

FINANCE COMMITTEE SPECIAL MEETING MINUTES
February 1, 2006

The Finance Committee meeting was held on February 1, 2006, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 5:30 p.m.

Present: Chair Kurt McKee, President of Council Bob Stefanik, Don Willey; Denise Bobulsky, Vince Gentile, Robin Zaccardelli, Lisa Uffman-Kirsch, Mayor Cathy Luks, Finance Director Karen Fegan, Economic Development Director Mike Kosdrosky, Sun Star reporter Joanne Dumound.

2006 Budget/Income Tax

It was discussed that the budget has been pared down and work continues to find ways to present a balanced budget to Council. Cuts made to get this far include: no road program, no street striping, no street sealing, no new patrol cars, no replacement of personnel for open positions unless other circumstances ordering this be done, overtime is being held. The traffic light that we are renting at Ridge and Akins will be removed. The recycling yard will be closed on Saturday and building materials will no longer be accepted at the Service Center. The budget is tight and the only thing left to cut is people.

The question posed is what caused this from last year to this year. It was thought that there was a budget-carry over and based on the revenue report there was money as well. Expenses increased from last year to this year in heating, fuel, insurance, and other areas. These figures were reviewed.

The Cost of Services Study projected a deficit for the end of 2007 that has become a reality for 2006. Discussion/debate occurred regarding how the projection was being handled and planned for within the Administration and Council and the timing of the current budget deficit information. It was said that budget requests have not been fully funded for 2004 and 2005. That Council should have been aware because Council has approved the prior budgets and the Administration has managed within the budget. Automated rubbish would have relieved some of the budget and this was discussed/debated.

There have been several attempts to try for an income tax issue to assist with the problem that has been approaching.

Economic development has been progressing, but it takes time; and this was discussed/debated. The Industrial Park development was addressed.

The lack of and need for joint support for the tax issue and the lack of and need for communication was discussed/debated.

It was said that Council wants to analyze the budget line by line to determine why we are where we are today and that it would not be fair to support a tax at this time because there is no plan and it is not known why we are here today and why this has not been addressed. Before additional funding is asked of the residents the budget will be thoroughly analyzed.

It was discussed that money may be available through grants. Grants require a matching of funds. There is a limited amount of dollars to obtain grants and the projects need to be prioritized.

It is anticipated that the budget will be delivered to Council for the second meeting in February.

It was said that it is time to look forward to determine where we are going. Operating money is needed. Safety money is needed. People are asking for better roads, flooding solutions and better city services. It cannot be given to them because there is no money.

It was stated that the city should concentrate on the things it is supposed to do, has to do and can only do: roads, police and fire, and things that are necessary.

Services cannot be added, but will need to be cut if the issue is not put on the May ballot. If it does not go to the ballot the tax credit could be reviewed.

Historically the community has been under funded and at some point the residents need to understand if they want the services, if they want the community to progress, if they want economic development; then they have to invest in the community. Attempts have been made to explain this to the residents.

Budget hearings will come after the deadline for the May ballot. There will be repercussions if something is not done for the May ballot. Deadline for the May ballot is February 16, 2006.

Mr. Stefanik moved to recommend defeat of the ordinances, seconded by Mr. Willey. 3 yeas/0 nays.
Motion carried.

Mr. Willey moved to adjourn the meeting, seconded by Mr. Stefanik. 3 yeas/0 nays. Meeting adjourned at 6:48 p.m.