

SPECIAL FINANCE COMMITTEE MEETING MINUTES

August 21, 2006

Members of Finance Committee present: Ron Stake, Mel Clemens, Brett Baxter, Antoinette Newman.

Other members of Council present: Donna Shirey, Preston Stearns, Doug Joseph, Council President William L. Hills.

Mr. Stake: I would like to call the August 21 Special Finance Committee to order at 7 p.m.

Item number 2 is Discussion, AN ORDINANCE TO AMEND SECTIONS 191.02, 191.04 AND 191.07 AND ADOPT SECTION 191.191 OF THE CODIFIED ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX BY ONE-HALF PERCENT (0.5%) FROM THE CURRENT RATE OF ONE AND ONE-HALF PERCENT (1.5%) TO A RATE OF TWO PERCENT (2.0%), BEGINNING JANUARY 1, 2007, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY GENERAL OPERATING COSTS OF THE CITY'S DIVISION OF POLICE, AND TO PAY COSTS OF CAPITAL IMPROVEMENTS APPROVED BY THE CITY AFTER DECEMBER 31, 2006, INCLUDING THE PAYMENT OF DEBT SERVICE CHARGES ON SECURITIES ISSUED TO PAY COSTS OF THOSE CAPITAL IMPROVEMENTS, AND DECLARING AN EMERGENCY. And we do have some speaker slips. But before I open it up to the speakers, do we have any comments or questions from members of the Finance Committee? Councilman Baxter.

Mr. Baxter: Chairman Stake, I have a few comments I'd like to make. And in the last couple of weeks, I've had several people come to me and make comments about why the issue went down and what they thought about it. And what I found was, they weren't up to speed to understand the message that I think we tried to get out. If there's any chance of us trying to make this happen again, either the message needs to be clearer, or we need to open it up to let it be clearer. One way or other, we need to get the message out. Each time I had that come to my attention, I took the time to talk to the citizen and help them understand why it was important and why we had direction we did. That's my comment. Thank you.

Mr. Stake: Okay. Thank you, Councilman Baxter. Are there any other questions from members of the committee? Or comments? Members of Council? Councilwoman Newman.

Mrs. Newman: Would now be the time to state an opinion on this?

Mr. Stake: You could do it now or you could wait maybe to hear, if you'd like, to hear some of the public comment. Whatever you prefer.

Mrs. Newman: Alright. Well, I'll just wait then. Thank you.

Mr. Stake: Okay. Alright. If there are no other comments or questions from members of Council at this time, then I'd like to look at our speaker slips here. Mr. Tom Eller. If you'd come forward please and give us your address and the topic you'd like to speak on.

Mr. Eller: My name is Tom Eller. I live at 6471 Lexleigh Rd. in Reynoldsburg. And Chairman Stake, and members of the Finance Committee, and members of Council. For the 10 year period of 1996 through 2005, the average annual rate of inflation was 2.52%. The population in Reynoldsburg grew over that same 10 year period, about three quarters of 1% per year. For the entire 10 year period, it grew about 7.4%. Again, that same 10 year period, the city revenue grew, on average, 7.2% per year for that 10 years. While the city expenses for the same period, and expenditures grew at an average rate of 8.4% for that 10 years. Which is about 3, more than 3 times the average rate of inflation. As I looked through that budget history, I found some areas that were especially troubling in that the debt service rose, over that period of time, about 186%. Which is about 18.6%. Almost 19% on a yearly average. And general government spending increased over that period of time, about 122%. Now Council has responsibilities to control city spending. And I think it could be argued that we may have a spending problem rather than a revenue problem. And then I ask rhetorically, has Council made any effort to review the city budget and to attempt to trim, possibly unnecessary expenditures? A tax increase should be the absolute last resort. Perhaps Council should consider delaying resubmitting this issue to the voters. And maybe take some time to complete a comprehensive review of the city's spending. I saw several areas in the 2005 budget that concerned me. And I ask each of you, are you comfortable that you are familiar with the details of the city's spending? Are you comfortable that you are as familiar with the city spending as you should be? Without substantial growth, a spending rate of 2 or 3 times the annual rate of inflation is not sustainable, even with a tax increase. So I'm not here to ask you to vote either way. I'm here just to ask that you please tonight, use your best judgement when you consider what you have to hear and what you have to vote on. Thank you.

Mr. Stake: Thank you, Mr. Eller. Are there any questions or comments for Mr. Eller? (No response). Thank you.

Our next speaker is Tom Gratz. Give us your address and the topic you'd like to speak on, please.

Mr. Gratz: It's Tom Gratz, and I live at 8071 Palmer Road. And I want to address the issue again, about trying to raise the taxes of those people who live and work in Reynoldsburg. I think that the residents who actually live and work in Reynoldsburg should be appreciated and not singled out by this tax increase. And let me also say that I don't think this is about funding our Police Department. This is about how City Council spends our money. If funding needs to be increased for our Police Department, maybe the money that was spent to landscape the select private businesses in the city should have been allocated to that department. About \$22,000 was spent by Council for a special election on August 8 in an effort to raise our taxes. And this proposal was soundly defeated. And I had hoped that Council would have learned a lesson from this, even though that I think it was an expensive lesson, and that they would let the issue die. However, it appears that instead, many Council members are underestimating the intelligence of the Reynoldsburg voters as reported in our local paper saying that the voters just didn't understand the issue. I agree with our Mayor, who was quoted in the local paper saying, that the people who took the time to go vote knew the issue. And he also said he would respect that vote and would

not recommend the issue again. And I commend Mayor McPherson for that. I don't think the problem lies with the intelligence of the Reynoldsburg voter. I think the problem is that our City Council just doesn't get it. There's two lessons I think Council should learn from this defeat. First, the voters are not happy with the way that our money is spent. And yes, it is our money. Every dollar you spend comes out of the pocket of some hard working Reynoldsburg resident. Those are your neighbors and your friends. And secondly, the voters I think, are tired of tax and politicians that can't live within their budget like ordinary people have to do. The whole issue reminds me of a few years ago when I attended a Reynoldsburg City Council meeting. And I couldn't believe what I heard. A Reynoldsburg resident, presented to Council, petitions by a large majority of their neighborhood who did not want to be forced into tying into the city sewer lines. And I'll never forget what the then President of the City Council said. And here's what he said. He said, "We're not here to do what the people want. We're here to do what we think is best for the people". And it appears that this present Council has that same attitude. That you're not here to do what the people want. But you're here to do what you think is best for the people. Well, the voters voted and said no to that tax increase. And I for one, think that you should do what the people want and not what you think is best for the people. Thank you.

Mr. Stake: Okay. Thank you. Any questions or comments?

Mrs. Newman: Mr. Stake, I just had to speak up.

Mr. Stake: Yes. Councilwoman Newman.

Mrs. Newman: I keep hearing this call to tax increase. And I really don't feel that it is a tax increase. People are paying these taxes one way or the other. If you work in Columbus, you're paying it. The only thing is, they get all the taxes and we don't get a dime. What we're asking is, that we get that part of the money.

Mr. Gratz: It is a tax increase for those that live and work in Reynoldsburg.

Mrs. Newman: Yes it is. But it is the most moderate way to go about increasing our income so we can provide policemen and proper street care so that you won't have the wheels knocked off of your car, and you won't have to wait 20 minutes for a Police Officer when you need him. Now that's exactly why we need this. And please don't think that this City Council disregards the well of our people, or that we don't care how we spend your money. Because we darn sure do. And it makes me very upset to hear remarks like that. And I'm sorry if I've offended anyone, but that's the way I feel.

Mrs. Stake: Thank you, Councilwoman Newman. Are there any other questions or comments from the table here? Councilman Clemens.

Mr. Clemens: Yes. Just one. And that's reference to the 22,000 spent for the extra election we had in August. And I'll tell you, any day I'll spend 22,000 to make 3 million a year for the next 20 years. Make 60 million or more. 22,000 is nothing as far as the city's concerned if we can bring in, in 10 years, 30 million to improve the streets and improve our safety program in the city. I

think it was well spent money to vote.

Mr. Stake: Thank you, Councilman Clemens. Councilwoman Newman.

Mrs. Newman: I'd just like to say, I figured it was about 75 cents a person. I was willing to pay that.

Mr. Stake: Okay. Thank you. Okay. If there are no other comments or questions from members of Council, I'll call on Dan Reichard. Mr. Reichard, would you please come up and give us your address and the topic you'd like to speak on?

Mr. Reichard: Dan Reichard, 1987 Haverton Drive. And I live right here in Reynoldsburg. I'm a new comer. But I've been here for probably, about 15 years. You read my letter a week ago. That's where I'm coming from. And I want to expand on it. The ballot and the voting that occurred 3 weeks ago was a fluke. An absolute fluke. Now if you think that the people of Reynoldsburg don't care about where they live, I'm sorry. I don't believe that. Because out of 18,000 voters that are in this city, I know we never get all 18,000 on every election. But out of 18,000, only 1 ½% vote. Now, it comes out to about 3200 people out of 18,000 people. And you say, the voters have spoken. No. The Mayor had a great idea. And we do need to expand our Police Department to come up to the par of what all the other communities around us have. That's the issue. How safe do you want to live here? Now, we had a good idea. And it was pretty clever. It didn't hurt anybody. Nobody got hurt except for the 20%. The 1900 that were going to be affected. Mind you, 1900 were going to be affected. And they came out and voted. And they voted against it. And I don't blame them. I hate taxes. I hate them. But there are times when we need them. Those people, those 1900 that came out and voted against it, have every right to vote because they were the only ones that were going to be affected. The other 80% aren't going to be affected. They were getting a free ride. So the whole issue is, equalizing the income tax. That's not the way it was presented. We're equalizing the income tax. But we lost sight of what it was for. And we made an issue out of the income tax instead of out of the Police Department. And I appreciate your remarks, Councilman Baxter. Here we have this grand facility here and it's undermanned. We're woefully undermanned. The population of this community has grown. I just heard a figure here of something like 9% of whatever. I don't care. But the times of what it was like 15 years ago, or 10 years ago, are a lot different than they are today. And we are woefully undermanned. And the Mayor had a great idea. We can lift and expand our Safety Department, and it wasn't only going to affect but only 1% of the voters. And they voted it down. Why? Why did they come out that way? Well, here's a man that's been around for 20 years and the people are out saying, hey, this is the shoe in. It's a cake walk. Who wouldn't want to vote for expanding and making our Police Department? It's not going to affect me in terms of my pocketbook. But it sure as hell is going to make it safer for me to live here. And he had a great plan. And the people said hey, the people that supported this man for the last 20 years isn't going to do it again. We got a surprise. It didn't happen. Now what? They're dumbfounded. Whoa. Wait a minute. Using the words that I used in my letter, it's a no brainer. Nobody was going to be affected by it and we could get the kind of safety that we need in this city. And they voted it down. Why? They thought, hey, it's a cake walk. The Mayor's going to, they always backed him for the last 20 years. Everybody gives the Mayor everything he wants.

He's a good man. They got a surprise. They had a wake up call. Now, I am saying to you members of this Council, go back on the ballot again. And these people, the 15,000 that didn't come out and vote, are going to sigh with relief. They're going to say, boy, we got a second shot at this. That's the way I feel about it. And those are the kind of words that I'm getting. I got no response from anybody to my letter that was negative. Everybody said, go for it. And I'm passionate about this because we should do it. Now, there's two things that have to be done. This time, let it be known what is on the ballot. Income tax? Hell, no. It's safety. It's where you live. It's what we ought to be proud of and have pride in. Look at Streetscape. You voted for it. You promoted it. You put it across. Do the same thing for the safety. That's what the issue is. So number one, this time. Let it be known why we need it. I've got the safety patrolmen, I've got them involved. I've got Chief Nuesse involved. I've got a great idea. If you're not going to pay for it, I'll pay for it. I'm that passionate about it. And I'll go get signs made and I'll put it on every damn patrol car in the city. And let them run around to say for two weeks before election, and let them see. Vote yes. I want to help you. Vote yes for equalizing the income tax. That's what you want to do. And number two, as far as this Council is concerned, you have to send the message to this city that, look, we realize that having a special election like this, we took a chance on it. We tried it. It didn't work. And 1 ½% vote out of 18,000, the people have spoken? Like hell. They haven't spoken. They were letting it go because they believed in the Mayor. He always gets what he wants. And he had every right to get for this one. So, as far as your decision is concerned tonight, vote to put this back on the ballot again for November. And this time we're going to promote it the right way. And the way you do it, is to send a message to this community, this city, this City Council, believes and cares about this city. We care. And how we care is, we vote it unanimously to go back on the ballot again. And if there is a negative vote against this issue, I'm going to tell you, this 86 year old Veteran, I can still walk and I can still talk. And I just proved it to you tonight. I will go out and I will campaign in that precinct against those people that voted against this and tell them the truth. And I'll make damn sure you don't get back on this Council again because you don't belong here because you don't care. You gotta care. And the issue is the safety of this community. And the issue that the Mayor has brought forward in terms of a proposal in order to accomplish it, it's a cake walk. And it can be done. By God, I'm going to see to it that it does get passed. Thank you very much.

Mr. Stake: Okay. Thank you, Mr. Reichard. Are there any questions for Mr. Richard from members of Council? Any comments? (No response). That was very passionate. And I really do understand what you feel. You know, I voted to put it on the ballot, give the citizens of Reynoldsburg the opportunity to make their choice in August. I believe it's something's that's necessary. I look at the numbers here in front of me. You know, we have a little over 9 million dollars in income tax revenue coming in. We have a population of 33,000 people. Whitehall for instance, excuse me, we have a little less than 9 million dollars of income tax revenue. Over 33,000 people. Whitehall has over 13 million dollars of income tax revenue and has 18,000 people. Okay? I mean, it's numbers to me. How can the citizens of Reynoldsburg expect us to have adequate police protection if we don't have the funds to provide adequate police protection? And if we don't have adequate police protection, what are we going to have? I'm going to tell you what we're going to have. We're going to have a decrease in our quality of life. We're going to have a decrease in our property values. We may have a situation where police are not

able to respond in an adequate period of time where we have a death or a serious injury. I mean, these are some of the things that we're going to be faced with. You know, everybody sitting up here today, however they feel on this issue, I think has the best interest of the people of Reynoldsburg in mind. And last time around, we voted to put it on the August ballot, we had I think, 6 votes to put it on the ballot. And I think those are 6 sensible people. Because they looked at the numbers. They are familiar with the budget. They are familiar with the operations of the city here and they knew that we need the revenue. To me, it's a crime to let 2 million dollars a year go to other communities to fund their city services and not stay here. And the reason we lose 2 million dollars a year is because we have the 1 ½% income tax. You're right, Mr. Reichard. We need to equalize the income tax. And I don't know whoever created this goofy system we have here in Ohio, but what we have is what we have. We have to deal with it. We need the money to be able to pay for adequate police protection. We need the money to be able to fix our roads. You know, if our roads deteriorate, we're not going to have people who want to come here and do business with business owners in Reynoldsburg. And we had the business community behind this issue. And I believe we still have the business community behind this issue. And believe me, they have a big stake in what tax they pay here. And that to me, that showed me a lot, the business community coming out and supporting this. So you make a lot of sense. I look at the numbers here. You know, I look at Dublin, and I know we're not a Dublin, but Dublin has income tax revenue of 53 million dollars. Okay? Fifty three million dollars. They have 35,000 people. A population of 35,000. Fifty three million dollars.

Male: (Inaudible. Speaking off mike).

Mr. Stake: Right. We have 9 million dollars. So I don't know how anybody could fault how we spend our money. Okay? We do the best we can with what we have. And I've dealt with the budget process here for 5 years now, and you know, if somebody's got some better answers, please tell me. Because I'm always willing to listen. Councilwoman Newman.

Mrs. Newman: Yeah. I'd just like to point out that Mr. Harris was kind enough to give me this little summary of budget increases from the year 2000 to 2005. And there are huge increases in things that we don't control. For example, Prisoner Care. That's gone from \$90,700. In 2005, it was \$138,500. We have to pay Franklin County to care for our prisoners. And you know, we wouldn't have any prisoners if we don't have any policemen to arrest them to begin with. Maybe that's the way everybody would like to have it. Not me. Medical insurance. We all know what has happened to medical insurance for all of us. It's gone in 2000, we paid \$1,028,336 for medical insurance. It's gone up to \$1,569,466. I don't think we can control that either. Workers Comp. We gave them more of our money to play with. \$16,500 in 2000 and in 2005 it's \$54,605. Liability insurance. Everybody likes to sue everybody else. So you know, we get to pay for that too. In 2000, \$45,620. Now it's \$119,136. You know, we do the best we can but we can't control everything. And there are some things we just have to cough up the dollars and pay for it. And I'm sure you all find yourselves in the same position. Thank you, Mr. Stake.

Mr. Stake: Thank you, Councilwoman Newman. Are there any other comments or questions from Council? President Hills.

Mr. Hills: Mr. Stake, I do appreciate everybody's comments. And I know there's strong feelings on either side. I would suggest that, as public officials, we are here to certainly make decisions that we think are best for the overall public. I don't believe I was the President of Council that Mr. Gratz was referring to. However, the second part of his question may indicate that I was. But I don't believe I was on it.

Mr. Gratz: No.

Mr. Hills: Thank you. We have an issue that a lot of people have pointed out. The August election wasn't the time to do that. We felt that it was. And we felt after discussion, I think the majority certainly felt it was the most clear time to put it on. Because we do have a fairly heavy ballot coming up in November. I'll be the first to admit, Mr. Reichard's comment of the 1 ½% of the voters came out to vote. We missed the vote. Now why, I don't know. But I do know this, and I hear people talk about our budget and what they're going to see, I welcome everyone to start showing up in September. Because you are going to see what Administration, and budget wise, Administration makes a recommendation to Council. Council certainly works with Administration. And that's one thing that we have done well over the last few years, is work on the budget so there's not a lot of heated debates. We don't pass, we don't say, this is the budget. It's an Administration budget that comes to us and we work well together on it. I welcome all of you to come in and start seeing, in September, October, and into November, what you're going to see in the 2007 budget. Because did the voters speak on August 8? Yes they did. And they say that ½% tax increase that you wanted on 1-1-07 is not going to be there. You're going to see the discussions of what employees won't be here. What other services will be cut further. It will become evident the street services have been cut since 2002. We will all be openly discussing these issues. You'll have the opportunity to see, starting into 1-1-07, what it is you're not going to have. You're also going to see what this Administration and this Council has tried to address for the last 24 months. The knowledge of our income stream is not what it needs to be. You'll hear about positions that have been open that have not been filled. And I guess the net of where I'm trying to get to, obviously, those who voted didn't feel that this was needed. And were you under informed, or uninformed? I would guess so. I don't think, when we talk about this in 4 papers, say this has been documented, justified, it's a good idea, then I'm not being critical of the papers, but apparently some of our voting citizens don't read them. Or if they read them they don't believe them. So I'm not sure what that is. But I would say as elected officials, if we don't put this back on the November ballot, you as voters and you as citizens, will not have the opportunity to avoid the cuts by a positive 4 vote in November that you're going to be seeing. Now the catch 22 we're in, and that's why we sit here tonight, the state law says, in order to put this on the ballot in November, it must be passed by a resolution of Council and sent to the Board of Elections by August 24. Therefore, that's why we're here on the 21st. But as I look at this, I agree with it's a no brainer. But I guess it wasn't a no brainer to those people who came out to vote. And I suspect there's a number of people that I'll issue my personal opinion, there's a number of people that got a card that says, go vote. It's not going to cost you anything. Well you're right. So I don't have to vote. And just tossed it off to the side. And they had no affect on it other than the people opposed to it certainly got through. But again, I think we need to have it on the ballot for the purpose of the citizens to be able to see what the true cuts are going to be and see we're going to lose employees and services, and have the opportunity to say, I don't want to do that. And

without having it on the ballot, you're not going to have that opportunity. Then you're going to go into '07 with cuts that I don't think any of us want to see. Thank you, Mr. Stake.

Mr. Stake: Thank you, President Hills. Are there any other comments?

Mrs. Newman: Could I just speak up again here? I seem to be running off at the mouth tonight.

Mr. Stake: Councilwoman Newman.

Mrs. Newman: I would just like to, we should look at this as it's an opportunity for our citizens to re-claim their own money to be used for their city instead of somebody else's city is what it is. And for that reason, you know, I'm very positive about it. And I think we should do it. Give people a chance.

Mr. Stake: Thank you. We have two million dollars a year that escapes this city and goes to fund city services in other cities. Two million dollars. We could do a lot with two million dollars. Councilman Baxter.

Mr. Baxter: Councilman Stake, I agree with your comment there, but you realize there's more than 2 million. Because those people like me who live in the city and work outside the city, pay all of that to Columbus. I think a lot of, my money as well, as well as those people who live and work here. We can't do anything about that. As you said, that's our tax system. That's the way it is. But we can try to normalize our taxes. And I can understand why it's distasteful. I'm one of those Republicans that don't believe in increase in taxes, small government. All those wonderful things you hear on TV. But now I'm sitting behind this counter and I look over here and I see what we do. And Mr. Reichard, you're absolutely right. And Mayor, I'll deny it, but you had a great idea. And I was against it from the start, and I always was against it. But you warmed up to me and you explained to me how it would work. And I'm also one of these people who will be paying that increase in taxes because my wife lives here and she works here. So therefore, I can see it from both sides. I don't want to pay more taxes. I think I'm being taxed to death right now. It's harder and harder every day to feed my family. It's more difficult for me to put gas in my car every day. Living expenses keep going up. And I keep asking myself what I've got to do. I don't want to pay more taxes. No. I don't want to do that. But now, here I sit on the other side of the counter here, and I also realize that when something happens out in front of my house, or something happens down the street, I absolutely want to know that when I pick up the phone and dial 911, there's going to be a Dispatcher there to answer it. There'll be an Officer in my area that can get to my house very quickly. A competent Officer. Somebody who's going to know how to handle the situation and take care of myself and my family. The last thing I want to be able to do is live in a city that when I go away on a business trip, that I know my family's not protected. Today, I know the Officers we have working on this force and I feel they're well protected. I'm very comfortable with the Policemen that come through our neighborhood. I'm very comfortable with the Policemen that go to all of your neighborhoods. Something you may not be aware of, we put this off. This isn't something we just decided this year, Mayor. This came to our table many years ago. The old Chief brought it to us. Had a nice slide presentation. Told us we're way behind where we should be as a city. We should hire Officers right now. We

didn't have the money then either. So we forgo bringing more Officers then. And again it came back to us. And again. And it's at the point now, where I agree with the Mayor, we can't wait any longer. We absolutely need to fund our Safety Department. We absolutely need to be able to support the city. So with that said, I want to make sure you realize that you're right, there's not a tax increase in some cases. Twenty percent, I'm one of those 20% as well that'll get hit with it. But it's a normalization. Just as it's normal for you to say no, I don't want to pay for a tax, it's normal for us to want the money that the city should have in its CAFR's. And that's what you should want. You should be angry as heck that Columbus is getting 80% of our taxes and we sit by and let it happen year, after year, after year. That makes me angry. Because with that 80%, we could have had those Officers 4, 5, 6 years ago. We could have had a Street Department that we payed practically nothing into for the last several years to keep our streets up. That's where we ought to be angry. So be mad at us 4 years ago we didn't come to you and ask you for this increase then. Thank you.

Mr. Stake: Thank you, Councilman Baxter. Any other comments or questions from members of Council? Mrs. Newman.

Mrs. Newman: Just one more. Mr. Harris gave me a lot of information here. I asked him for a little chart, if you lived in Reynoldsburg, or Columbus, or whatever, how it would affect you. Now if you live here and you're retired on fixed income, you're not going to pay any more taxes. This is absolutely no affect. If you live in Reynoldsburg and work in Columbus, no affect. If you live in Columbus and work in Reynoldsburg, no affect. Now if you live in Reynoldsburg and work in Reynoldsburg, and your annual salary is \$30,000 you'll be increased in taxes \$2.88 a week. Now, that's not much really. And it's not that many of our people who will be affected by that. So there you have it. Thank you.

Mr. Stake: Thank you. Any other comments or questions? Councilman Clemens.

Mr. Clemens: Yes. First, I would like to thank my Ward. My Ward came within about 20 votes of passing the issue on the ballot. And I realize there's a lot of descent in Ward 4 towards the Administration and towards the members of Council. And there's a lot of negative issues. But I think that can be overcome. Because those are the issues that you vote against the people that are in office at the next election. You don't vote against an issue that brings safety in your neighborhoods, and your children, and your family because of a negative attitude towards City Council. Now I think these are some of the things we've got to overlook. And I think these are some of the things that I can help our Ward pass it next time. Because I feel that we have the people in our Ward that know what the situation is as far as crime is concerned. We have our problems like the rest of the city does. But if people read the crime reports and find out really why we need the additional Policemen and why we need, and if they'd drive down the streets and see why we need street repairs and so forth, I think it can be passed. A negative attitude towards members of Council and the Administration is understandable in some respects. But you don't sacrifice a vote because of your feelings about us when it comes to safety for your neighborhood and your family. You put us aside and you pass it. You take care of us at the next election is the way I look at it if that's the way you feel. So I think if we get this out, if I can get this out in my neighborhoods, I think I can get it passed in Ward 4. And I think the rest of Council can too if we get it out and work. I don't think we worked hard enough. I agree that with Mr. Reichard that we

felt, and I felt this way, that the Mayor has a lot of support. And he always has had a lot of support. And I felt that with his support, it would win last time. And that shows you how negative, how small my feelings can be some times. So I didn't work as hard probably as I should have. But I will this time. I think it can be accomplished. And I know there will be a lot of issues on the ballot but we've got to single this one out and work as hard as we can. Because this does mean, it means a lot to the employees. Because we're going to lose employees. They're going to lose benefits. People are going to lose services. And it's going to happen before the first of the year. It's not one of these things that if you don't pass this, we're going to do this. We're going to do this whether you pass it or whether you don't because we've got to catch up. And maybe years from now we can bring things back into focus. But with what we have coming in and what we have going out, that is what's going to happen. We have so many benefits that, our insurance is something that's fantastic on what we pay as far as health insurance for our employees. So there are things that are going to have to be corrected. And I think that when the people see that we do them, not promise that we're going to do them, that's always the easier way out. Well if you don't pass this, this is going to happen. That's not the way it's going to be as far as I'm concerned. As far as I'm concerned, it's going to happen. Maybe later on if we get this passed, we can bring people back. But I think we have to show the public really, that we're sincere in what we plan on doing. Thank you.

Mr. Stake: Thank you, Councilman Clemens. And I agree with you. I think we need to go into the next year planning on living with what we have right now. And if it does pass in November, that's great. But as we plan for the budget, we need to plan on the cards that have been dealt to us thus far. I frankly don't see any harm putting it on the ballot. I do think that we need, if something like this is going to pass, we need citizens to get out there and promote this. Not city officials. Mr. Reichard, maybe he can come up with some folks. I know there's some other folks. I received several comments since August 8, as I imagine everybody here has. E-mails and those kinds of things. And I've got to tell you, that 8 to 1, people were disappointed it didn't pass. Those are the comments I received. At the same time, some of those people that are disappointed it didn't pass said they didn't come out and vote for it. Okay? So hindsight's 20/20. We can do the Monday morning quarter backing and all that stuff. We tried in August, to get it passed. It didn't pass. It certainly can't pass if it's not on the ballot in November. And I guess for that reason, I would be supportive of putting it on the ballot in November. And I am supportive of the increase even though I'll be paying additional taxes as well. Because I firmly believe that we need the police protection. We need to start working on our roads again. Any other comments or questions, members of Council? Councilman Stearns.

Mr. Stearns: Thank you, Chairman Stake. I am not on the Finance Committee, but I just wanted to say this, and I want to put myself in the shoes of the Police Officers that are out there. These Officers are out there. They're struggling right now because of the fact they're under staffed. They need some help. And the only thing that I would like to say is, I'm in favor of putting this on the ballot again so that the people can have a second opportunity to vote for it. And I think if you don't do anything else, look at the Police Officers and what they're going through when they're under staffed. We need to give them as much help as we possibly can. And that's basically the whole reason why I would say, vote yes for this. And I am going to vote tonight in favor of it.

Mr. Stake: Thank you, Councilman Stearns. Mayor, I just have a question in regards to the memo that you sent to us August 18. Did you want to comment on that at all?

Mayor McPherson: Sure. I think you're going to notice in there, that what I did was make a recommendation. In my opinion, to assure passage of the piece of legislation. Now is to remove everything except that the 100% of this funding, if the electorate is good enough to allow it to pass in November, that it will all go to the cost of the city's Division of Police. I said in my memo that I think with the words, "Capital Improvement" in there, with the word "Debt Service" in there, the dates of December 31, 2006, I think people read that and thought to themselves, well, you know, I like the police part of it, but I don't like the street part, or I don't like the debt service part, and those SOB's are going to fund that Streetscape. You know. And that was not the purpose of it. The purpose of putting the date in there was to make sure everybody knew that it wasn't going to fund the Streetscape. That any debt incurred after December 31, 2006 is what the issue was for. But I recommended that to clarify it, that if you just put 100% lock, stock, and barrel of that money is going to go to fund the Police Department, it might be a more palatable issue. You need to understand that by the time all this is put together and the levy's gone and all, we're looking at roughly 8 million dollars a year for Police Department. So we'd be saying 3 million of that would be funded by this levy. The other 5 million of it still comes out of the General Fund just like it always has. But the entire 3 million dollars of this levy would go to the Police Department. So that was my reason for writing the memo to everybody. Second thing is, you know, I was quoted in the paper as not bringing this forward to the Council again, and that I felt that the electorate had said, live within your means. And I still believe that. You'll find that I did not bring it to you to put into the November ballot. But I also can assure you that if Council chooses to put that on in November, there is no veto coming from me. Because we in fact, need this money. There is no way around it. We need the money. I hear all these numbers about inflation and things like that, and how much they've gone up. Let me tell you, the numbers that Tony espoused about tonight, I had a lot of detail on those. But they're already out and they're said. But the bottom line is, people say, and people have said, I haven't seen any cuts. I've even heard that from a couple of our own Councilmen. If you don't call cutting our Street Program from a million, three hundred thousand dollars a year to zero, what the hell is a cut? You know, if you don't see that I haven't replaced an Assistant Chief Building Inspector, I haven't replaced a mechanic, I haven't replaced an equipment operator, I can go through a list of things that I haven't replaced. Am I going to? There's a couple of positions that I have to replace. But you know, this crap, I keep hearing this from people that don't take the time to come in and ask about it. I have people putting 'no' in their yards that have never, ever called me and asked me about our budget or about where our money is. And to me, that's ridiculous. Everybody knows better. There's probably half the people in here tonight that didn't come to any of the public hearings that we had whether we had them in the Senior Center, whether we had them in the Police Department, whether we had them here in Council Chambers. They didn't bother to come. And yet they intelligently voted no for the issue. You know, it just really upsets me that so few people came out. But you know, the few people that did come out, did vote. And as Mr. Stake just said, I am putting my 2007 budget together as if we didn't get the issue passed. But I can tell you right now, not counting the people that I haven't hired, not counting the changes that I'm going to be bringing forward about insurance and things like that, we have FOP negotiations this year. You think this isn't going to

affect that? So it not only is going to affect whether or not we get additional safety forces, whether our response times continue to decline, and you know, I don't have that in front of me but as I recall, we went from like 4 minutes on non-emergency to 9 ½ minutes. And it's probably going to be higher than that this year. So you know, when people have to wait to have a cop come to help them out for non-emergencies, they're just going to have to wait. We don't do lock out's any more. And that's something I think in the City of Reynoldsburg, we did for years. As long as I've been here. We don't have the time to do lock out's any more. That's the first thing. When people see the chuck holes and things like that starting to appear on our streets, they're going to realize we really needed this money. But I guess the bottom line is, if this is fortunate enough to be passed (Tape Change) and is on the ballot in November, I would just encourage people not to just sit back and say no, come in and see what we present. If you've got a question or you don't believe it, talk to us. This crap of just sitting back and saying no, I don't buy into it, or no more taxes, you know, that seems to be the attitude in our country today any way. I'm paying all the taxes I'm going to pay and I'm not paying any more. And I understand that. But we're in a situation here in the City of Reynoldsburg, and again, this will be brought out as we go along, but we are the lowest income tax revenue city in the area. Even if this had passed, we will still be the lowest income tax revenue producing city in the county. In any of the surrounding counties. Bar none, still after it would pass. Now that tells you that over the years, we have been very frugal with the money that we've spent in the City of Reynoldsburg. Very, very frugal. We do, and you can ask anybody, any municipality, any HR firm, we do more in this city with less people than any other municipality in the suburban region. In any of the Franklin County suburbs. And you know, I don't want to dwell on this because we're going to be talking a lot about this if it goes back on the ballot. My recommendation was that we just take everything off and focus just on safety. A hundred percent of this issue, if you put it back on is going to go to safety. I'm sorry I kept rambling on Ron, but daggone it, it's a situation where we haven't asked for a pay increase in this city, for this city and municipal government for 24 years. I'll bet you that if there's a business in this room that can stand up and say, I haven't raised my price in 24 years, then you know, they're probably not in business. We're fortunate enough we can stay in business, or have been able to because of our population increase and the percentage of the people that work in the city live in the city. But we can't continue forever. And we're there. You know, can we go another year? I don't know. I haven't really started on the budget yet. That's what I'm working on. But I can give you a list. If somebody wants to have a list of people that we haven't hired, I can give everybody a list. I can tell you right now, just right off the bat, we've saved close to 150 - \$200,000 just in people we haven't replaced this year alone. That's not counting the year when we replaced our HR when this all started. That's another \$88,000 right there we didn't replace. So when I hear people say cut, 6 years ago I started cutting. There aint no more cutting folks. You know, if you want to close the doors or cut the receptionist and eliminate 15 grand a year if you think that's going to help in a 21 million dollar budget, we can do that. But how's that going to help? That's not going to help anything. We need 3 million dollars plus to expand our police force, and to provide the safety forces that we need in the City of Reynoldsburg. Thanks, Ron.

Mr. Stake: Thank you, Mayor.

Mayor McPherson: Did you understand what I said about what I wrote you? I kind of got off on

that. But that was my thought process on it.

Mr. Stake: Well, and I did have a few other people say to me that if it was just for police, they thought it would be more palatable. Members of Council? Mr. Clemens.

Mr. Clemens: Yeah. I can understand the Mayor's frustration on this. Being Service Director, I know what the streets mean to the City of Reynoldsburg. And that's always been a big thing with me. The streets, the curbs, and gutters. And we haven't done anything in 3, 4 years as the Mayor said. And it can't be let go just because we say we didn't get enough votes because we want it now and give everything to the Safety Committee. We've got to think about the rest of the city too. You know, there is other things besides the safety force. This was to give the safety force 2 million dollars a year as we went, and a million dollars a year going to the Street Program. And I can understand what people see it as a Capital Improvement. I didn't like the way it said it either. I would rather it said that 2 million goes here and a million goes into the Street Program. I mean, that's what I wanted to start with. What the hell is the Capital Improvement? I know what can happen with Capital Improvement. I mean, that's up to Council and the Mayor to spend it wherever they want it. Certainly Council can do it but I may not be here a year from now or whenever this takes effect. So I would have rather personally seen it as it goes to the Police Department, safety program, and to the repair of our streets. But it _____ going that way. But the streets are important. I mean, you can't just let them crumble and forget about them. We're down 5, 6 million dollars we haven't put into them. Curbs and gutters are falling apart. Blacktop don't even last 5 or 6 years any more when it used to last 20. Same way with concrete. You do your new streets. Our new streets we've put in, those will start falling apart in 5 to 6 years because concrete isn't made the same and blacktop's not the same any more. So I can realize, and I realize if you went just strictly all safety that that might be an improvement. But we just can't neglect the infrastructure of the city. I mean, this was done for a reason. At that time we did it, we all agreed that we've got to do this because we haven't done it. And a million and a half Street Program for the next 5 years will not do anything other than catch us up to what we're trying to get caught up with. And I can understand your feelings on it. But you know, we've put a lot into the Police Department. We've sat here and talked about things. But we just put a 7 million dollar building over there a while back and we filled it up. And I'm agreeing we need all these new policemen. I've always been for this and I've met with the other Chief about this. But I'm also for the infrastructure of our streets and our systems. Our cruisers aren't any good if they can't drive on something. You know gravel went away a long time ago. I can understand but still, I think we have to get it across to the public that this is for the better of the city. You have to have an infrastructure on those streets. And as many miles of streets that we have now, and a lot of things that people don't understand. We're not building those streets out there in these new projects. I think a lot of people get all mixed up in this. When all these new projects go in, the city doesn't build those streets. We're not spending money out there. So we're not helping the developers. They put in their own water. They put in their own sewer. They put in their own streets. They put in their own street lighting. The city does not spend any money to do that. That's the contract of the city. They have to do it. But once it's turned over to the city, then we have to maintain it. And I feel we have to maintain it. We have to keep up. We have to keep up with our new ones plus bring our old ones up to where they belong. So my thought would be to go as it is and try to let the people know what it's all about.

Mr. Stake: Okay. Councilman Baxter.

Mr. Baxter: Thank you, Chairman Stake. And I would agree with you Councilman Clemens, that it did read rather poorly for Capital Improvement, and moreover, Debt Retirement. And what does that say to our citizens? I think they're pretty smart out there. They understood what it meant. My concern is, I think exactly that you state. Just as it is. This is for our safety and our street maintenance. That's how clear I would want to make it. This is where the money's going to go.

Mr. Clemens: I agree.

Mr. Stake: Okay. Mrs. Newman and then President Hills. Mrs. Newman.

Mrs. Newman: I agree with Mr. Clemens and Mr. Baxter. I think, I don't like the idea of making an issue more palatable to the voters. I think we should tell the voters what it is and what we want it for. We do need the money for the streets. And that's the way it should be stated. So I like, you know, we don't want the, I don't want to be stingy to the Police Department, but they might end up getting all the money. That would be too much. That's all I have to say.

Mr. Stake: President Hills.

Mr. Hills: Mr. Stake, I would just like to note, and we've talked a lot about historical things and what has been done. The streets were key I think in many people's mind here. And putting in the date of anything that occurs on or after December 31. That was to hope to clarify to be sure everybody understands, this is not Streetscape. This isn't something that's already been done. This is on all future projects. And what we're saying is, a portion of that ½ percent is going to be dedicated to that way. What people don't realize here, there was a time a few years ago, and I'm going to say it's more than 5, less than 10, that approximately 12 to 14% of our income tax received, went into the Capital Improvement Funds which in turn fixed these roads. That has over the years, dwindled down to 10, down to 8, and then I think down to 3. I think as of right now, I'm not sure that there's any dedicated dollars going to the CIP. Two percent now goes to the CIP.

Mayor McPherson: It's 2% right now.

Mr. Hills: Two percent of our 9 million dollars doesn't go very far when you're trying to fix a road or fix the roads for an entire year. It is key. For those residents, and there's a number of them here that have been here for a number of years. Palmer Road for one didn't usually look like it does now. Does Palmer Road need fixed? Yes, it needs fixed. Does Main Street need fixed? Yeah. Does Brice Road with the curbs and gutters? It's a mess. Now, the city had to allow that to happen to cover our day to day costs. That's where we have tried to save money. As the Mayor pointed out, a Street Program that was 1.3 million one year and now down to 38,000, that's not impressive. Were you all fully aware of that? It was fully discussed and we knew we did it. But you're not aware of it. Now are you aware of it when you go out and drive around? You're aware of the affects of what has happened because of that. And I guess with that, I do agree that I

think it is key to leave the roads in here because people have got to understand. We have not maintained the roads as this city used to maintain them because of a cash flow problem which if the cash starts coming back in through the income tax on the half percent, we want to be sure the people understand, those road projects are going to convince and try to catch up as quickly as we can. But we have a lot of catching up to do.

Mayor McPherson: Mr. Stake.

Mr. Stake: Mayor, go ahead.

Mayor McPherson: I'm sorry Mr. Baxter. I didn't mean to interrupt.

Mr. Baxter: I was just going to address one other issue, Chairman Stake. And that is, one of the comments that came to me, well okay, you're not going to pay for Streetscape II. What about Streetscape III, and IV, and V? Is this money going to be used for that? It's dated that after this point. So we want to make sure that we're saying, this is for our safety and our maintenance program. There's no Streetscape included in these dollars. It's for safety. Primary reason, it's for safety. The remainder of it is going to be able to get our program back on track. The one we haven't funded for years so that our roads don't continue to deteriorate. So I just want to be clear. That's what I want. That's what I'd like to see in the legislation. And that's what I would recommend and approve if asked.

Mr. Stake: Mayor.

Mayor McPherson: I just want to make one thing clear to everybody too. Because I got some e-mails and some calls that said, you were so sure this was going to pass, you went out and hired these cops ahead of time. I did not hire any new Police Officers that were not replacement for officers that we already had leave. So that's a misnomer. And I just want to clear that up. No matter what happens here tonight, the only Police Officers that we hired, the ones that you saw in the newspaper, were replacements for employees, cops, that had left. We have a couple more that are leaving. We will be hiring a couple more Police Officers. They are replacement folks. They are not to add to the department force. So I just wanted to clear that up. We're not hiring any additional Police Officers. We're hiring replacement. But again, not one single person called to ask me about that prior to the election. They felt it's a lot easier to stick a sign in your yard, vote no, and let the issue go, the Mayor's hiring all these new cops. That wasn't the way it was. We hired replacement. We are hiring replacement. We are not hiring new positions in the Police Department. Thank you.

Mr. Stake: Okay. Thank you, Mayor. Councilman Baxter.

Mr. Baxter: Councilman Stake, and I will clarify that as well. And thank you Mayor for bringing that up. We have authorized you to do so. And in your appropriate management, you've held off on doing that to see where we go with this. And I'm sure your management would also be, if it doesn't pass, that won't happen. So yes, we did authorize additional cops to be added to the force with appropriate Administrations and knowledge of if the funds were there, then bring them on

board. So thank you, Mayor.

Mr. Stake: Any other comments or questions? (No response). So I guess, in regards to the ordinance, do we want to amend this to say, pay the general operating cost of the city's Division of Police and Street Maintenance and leave the rest out? Or Mrs. Frazier, you worked with the attorney I think who helped draft this. What would be your...

Mrs. Frazier: Mr. Franzmann drafted the whole thing. And he did exactly what you all wanted at the time which was Police Department and Capital Improvements. And you were understanding that Capital Improvements were addressing the Street Program that we hadn't funded. So to change it any further, I don't know. I think that maybe you ought to stay with what you have there because it addresses what you've all been saying. And I don't know that from the words I've been hearing that it makes it any different than what's already in it.

Mr. Stake: Well, we know what we mean. We're just not sure everybody else knows what we mean.

Mrs. Frazier: Well, I think that's up to you to get it out once you pass it. But what you've got in front of you is what you've been talking about.

Mr. Stake: Right. Councilman Clemens.

Mr. Clemens: I think we know. And it's a maintenance program is what we're speaking of.

Mr. Stake: And if I could just interrupt you real quickly, Council each year approves the budget.

Mr. Clemens: That's right.

Mr. Stake: And the folks out there elect Council.

Mr. Clemens: I said that before. It's Council's decision. If we don't make the correct decisions, you replace us at the ballot. But you don't vote against issues for safety that protects your family and the streets and so forth. We're the ones that control it. But you want to take care of those other things. You don't take it out because of your disagreement with us. Now, it's up to Council and the Administration, and Bob has spoken on this, and this is what it will be used for, that when the money comes in, it will be for Street Maintenance Program. I think the Auditor and the one that drafted it felt that it should say Capital Improvements and that's fine. But I think it's up to Council to make sure the people that are here, and I think everybody will know that this is a Street Maintenance Program.

Mrs. Frazier: Well, and it says in there too, the words are 'To pay the cost of Capital Improvements improved by the city after December 31, 2006', including the Debt Service if you had to do that in order to pay for the project. So you're going to look at it again. It's not just some money out there that somebody can just go spend. Council has to look at it before it's spent.

Mr. Stake: That's exactly right. I see our Auditor standing up. Mr. Harris.

Mr. Harris: Yeah. The reason the Capital Improvements projects was used, any kind of street maintenance is paid out of the CIP Fund. So that's where the dollars would be housed, and that's where the dollars need to be paid from. So that's why this Capital Improvements Project was used. It has to be paid out of the CIP. That's where the money would be housed. That's where the bills would go. That's where it has to be paid out of.

Mr. Stake: Thank you.

Mr. Harris: It's got to go in that fund. That's the only place to put it right now. If you put it somewhere else, it could be spent for something other than street improvements. So it has to go in the place where the street improvements are paid. That's the only place you've got to put in.

Mr. Stake: And City Council were to approve that in the budget process on what streets they would like to see improved.

Mr. Harris: Yeah. It would take an ordinance from Council. Probably a list from the Mayor as it's always been done before. What streets are going to be worked on. Whether there's going to be crack sealing, resurfacing, curbs, gutters, whatever. And Council has to pass that. And the Administration has to, and the Mayor has to sign it just like any other ordinance.

Mr. Stake: Okay. Thank you. And I will just say that as long as I am part of this process, that I would honor the commitment here to put 2 million dollars towards the police and a million dollars towards the Street Program. And I would not waiver from that. Councilman Baxter.

Mr. Baxter: Chairman Stake, I also want to make note that it does state that it is payment of debt services. And I understand that we do have 5 or 4 or 5 years where we have not worked on the streets. So therefore, if you're going to put a million dollars into it if it passes, we may have a 3 million dollar project. We may want to go out to debt servicing and do a project all at once. For example, Rosehill or Palmer. It's a three million dollar. You can't do a one million dollar section of road. You're going to find yourself up to one house, down to 15 houses down, you're not going to complete the project. So you may look at it from a project standpoint. Thereby, the reason you see debt servicing in there is to be able to have a much larger, more sensible project that can be engineered, developed, and executed on. And then pay that service down over the next period of time. So you're using today's dollars and paying for it with tomorrow's revenue.

Mr. Harris: It would have to be something that would fit into the debt service of the city. But if you don't have it in there, it would limit your ability to use that money to do a large street project. Let's say, in 5 years Council decides they want to widen Rosehill Road north of Main. That's not going to be a one year project where you're going to be able to pay for it with a million dollars. We're going to have to go out and borrow money, and we're going to have to have the ability to pay it back. If that's not in there, you do not have the ability to use that half a percent to pay back the bond issue.

Mr. Stake: Thank you. Okay. Any other comments or questions in regards to this ordinance?

(No response). Okay. Not hearing any then, I will make a motion that we send this forward to Council with recommendation for adoption. Do I have a second?

Mrs. Frazier: No. No. Not on the ordinance. The ordinance, I'm sorry, only gets first reading.

Mr. Stake: Okay. I'm sorry, you're right. I will make a recommendation that we send this to Council for its first reading. Do I have a second? Second by Mrs. Newman. Any further discussion? (No response). All in favor, please state aye. (All voted "Aye"). Opposed? (No response). Motion passes.

And then item number 3 is Discussion: A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN ORDINANCE TO AMEND SECTIONS 191.02, 191.04 AND 191.07 AND ADOPT SECTION 191.191 OF THE CODIFIED ORDINANCES OF THE CITY OF REYNOLDSBURG, OHIO, IN ORDER TO INCREASE THE CITY INCOME TAX BY ONE-HALF PERCENT (0.5%) FROM THE CURRENT RATE OF ONE AND ONE-HALF PERCENT (1.5%) TO A RATE OF TWO PERCENT (2.0%), BEGINNING JANUARY 1, 2007, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY GENERAL OPERATING COSTS OF THE CITY'S DIVISION OF POLICE, AND TO PAY COSTS OF CAPITAL IMPROVEMENTS APPROVED BY THE CITY AFTER DECEMBER 31, 2006, INCLUDING THE PAYMENT OF DEBT SERVICE CHARGES ON SECURITIES ISSUED TO PAY COSTS OF THOSE CAPITAL IMPROVEMENTS, REPEALING RESOLUTION NO. 40-06, AND DECLARING AN EMERGENCY. And this is the resolution that we would, if members want to send to Council for adoption. Any discussion on this resolution? (No response). Okay. Then none being heard, I'll make a recommendation that we send this forward with recommendation for adoption. Is there a second? Second by Mr. Clemens. Any further discussion? (No response). All in favor, please state aye. (All voted "Aye"). Opposed? (No response). Motion passes.

And I will adjourn the Finance Committee at 8:10.

- - -Nancy C. Frazier, Clerk of Council
(Transcribed - Susie Smith)