

NORWALK CITY COUNCIL
MINUTES

November 29, 2016
7:30 p.m.

Municipal Court
Norwalk, Ohio

WORK SESSION

Council President Steve Euton called the meeting to order. The following Council members were present: Steve Euton, Chris Mushett, Chris Castle, Samantha Wilhelm, Steve Schumm, Deb Lucal, Dave Wallace, and Kelly Beck.

Mayor Rob Duncan, Law Director Stu O'Hara, Finance Director Diane Eschen, Safety Service Director Dan Wendt, Fire Chief John Soisson, and Public Works Director Josh Snyder were also in attendance.

Mayor Duncan began the meeting by announcing that following extensive negotiations, the City has signed a contract with Mull and Weithman Architects. He added that Chief Soisson and the Administration will meet with the architects to initiate the design phase of the project.

Mayor Duncan explained that as a public servant it is our responsibility to represent the constituents and keep the City safe. He cited his love for the community and quoted Amelia Earhart saying "the most difficult thing is the decision to act". Further, he said there are some difficult decisions to make. If the City continues on the way things are going, he said there will be big problems. He said the Administration continues to search for opportunities to cut expenses and be more efficient. Finally, he stated that much of the financial problems is a direct result of decisions that have been made at the state level in regards to local government funding and the elimination of personal property and estate taxes. He urged Council to act on the legislation the Administration has presented to raise revenue.

Item No. 16-110

A RESOLUTION APPROVING AND DIRECTING COOPERATION OF THE CITY WITH THE STATE OF OHIO, DEPARTMENT OF TRANSPORTATION IN THE MATTER OF A SPOT PAVING PROJECT WITHIN THE CITY OF NORWALK

Mr. Snyder said this is an ODOT initiated project at no cost to the City. He added that it is a spot paving project that covers all of State Route 20 that is incorporated.

Council members agreed to place this item on the agenda.

Item No. 16-107

AN ORDINANCE SUSPENDING THE LONGEVITY BENEFIT PROVIDED PURSUANT TO SECTION 5.16 OF THE PERSONNEL POLICY MANUAL AND DECLARING AN EMERGENCY

There was no discussion.

Council members agreed to place this item on the agenda.

Item No. 16-108

A RESOLUTION REQUESTING THAT THE COUNTY AUDITOR CERTIFY TO THE CITY OF NORWALK THE TOTAL CURRENT TAX VALUATION OF THE CITY AND THE DOLLAR AMOUNT OF REVENUE THAT WOULD BE GENERATED BY A .9 MILL REPLACEMENT LEVY FOR THE PURPOSE OF MAINTAINING THE NORWALK FIRE DEPARTMENT PURSUANT TO R.C.5705.19(I)

Mr. Beck asked what year the current valuations are. Mr. Wendt said 1976.

Mr. Mushett asked what the funds are specifically being earmarked for. Mrs. Eschen said right now they pay a portion of the wages for the Fire Department. She said the hope is to use the funds for needed equipment.

Mrs. Wilhelm asked what line item the Fire Department is currently drawing from for equipment. Mrs. Eschen said the General Capital Improvement Fund.

Mr. Wallace clarified that none of the money generated would go toward the construction of the new Fire Station. Mr. Wendt confirmed and said the funds would go to supplement wages and replace aging apparatus.

Mrs. Wilhelm asked if this legislation was to pass what would be coming out of the General Capital Improvement Fund. Mrs. Eschen said that in better times they try not to use the General Capital Improvement Fund to purchase vehicles. She said normally the funds would be used for infrastructure.

Mr. Mushett asked what other levies should be expected in the next couple years. Mr. Wendt said that the Administration is prepared to discuss the fire levy specifically. He added that the Parks and Recreation and Aquatics levy have been discussed. He said passing those would alleviate some pressure on the General Fund. Mrs. Eschen said it was her understanding that the Parks and Recreation and Aquatics levies were going as replacement levies and were to be combined.

Mr. Mushett pointed out that those levies would be another increase to the tax payers. Mrs. Eschen said it amounts to \$26 per year on a \$100,000 home.

Mr. Wallace asked what the increase is for this legislation. Mrs. Eschen explained that the purpose of this legislation is to gather that information.

Mr. Mushett asked if this legislation obligates the City to anything other than the certification from the Auditor. Mrs. Eschen replied no. He asked how much the money is needed and what other options have been explored. Mayor Duncan said that over the years many needed items have not been replaced. He said sooner or later those things will need to be addressed. Mr. Wendt explained the expensive capital assets that are reaching their life expectancy.

Mr. Schumm entered the meeting.

Mrs. Eschen reminded Council that in 2013 the City took a five month moratorium in the healthcare premiums and in 2014 and 2015 they took two months each year. She said that amounted to almost half a million dollars and that is what has helped to keep the City afloat.

Mr. Mushett said this legislation is asking the tax payers to make up for 40 years of inactivity aside from renewals. He asked if the Administration has looked at other options. Mr. Wendt said the primary focus of the Administration was the replacement levy.

Council members agreed to place this item on the agenda.

Item No. 16-109

AN ORDINANCE AMENDING SECTION 181.06 OF THE NORWALK CODIFIED ORDINANCES AND DECLARING AN EMERGENCY

Mayor Duncan explained that this is another option for reciprocity.

Mr. O'Hara said the difference between this legislation and *Item No. 16-067* is that the the prior legislation reduced the credit from 100% to 50%. He said this legislation reduces the credit to 75% in tax year 2016 and 50% in tax year 2017 and every year thereafter.

Mr. Mushett asked for the origin of reciprocity. Mr. O'Hara said he will research the topic.

Mr. Wallace said he doesn't think this legislation offers much of an option. He also said people who live in the City and receive services should have some responsibility to pay, but these percentages are too extreme. Mr. Wendt pointed out that the legislation can be amended.

Mr. Beck asked what the thought was behing the percentages chosen. Mr. Wendt said that lower percentages would prolong the ability to resolve problems in the General Fund.

Mr. Euton asked what the estimated dollars raised would be from this legislation. Mrs. Eschen said the original legislation would have raised \$415,000 total, \$275,000 to the General Fund and \$70,000 to each the Sanitation Fund and the General Capital Improvement Fund. The new legislation, she said, would raise \$210,000 in the first year, \$140,000 to the General Fund and \$35,000 to each the Sanitation Fund and the General Capital Improvement Fund.

Mr. Schumm asked if it is possible to table and refer more than one piece of legislation to the Finance Committee at a time. He said it needs more discussion.

Mr. Castle said it is not Council's wish to say "no" to every idea the Admistration presents. He said it is better to spread the smallest amount of tax increase to the largest amount of people which is the purpose of a levy. He said a levy leaves the decision up to the people.

Mr. Euton asked what percentage would be affected by reciprocity. Mrs. Eschen said about 25%.

Mr. Mushett asked what would happen to the legislation if the emergency clause was removed. Mr. O'Hara said it either needs to be passed or defeated before the end of the year or amended to change the tax years.

Council members agreed to place this item on the agenda.

UNFINISHED BUSINESS

Item No. 16-101a

AN ORDINANCE TO BUDGET AND MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF NORWALK, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2017

Mrs. Eschen clarified that Council wanted her to leave the longevity benefit in the budget. Mr. O'Hara advised Council to leave it in the budget and if *Item No. 16-107* passes, the money would not be spent. Mr. Euton requested the estimated cost for longevity. Mrs. Eschen said \$41,500 total, \$10,200 from the General Fund.

Mr. Wallace stated that he will not support a deficit of \$838,000 on paper.

Mr. Mushett asked if the Aquatic Center will be needing a subsidy in 2016. Mrs. Eschen said that it looks like they will not need the subsidy. However, they are going to need a supplemental for utilities to get them through the year.

Mrs. Wilhelm asked about line item 110-1705-51211 in the Economic Development section. Mrs. Eschen said that is for the contractual economic development agreements with Borgers. Mrs. Wilhelm

also asked about an increased amount in the Dare program. Mrs. Eschen explained that she was looking in the revenue section.

Mrs. Wilhelm asked what training the Fire Department has planned for 2017. Chief Soisson said they have maintained the same budget of \$10,000. He said the department is its own continuing education site. He said they sponsor trainings and do group trainings to be creative with the funds.

Mr. Mushett clarified that with the insurance premiums increasing 20% and the City facing a 3% salary increase, the Administration said they plan to stick with what we have through the contract negotiations. Mr. Wendt said he won't commit to that statement. He said the Administration will continue to look at options.

Mr. Mushett asked if the insurance policy itself can change. Mr. O'Hara said yes, but the out-of-pocket and deductibles cannot change during a contract for the union employees without their agreement. Mr. Mushett said it is worth looking into policy changes.

Mr. Schumm said he likes the idea of looking into other insurance companies. Mrs. Eschen said the City is in a very good insurance pool. The cost increases are claims driven. Mr. Mushett suggested making changes within the plan but staying with the same company. Mr. Wallace suggested passing the cost increases on to the employees and changing both the premium cost and out-of-pocket amounts. Mr. O'Hara said he has commenced discussions with the Union Representatives on this sensitive topic. He said they have no incentive to change the plan.

Cliff Sams, 57 Baker Street was present and questioned why he should have to pay tax in Norwalk when he already pays taxes to the cities he works in. Mrs. Eschen said explained how the City income tax works. She added that the water and sewer bill doesn't cover trash pick-up and other City services. Mr. Euton explained that the actual income tax was voted on by the citizens of Norwalk when it was instituted. He said Council acted to give credit for people paying taxes outside of the City. Further, he said there are other cities that have already stopped forgiving the taxes for residents who are also paying elsewhere.

Mr. Wallace explained that Mr. Sams is paying taxes to other cities and therefore he is technically not paying for trash pick-up and Police and Fire protection in Norwalk because his money is going elsewhere. Mr. Castle explained that the terms being used are unfair and inaccurate. He said nobody is trying to accuse residents who work outside the City of not pulling their weight. Mayor Duncan added that the elimination of local government funds are to blame for the current financial state of the City. He encouraged the audience to contact the Governor and express their concern.

Christina Sams, 57 Baker Street said she is offended at the idea that she is not pulling her weight as a citizen of Norwalk. Mr. Wallace clarified that he did not mean to offend her.

Mr. Sams stated that the people who live outside of Norwalk and pay taxes to the City even though they aren't benefiting from any services. Mr. Wendt disagreed and said those people are provided with Police and Fire protection every day while they are at work.

Gary Brat, 52 Chapel Drive explained that the problems stem from the State level and encouraged everyone to call the State Representative and push for change. He asked if any of the casino money comes to the City. Mrs. Eschen said no. Mr. O'Hara said the casino money goes to the County Commissioners.

Mary Ellen Hamernick, 15 Valley Park Drive questioned how many people pay Norwalk tax that don't reside in the City. She suggested putting the request for funds in a levy and allowing the people to vote. She said she is bothered by the 25% that will go to the Sanitation Fund if this legislation is

passed. She asked what the current millage on the fire station levy is. Chief Soisson replied it is currently .17. Mrs. Eschen explained that the valuations have stayed the same due to the levy being passed as a renewal.

Mr. Euton pointed out that most of the property tax goes to the schools. He read the property tax distribution amounts based on a \$100,000 home.

Mrs. Hamernick suggested putting millage on the levy for Police and Fire and taxing everyone instead of a few. Mr. Wendt said the levy is for apparatus and wages, not for a new station. Mrs. Eschen said it is possible to set up a reserve fund from the monies collected from the levy for a specific purpose.

Darr Grodi, 13 East League Street said he works for the another municipality and they get a budget and they stick to it. He said they don't work beyond their means. Mayor Duncan said significant cuts have been made.

Mr. Sams asked if anything is being done in relation to unpaid revolving loan funds. Mayor Duncan explained that the City would spend more money in legal fees than they could ever hope to collect.

Scott Mercer, 32 Westwind Drive said he is a fan of RITA. He suggested putting tax reciprocity on hold until they can see how much RITA benefits the City. He also liked the idea of putting it on the ballot or making it a short term deal. Mr. Euton repeated that the voters already passed the tax reciprocity and it was Council who chose to forgive it. Mrs. Eschen said it can always be rescinded.

Nikki Hotchkiss, 3 Maple Street said she feels like she's being punished. Mrs. Eschen said she understands their frustration and said the Administration is frustrated too. She explained that the local government funds have been take by the Governor to build his rainy day fund. She said she doesn't understand how they can keep those funds and encouraged the audience to put pressure on the state to at least give back part of the funds.

Sharon Grodi, 13 East League Street asked what happens if the State rescinds reciprocity. She said Norwalk will likely lose money and cited Fisher Titus Medical Center as an example. Mrs. Eschen agreed that would be devastating to the City. Mr. Castle said out of the approximately 10,400 people who work in Norwalk only 7,000 live in the City.

Mr. Euton said that December 6, 2016 will be a regular session.

ADJOURNMENT There being no further business to discuss, the meeting was adjourned.

Stephen E. Euton
President

Jaime L. Peiples
Clerk