mr. Scott then reviewed a presentation outlining the 2016 budget, revenues, expenses, capital improvements and cost, and then sources of additional revenue (see written report). He noted that the police are the only department that has a schedule for rotating vehicles and that ideally we would get a schedule for replacing public works vehicles.

Mrs. Freeman talked about the three different ways for calculating the debt limit of the city and noted that of 3041 payroll income tax payers, 2170 work outside the city. Mr. Scott said that a storm water utility fee would raise about \$100-125,000 in revenue for storm water projects only but would free up that amount from the general fund for other projects. He said that fee would add about \$3.50 to the monthly water/sewer bill for each resident.

Mr. Oberdorf said he understands the reciprocity is an argumentative thing and he knows they are paying taxes to another city but they are benefiting from our city streets etc. and it was their option to work outside the city and they are getting the benefits without paying for them. He realizes this will not be appealing to the people but the logic is there to support it.

Mr. Wagner said people working in Toledo will be paying a total 3.375% payroll income tax between both communities. He said it is very easy to decide where to live at that rate and he is also mentioned a lawsuit in Baltimore County, MD. that involved double taxation.

Mr. Ruse said partial credit for taxes is not unique and that there are other communities in the state that do this.

Mrs. Eckel said to a point Mr. Wagner is correct in that even Perrysburg would be less than us.

Mr. Scott said that council can set the rate at better than a 50% credit.

Mr. Ruse said the legislation recommended by the finance committee and administration is for a 50% credit for payroll tax paid to another community.

Mr. Staczek noted that the schools are asking for more money also and there is only so far we can go in asking for more money from our citizens.

Mrs. Eckel said the list of communities that have less than 100% reciprocity is not helpful and Mr. Scott said he would provide a better list.

Mr. Minarcin said we cannot keep going forever without getting additional money and if we do not act now we will lose grant money on some of these projects.

Mr. Scott said the timing of the change to reciprocity is important as it becomes difficult for RITA to calculate the further into the year we go. He also mentioned the outside influences that will affect us such as a possible school levy and the increases in water/sewer rates from the city of Toledo.

Mrs. Eckel said that the road projects shown on the capital improvement list do not include any residential streets and that revenue needs to be allocated for that.

Mr. Minarcin said we need action on this soon, not six months from now.

Mrs. Eckel said she would like to review the storm water improvement cost for Hillside Dr. to see if \$3.50 per month would bring in enough money. Mr. Scott said that the finance and public works committees would set the rate but that it probably could not be set high enough to cover all the cost of storm water improvements and maintenance. He also said that he and Mrs. Freeman thought the best scenario was a combination of all three options.

Mr. Minarcin said a levy has to be passed but you cannot guarantee that vote.

Mr. Staczek said he appreciated the package provided by Mr. Scott especially the pie charts which broke down clearly where revenue comes from and what are expenses are.

Mr. Ruse feels council is only looking at the negatives of these financing alternatives but that until we do some of these things people will not come into the community and that we need to move now and not wait. He said we owe this to the people whose streets have not been improved for 30-40 years. He said we need to look at the positive side such as an increase in property values.

Mr. Oberdorf said in his eyes our main priority is the roads and we cannot focus on what the school board might do.

Mr. Marquette said reducing the reciprocity from 100% to 50% is essentially an unvoted tax on our working citizens. Mr. Marquette said he could see this if it went to the voters.

Mrs. Eckel said we need to make a decision now and cannot wait to see what the school does.

Mr. Scott said that maybe rather than a road levy we could free general fund money up by putting a police or fire levy on.

Mr. Wagner noted that years back we had garbage refuse fee that council instituted and maybe something like that would be more palatable to citizens than the reciprocity tax.

Mr. Staczek moved and Mr. Wagner seconded the motion to adjourn. All ayes. Motion carried.

*Larry Oberdorf
President of Council*

*Robert P. Watrol
Clerk of Council*