

**RULES & ORDINANCES COMMITTEE MINUTES**  
**January 3, 2006**

The Rules & Ordinances Committee meeting was held on January 3, 2006, at North Royalton City Hall, 13834 Ridge Road. The meeting was called to order at 6:30 p.m.

**Present:** Chair Robert Stefanik, Kurt McKee; Denise Bobulsky, Lisa Uffman-Kirsch, Mayor Luks, Finance Director Karen Fegan, Law Director Tom O'Donnell, Amanda Gordon of Roetzel & Andress, Sun Star reporter Joanne Dumound.

Absent: Robin Zaccardelli

The minutes from September 19, 2005, are accepted as received in the Council Office.

**NEW BUSINESS**

**1. Income tax Proposed Ordinances 06-9, 06-10 and 06-11**

Finance Director Karen Fegan explained that legislation was requested to reflect the same net effect as the income tax levy presented at the November election. There were two differences requested this time, a 10-year sunset clause and the ballot language to reflect that the original credit would remain under Council control with the incremental credit under the control of the residents. There was difficulty encountered in coming up with the language to legally and mathematically reflect this. This is not able to be accomplished so that it would mirror the November proposal.

RITA pointed out that having original tax credit and incremental credit calculations would create confusion when filing taxes.

Discussion occurred regarding control of the credit. Any Council would not reduce the credit lightly, the voters would not take that well and this would only be used as a last financial resource if the city were in dire financial straits. Current language is that the credit could be changed by Council, but that is not being done for the same reasons of not wanting to do so without requesting the input of the residents. Voters currently have options to take action if they do not agree with something done by Council.

What would allow the voters to have the confidence needed and understanding was discussed. There is a need to have all of Council and the Administration involved in support of the proposal. Alternatives and consequences were discussed. The short term versus the long term fix, educating residents, and explaining the amount of money that would be needed to complete particular projects was discussed.

There was also mention of a 10-year sunset clause interfering with a 20-year borrowing need to complete the projects. The ability to fund the projects would be cut in half if it would be a 10-year clause. The life of the borrowing would need to be equal to the sunset clause and the electors should be aware of that. Bonds are sold for 15 or 20 years and certifying the revenue for the bonds is necessary. Favorable bond rating is desired and was discussed.

This is referred to the Finance Committee.

Mr. Stefanik moved to adjourn the meeting, seconded by Mr. McKee. 2 yeas/0 nays (Absent: Zaccardelli). Meeting adjourned at 7:24 p.m.