

City of Springdale Council

April 24, 2019

President of Council Vanover called Council to order on April 24, 2019.

The governmental body and those in attendance recited the Pledge of Allegiance.

Mrs. McNear took roll call. Council members Anderson, Ghantous, Hawkins, Shroyer, Sullivan-Wisecup, and Vanover were present. Mrs. Emerson was absent.

President Vanover: Mrs. Emerson notified me Monday that she would not be here this evening.

Communications - None

Communications from the Audience

President Vanover: At this point we will open the floor for communications from the audience.

Mrs. Webster: Can't hear you.

Mrs. Matheny: Move closer.

Mr. Jones: The audience isn't hearing you.

President Vanover: Is that better?

President Vanover: We're at communications from the audience. If anybody would like to address Council for any reason.

Mayor Webster: I'd just like to say that the purpose of this meeting is to talk about the tax levy. So, if you have some comments or questions on that, we'll get back to those as soon as we read the resolution. So, hold those comments. But, if you have anything else you want to ask, feel free to stand up and give it to us.

President Vanover: I don't have a copy of the resolution. (Copy of the resolution was presented to President Vanover. Second call for communications from the audience. Third and final call. We'll close communications from the audience and move into ordinances and resolutions. The resolution on the agenda this evening is Resolution No. R20-2018. Mrs. McNear, when you're ready.

Mrs. McNear read Resolution No. R20-2018

Resolution No. R20-2018

RESOLUTION PROPOSING AN INCREASE IN INCOME TAX TO TWO PERCENT (2.0%) AND DIRECTING THAT THE INCREASE IN INCOME TAX BE SUBMITTED TO THE ELECTORS

President Vanover: Thank you Mrs. McNear. At this point we will open the floor for questions and comments.

Mayor Webster: President Vanover could I say a few words before you open it up.

President Vanover: Sure.

Mayor Webster: I have all kinds of facts and figures and reports here that I'd like to share with you to hopefully answer any questions that you have. Let me start off by saying how much we appreciate all of you folks coming out tonight. We've had four readings of this resolution; two in December, two in January before Council finally voted to put it on the ballot at the last meeting in January. I personally have talked, I think at every Council meeting since the first of December about this. We've had it on the front page of our newsletter, we've had it on our webpage; we've had it on the City's Facebook page. We've gone out of

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Mayor Webster (continued): our way to spread the word about this. I've probably spoken to at least half a dozen groups here in Springdale; homeowner's groups, the senior citizens, Maple Knoll, on, and on, and on. So, we've been somewhat alarmed by the fact that we haven't had anyone come to the City Council meetings. We concocted this idea thinking that maybe if we had a special meeting, just for this, at the Rec Center and we dressed down like regular people that maybe we'll get regular people to come out for the meeting. Thank you all for coming out tonight. Hopefully when you leave here, while we may not convince you to vote one way or the other, but at least you'll walk out of these doors and you'll have all the facts and figures to make your own decision. That's what it's all about tonight. Secretly, I'm going to try and convince you to vote for it. (Laughter). Having said that, I think that the newsletter, hopefully. . . ., is there anyone in here that has not gotten the newsletter? (A few hands were raised) Wow, okay. Well, then let me bore you by reading this because I think this newsletter pretty well sums up everything about the tax levy. Let me try to read this to you. "In January, City Council voted unanimously to place on the May ballot a proposed earnings tax increase from 1.5% to 2%. It's important residents understand the reason this was placed on the ballot as well as who the proposed increase would affect and what this would mean for our City's future.

Why is the City in this situation? For over 30 years, the State of Ohio shared the revenues from sales tax and state income taxes with local governments, but in 2012 the State began reducing this amount. Springdale experienced a decrease in these tax revenues from \$581,000 per year to \$195,631 in 2018. The City also lost revenue from the estate tax in 2014 when the State eliminated it" None of us likes the death tax. You work all your life and pay taxes and you die and then your estate has to pay taxes. So, the State eliminated them and got a lot of "kudos" for doing that. That's all fine and dandy, but for some place like Springdale that has a housing population of 800 to 900 people in one complex down the street, that was catastrophic to us, because we averaged between \$700,000 to \$800,000 a year in estate tax. Something you don't want to talk about, that's not pleasant to talk about people dying, but it's a fact of life that if you've got a senior citizen's center or complex with 800 to 900 people, you're going to have a lot of people that are going to be dying there. The estate tax is very beneficial to the City of Springdale. Here again, it's not all gravy. We provide a ton of services to Maple Knoll Community and they appreciate that. Even though we don't get the tax levy and that, we still are front and center providing the same service levels we always did and they certainly appreciate it. Anyway, that was a "loss of \$790,000 per year. On top of these losses," the State did away with the personal property tax. This was a tax that businesses paid on their inventories, on their equipment, and the business community was very, very happy when the State did away with that. Well, here again, that cost the City another \$284,000 per year on average. It was catastrophic to the school district. They still provide some of that revenue to schools, but a lot less than what they used to. But, in the City's case, it is zero. In addition to those revenue hits, we also had several of our big businesses, mostly Tri-County Mall, went down to the County Auditor's office and had their property value decreased. That cost the City \$360,000 a year in property taxes. I don't know if any of you have pocket calculators adding all of these up, but I can tell you that add up to \$1.6 million dollars a year. The City, in just these four revenue resources, is getting \$1.6 million dollars per year less in revenue than we got back in 2006. Really, there's a lot of other things that go into that. The total is over two million dollars a year less. Our expenses haven't gone down. We still provide the same level of services that we've always provided and, hopefully, will continue to do that. If you're wondering why it is necessary; that pretty well sums it up right there. The last time that we asked for an earnings tax increase was 15 years ago. Fifteen years ago, we asked the residents of Springdale to vote to increase the earnings tax from 1.0% to 1.5%. We have made do with that for 15 years and we would not be sitting here tonight if it wasn't for the aforementioned reductions by the State. I think we've done a pretty darn good job and been pretty good stewards of your money and if I had anything to say about it, we'll be good stewards of your money going forward if you reward us with this request. As I have indicated, the City still provides the same services even though we're doing it for a lot less money. The reason we were able to ride through this is that we have had carryover, but, the last two years, we have spent about \$1.3 million dollars to \$1.4 million dollars more than we have taken in. I don't care if it's your kitchen table budget, or if it's the City budget or a business budget; you can't continue to spend more than you take in. You have to rectify the situation and that's where we are now.

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Mayor Webster (continued): "If approved, who will the earnings tax increase affect? Because the majority of Springdale residents work outside the City limits, the earnings tax will affect only approximately 7% of Springdale residents since Springdale gives it residents a 100% credit for taxes they pay to other communities. As a result, nearly all of the earnings taxes are paid by individuals who work here and businesses located here." Now, that was a miscalculation on our part. What we wanted to say was that not 7% of the *people*, but 7% of the *revenue*. So, if we look at the total amount of money that we take in, we estimate, and, again, this is estimated, because today, it is much lower. Today, if we looked at the numbers and our Tax Commissioner sitting in the back row can verify this; that about 95% of the money that we take in is paid by withholdings from businesses and businesses' profits; about 5% by folks like you. Now, this is going to change if this goes through, and we collect 2%, this is going to change. Our estimate is that still about 7% of the total revenue collected will come from residents like you folks. The other 93% will come from withholding and with business profits. We misstated and I do apologize. Also, it's important to realize that "if this measure is approved, pensions, social security benefits, annuities, interest income, dividends, alimony, military pay, capital gains, worker's compensation, unemployment benefits, insurance benefits, IRA and 401k distributions, welfare payments, and profit sharing will continue to be exempt from the earnings tax." If you're someone in the audience that's retired with pensions, this will have absolutely no effect on you.

How does Springdale's earnings tax stack up to other communities' earning tax? "There are thirty-two communities in Hamilton County that have an earnings tax. When factoring in the earnings tax rate and the full credit given, we find that twenty of these communities have an earnings tax rate equal to, or higher than Springdale's proposed 2% rate." So, we're not the "Lone Ranger" out there. We're not going to stick out like a sore thumb and this is not going to be the most heavily taxed city in the area; far from it. I could go on and on with other statistics, but, hopefully, you've got a flavor of where we are. One other thing before we open it up. We considered when we were trying to address the shortfall and the shortfall comes in here. That the State Finance Association says that cities, like ourselves, should have 10% of their budget left at the end of the year to carry over to meet the obligations for the forthcoming months. In our case, we're looking at approximately a \$20 million dollar budget. So that says we should have about \$2 million dollars left over to balance our budget and submit to Council, we should show around \$2 million dollar carryover into the next year. Well, that's a little heavy. We've always shot for about 7.5%, or \$1.5 million dollars. That is our target to start off. Well, this year, when we put all the numbers together, we find out at first cut at it, we're about \$800,000 carryover, which is dangerously low and it's not something that I would recommend this City do. So, we took out some things; we're at about \$1 million dollars or \$1.1 million dollars the way it stands, so we're still dangerously low. We're still down around the five percent mark, which is half of what the State Finance Association says we should have. So, therein lies the problem. We're okay for 2019. We've taken out all the "rolling stock", police cruisers, a chipper. Anything on wheels we have taken out of the budget. We've also not budgeted anything for our Street Maintenance Program. Here again, this is another tidbit I'd like to share with you. For years and years and years, the City used to earmark \$700,000 a year for our residential streets. This is not the main thoroughfares. We can usually get some grants and some help from the county (Hamilton) and the State with those major thoroughfares, but our residential streets, that strictly comes out of our General Fund. For years and years, we earmarked \$700,000. Well, when the economic downturn hit in 2009, and 2010, we didn't have the \$700,000, so to balance the budget and keep from laying off people, we took it out and said, "We just won't do a road program this year." Well, next year came along and the situation hadn't changed, we'll skip it another year and another year and another year. So, finally in 2016, our roads are so bad and so many improvements were needed, that we had to go out and sell a bond to get our roads brought up to snuff. We sold an \$8.2 million dollar bond. Now, the thing that helped us, is that we had a bond here on the Rec Center and that bond was paid off about the same time when that one kicked in. So, those payments helped offset that. But, still in all, I think it goes to show you that some of these programs, and replacing our police cruisers is another good example that yes, you can put it off for a year and maybe two years, but it's going to come back and bite you. So, I forget whose commercial it was, "You can pay me now or you can pay me later" and it's sort of the same

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Mayor Webster (continued): thing here. You're going to repair the streets. Either you're going to do it now, or are you going to wait until they totally deteriorate and you've got curbs falling apart and so forth, but it has to be done. So, by all rights, the \$8.2 million dollars brought our streets up to par and put us on a 2018 level. Well, so 2019 comes along, what we should have done in this budget, we should have put in \$700,000 away for the Street Program, because the streets are going to start deteriorating again. Just because we fixed them in 2016, 2017, and 2018 doesn't mean that they're going to stay fixed. They're going to deteriorate, so we need to get that program re-instituted and we will get it re-instituted if this levy passes. We took all the rolling stock out and we have one chipper. If we have a major wind event, our phones will be ringing off the hook calling City Hall because our maintenance crews are not going to be able to cover this City in a timely manner with one chipper or, God forbid, if that chipper would go down. That's another thing. If this thing passes, we will be presenting Council with an ordinance right away to replace that second chipper which was totally out of service because we had to get rid of it for safety reasons. Have I left anything out guys (addressing Council).

Mrs. McNear: Doyle, about the alternative we looked at . . .

Mayor Webster: So, we've got \$800,000 carryover, something's got to give here. We looked at two options. One, the one you're looking at that we're talking about tonight about increasing the earnings tax from 1.5% to 2.0%. We looked around to see if we would still be competitive and we are convinced that we are. The other alternative was to go before the voters and ask for an operating levy. In order to generate the same amount of money that this would generate, we would have to ask you folks to approve approximately an 11 mil levy which is unheard of. Eleven mils just to generate the same amount of money and that would go on your property tax; and every homeowner and business owner in this City would have to pay that. Well, I'd rather do something where 93% of it is going to be paid by somebody other than you folks. That's the avenue that we chose here. With that, I think I'm talked out. If we can open it up to the audience. If you would, if you don't mind coming up to the mic, fine. If you don't want to do that, raise your hand. We will have somebody come around with a mic and let you talk. We'll get you on record.

Mayor Webster: Mr. Jacobs.

Mr. Jacobs: How are you doing? Dan Jacobs. I don't think this is on.

Mrs. Sullivan-Wisecup: Mic is not on.

Mr. Jacobs: I can talk loud. Can you all hear me?

Mrs. Sullivan-Wisecup: Yes.

Mr. Jacobs: There we go. Dan Jacobs, 509 West Kemper Road. First off, I want to thank you for having the meeting. It is important to clarify these issues for the voters. I wish there were more people here. The fact that this body approved this in a unanimous fashion matters to me. I think that's a good thing too. But, the apology for the confusing newsletter kind of falls short on me. Because, when I read that newsletter, I read it as this is going to fall on to people who work in the City, but don't live in the City. That's the spirit of the original newsletter. You clarified it today, but that's for the people here, not for the people outside this room. That kind of bothers me because now I'm going from not being affected by this tax to being affected by this tax. The community that I work in doesn't have a two percent tax, so this will be an increase for me. Which, by itself, doesn't mean I hate it. There's plenty of reasons to increase taxes and it might be for good reasons. I'm not automatically opposed to it, but I'm really surprised that newsletter had the spirit of "this is going to affect people not living in the City". That was my reading of it. Again, you clarified it today, but that's for the 50 people here, the 40 people here. I think that's a big problem because it will affect my decision making. My second point is I do have this overall larger question. A couple of years ago I know the Mayor talked about it, the Municipal League talked about it. We all know that the State is trying to take as much control over local affairs as they possibly can. They tried to get their hands on the corporate tax and they've been partially successful in that. I know that is

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Mr. Jacobs (continued): still in court. Just take a break from some of my questions that I have today, what is the latest, maybe from the Municipal League, on the state effort to take control of our local taxes and elections at least in terms of corporations. Do we have any information on that?

Mayor Webster: No. I don't think they've made any progress on that. Jeff Williams is back here. . .

Mr. Jacobs: We're trying to put Jeff out of a job. (Laughter)

Mayor Webster: Have you heard anything recently about that?

Mr. Williams: I've heard nothing in a long time about any further news of them trying to take over the remaining tax. Right now they have a program where businesses, through their business returns, they can opt into that program. We still get the monies paid to the State and then it's funneled down to us, less a half percent (0.05%) fee and that's the business returns. There has been no news regarding the withholdings which is where the bulk of the money is.

Mayor Webster: Jeff that's strictly optional for the business community?

Mr. Williams: That is optional; yes.

Mayor Webster: Okay.

Mr. Jacobs: Well, we all know Columbus has been trying for years to take away as much "home rule" as possible and if we start bringing in more from our residents, oh, they want every bit of that if they can achieve that. I know they are limited by the courts and by whatever they can get through the legislature.

President Vanover: Let me go to Mr. Braun, our attorney because, I know it is in court, we were enjoined in that suit.

Mr. Braun: I can elaborate a little bit. You commented on "home rule". For people that don't know, Springdale is a charter city which means that we have a charter that governs our rules and we have the power to do things that statutory cities do not and statutory villages and certainly more than townships can do. But, one of the things that, and you're absolutely correct sir, is that the intent of what the legislature is doing right now is to ultimately take the money that is being collected as part of this and property taxes, have it paid in Columbus and they will generously pay it back to us and charge us a fee to give us our own money back. Springdale is one of the communities that is fighting to eliminate that. If you pay that money, we should see 100% of that money back. We don't feel the State should take a "handling fee" from us and charge that and you're correct. It's in the court right now, it's "worming" its way through to the Ohio Supreme Court and it's our hope that home rule will carry the day and that the Ohio Supreme Court will see that resident's rights are protected and those of the City.

Mr. Jacobs: I wish I was as optimistic. I don't know the last time that "home rule" won versus Columbus and when I make my decision on this tax, I'm going to have to have that in the back of my mind that it may eventually end up in Columbus, and then it comes back to us, minus that one percent and then our local tax department is out of a job because they (Columbus) want to erode as much as they can. I would also ask, when you went through the reasons of all the increases on the demands on the City, I've got say; you left out one thing. We're on the hook for that motel property and that expense is specifically mentioned in the resolution where we are on the hook for those bonds that we've issued and that's an amount of either one to two million (dollars). I'm not sure which it is. How much do we owe for the hotel property? Initially borrowed?

Mayor Webster: We owe \$1,300,000 dollars.

Mr. Jacobs: Okay. That's equal to the amount of all the stuff you mentioned. Which I was kind of bothered by that you brought up all these other factors, but you didn't even bring

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Mr. Jacobs (continued): up the fact that we voluntarily increased our debt to \$1.3 million dollars. Part of these taxes are going to also go to that as well and I think that is worth mentioning to the taxpayers when they're going to voluntarily or be compelled to pay for that. I thought that was worth mentioning at least to the voters. That's the last comment I have, unless anybody would like to address any questions to me.

Mayor Webster: No. I'd just like to follow up on the initial question that the newsletter was somewhat misleading.

Mr. Jacobs: Let me preface it, I'm not implying that there was any intentional misleading, but that is how I read it.

Mayor Webster: This flyer that is going to come out. Every one of you folks will get one of these flyers between now and the Sunday before the election. Here's what we say, "Approximately 93% of the earnings tax collected is paid by Springdale businesses and their employees." Now in fairness, a great deal of City resources are devoted to this business community; Fire, EMS, the two guys standing in the back here can vouch for this. We're staffed to handle 30,000 to 40,000 employees and visitors who frequent this City during business hours and leave the City after work. I would defy you to find any city in the country that has 11,263 people, which is our population that has as much equipment as we have up the street or as many professional firefighters and we 32 or 33 sworn police officers. That's unheard of for a community of 11,000. I don't feel like we're taking advantage of these folks at all.

Mr. Jacobs: Well, for the record, I want an excessive fire department, I want an excessive police department and I know the Republicans in Columbus want to combine those services. If they could achieve their goal, we don't need a Springdale Police Department, we'll combine it with Sharonville. I know all that's happening and I'd much rather have it the way we have it now. I want to maintain all that. But, again, I just have some various concerns about some of the larger picture items here. Again, I didn't imply that anything was intentionally misleading, but, when I read it, I thought, "Oh, this is only going to apply to people who don't live in the City." It won't affect me, because, again, the city I work in has a lower tax rate. So this would be an increase. Again, if my tax dollars go to the City for stuff I think is valuable, I'm not automatically opposed to it anyway. I know we're under a strain and we're losing mall income and all that. My last question is this, "If this tax passes, would this body reconsider the open checkbook program that is offered for free by the State of Ohio. Because what we're asking is that we're asking residents to pay more to the City, but the City has since refused to enact that program which is free. What it offers is it offers all the residents to have an open, clear, transparent look at where all the money is going. I have never heard a good opposition to it.

Mayor Webster: Dan, that question was raised a couple of meetings ago. Mr. Williams once again and Mrs. McNear can address that. But, I don't think that's true that we refused it. But, let these guys respond to it.

Mr. Jacobs: We're currently not doing it.

Mrs. McNear: It's not that we refused it Mr. Jacobs.

Mayor Webster: Let these guys tell you.

Mr. Jacobs: Oh, I'd be happy to hear more.

Mrs. McNear: We tried to, many times and Mr. Williams will tell you that as well. We did provide requirements to them. Open Checkbook came back and gave us their version of it. Jeff (Williams) and his team went back through it again. It was not what we were asked for. Jeff has followed up a couple of times, I personally have followed up a couple of times too and it has fallen on deaf ears. They have never responded since.

Mr. Jacobs: So, are you saying that we have agreed to become a part of the program and they are not responding to us?

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Mrs. McNear: Correct.

Mr. Williams: That is correct.

Mr. Jacobs: Well, who do I need to contact and I'll make that phone call. If you're saying we're all on board to Open Checkbook as a body, and the State of Ohio has not put the period on the sentence.

Multiple Council members agreed with that statement.

Mr. Williams. Open Checkbook; they came out, we had no problem. We were on board with this. They came out, we talked about it. I gave them everything they needed. All the spreadsheets that would make sense. Because, when I get on there and I look at what they have, I say, "Well, the average person isn't going to understand this." This needs to be done in a way that makes sense to the City finances. General Fund things, when you look up the General Fund, you have General Fund things. When you look up the other funds, you have that information. The problem is, they couldn't, from the information I gave them, which was very simple, they couldn't put it in that format and we told them we are all on board with this, but it needs to be done in this format. They said, "No problem, we're going to get this taken care of." That was probably, I want to say, a couple of years ago and I get periodic calls from Open Checkbook saying, "Hey, we're still working on this. We haven't forgotten about you.", and I say, "Okay". The problem was not that we said we don't want to do this, we are all for this. The problem is how it's going to look when the average person gets on that website. It's got to make sense.

Mrs. McNear: We invited them in several times. They came and presented. We posed it to Council and said we would like to go forward and utilize this program. We've not been able to get any confirmation on that.

Mr. Jacobs: When you say format, are you speaking in terms of technology or spreadsheet?

Mr. Williams: Spreadsheet type data.

Mr. Jacobs: And they're not happy with what you submitted?

Mr. Williams: That's correct. At first they said, "Hey, that's no problem." The way I look at it, it makes sense and it's easy. I don't know what their issue is.

Mr. Jacobs: I appreciate that. Thank you. That's all the comments I had. Thank you very much.

Mayor Webster: Anyone else?

Mr. Connor: It will only take two minutes what I have to say.

President Vanover: Sir, if you would, before you start, would you introduce yourself and give us your address please?

Mr. Connor: I beg your pardon? My name and address? 11822 Glenfalls Court, Springdale, Ohio; just around the corner. I have lived quite a while; 92 years I guess and three months. But, this is the best community. I often tell my wife that I lived in my hometown of Toledo, so this is great for me to say to you, "Thank you" for what you have made this community. Certainly the few dollars that you are asking for I would be glad to pay it. However, we are exempt from it. (Laughter). You might say it's easy for me to say, but this is the best community. I often express and I've lived in Los Angeles, I've lived in Toledo, I've lived in Chicago, I've lived in a number of cities in my last 80 years or whatever, 90 and so, God bless you.

Mayor Webster: Thank you very much. Anybody else?

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Mrs. Lane: My name is Linda Lane I live at 273 Nelson Lane. My question is how do you guys know that every person who is living here is registered to pay their taxes? Like I see homes that have three or four adults living there, but only that one person is showing their earnings. So, how do you? You need this money and so, I mean I can look out my front door and see houses where three or four or five adults are living with half a dozen kids and I know they're not all paying taxes. We could not be this far behind if every adult person who was working in the City of Springdale was paying their taxes. Why are we not seeing that income?

Mayor Webster: Well, our Tax Commissioner is right here. I'm sure if he knows the people who are not paying their income tax, I'm sure they will get a letter or a phone call from him or his staff.

Mrs. Lane: They're not even registered. They're people who live somewhere in someone else's house that is registered. It's additional people who are living there and they're not registered as taxpayers, but they have earnings and they're living in Springdale.

Mr. Williams: The hardest thing in the department is completeness. How do you make sure you have everybody? In the apartment complexes, we periodically get tenant lists from them and we review those. When we get businesses' W-2's at the end of the year, we review those for those W-2's who have residents and we make sure we have them set up. Any time we review the Community Center listing. When somebody joins the community, they have to first be registered with the Tax Office. Any information we get. We have information from the Building Department, we see that we have this many people living at this address and we'll take that information and we'll verify we have it and if not, we will send them a communication. We have a whole laundry list of things that we do. But, like I said, making sure you have everybody is the hardest part of it. We do take that very seriously. Because it's not fair to say, "Hey you, because you own a home, you have to file your taxes, but we're just, you know, you're living with these people, we're not going to worry about you." Well, that's not the case. We don't just say, "Oh well." I hope that answers your question.

Mayor Webster: Anyone else?

Mr. Cassidy: Hello, my name is Bill Cassidy and I live at 507 Dimmick Avenue. I understand that the reasons the Mayor has listed had been publicly put out due to the decrease in revenue and sometimes hard choices are necessary and an increase in earnings tax is one of those choices. But, I don't think that's what's necessary now. I would call into question whether every effort has been made to reduce the vacancy rate in our retail infrastructure, in our office infrastructure. You have new businesses coming in, that's going to be increased revenue. As the Mayor says that the earnings tax is paid by businesses. If you increase your occupancy rate in the office space, additional employees, more revenue. I just see too high a vacancy rate. The mall is dying and to attempt to bring in new retail is not going to work. The old ways don't work anymore. New ways are what need to be explored and increase revenue streams in that manner and I think that's where you'll make up your shortfalls in your revenue streams. Thank you.

Mayor Webster: Thank you for your comments.

Mr. Kerns: I'm Estel Kerns. I live at 587 Observatory Drive in Springdale. One of the things that kind of bothered me about this whole situation is that it looks like if the resident of Springdale aren't willing to pay their taxes, why would you ask somebody else to? I don't quite understand that philosophy I guess. So, I'm just saying, of course, in my case, when I was working in another city which I did for years, I went to that city first because I guess that's what the State law does. I don't know who came up with this concept that non-residents pay; that just doesn't seem to make a lot of sense to me and now that I'm retired, my income is exempt, so I don't even pay. If I was going to do it, I would think if you're going to talk about protecting the local, then you have the local people pay so that there's a local revenue stream and the local residents have a greater investment in it. I'm just kind of confused by the concept. I remember the last time we debated the one in 2003. I mean, I'm going to vote for it because I know you have to have revenue, that's how it works. But I don't understand how the concept ever got in place where you're taking away from the residents because you want the people to be committed to the community that they're living in. You want their investment to be in the



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Mr. Kerns (continued): community they're living in. This looks like socialism being put on to people which sounds like something you'd get from the U.N. (United Nations). I just don't quite understand. I mean he said he's in a lawsuit so I'll take that into consideration and I guess we're doing what we can legally do to oppose it. But, it seems to me that we ought to make a real effort in that aspect because if the revenue stream is from outsiders, you're going to have more of this outside influence which it has to be. I don't see how it could not be. So, if you have an answer, I'd appreciate it. It just seems to me that this is just setting you up for long-term problems. I just don't see how it makes any sense in a country that's supposed to have a democracy and supposed to have an idea of maintaining freedoms, because you maintain freedoms by having some kind of control over your individual actions. So, that's all. It just seems just kind of extraordinary to me.

Mr. Shroyer: If I could respond to that. I think I understand in one way what you're saying that we, as residents, need to commit to carrying our own weight or our own burden. But, as the Mayor mentioned earlier, we are a City of 11,263 people. If that was all we needed to provide services for, we wouldn't be here. We would have enough money and revenue under our current streams to provide services for ourselves. The issue is the 30,000 or 40,000 people that come to the City every day to work, to shop, to do business to fill the office buildings; those people can't expect us to support their businesses to support their cost, their expenses. We wouldn't need 32 police officers for our 11,000 people. We wouldn't need 24 firefighters for our 11,000 people. So, I think it's fair for us to say that we will carry our weight, but all of those other folks that are coming here to do business to make money to turn a profit, and profits not an ugly word, but there is an expense associated with it. I think we are carrying our weight. Our residents are carrying our weight and as the Mayor said, 93% of the revenues come from outside of our residents, but probably a huge percentage of our cost is to provide services to those folks. I understand that we need to commit; and I think we do. The other thing that I would like to point out, I guess, is I see taxes and our expenses as a generational thing. The folks that now are exempt from our taxes; the retired folks, the pensions, those folks have already paid their fair share. They've already paid their dues. They got us to where we are. I think they are entitled now to "coast" if you will, but, at the same time, they paid their taxes, they built a Springdale that we all now live in and enjoy the services from and it's our turn. It has to be a generational thing. Now we're saying two percent. Fifteen years ago we were moving from one percent to one and a half percent. But, think what incomes were 15 years ago. That half a percent to those folks 15 years ago, on the income that they were living on, was just as significant as the half of a percent that we are now looking at from one and a half to two percent, for those of us who now will shoulder that burden. But, I think those folks got us here. They have a right to expect that we keep us here and we keep us moving forward and at some point, I'm going to be one of those folks that's looking back at the next generation, my son, who is the third generation that lives in Springdale is going to pay it for me. I'm paying it for my mother who is 83 years old and still lives here and they paid their taxes when it was their turn. I'll pay mine when it's my turn, and I'll expect my son and his generation to pay theirs when it's their turn. That's just the way it works. To address Mr. Jacobs issue with the Sheraton hotel property; and I had some reservations with where we went with that. The bottom line was, and I guess I should back up and say that I also was employed by the City Fire Department for 35 years. At the time that that hotel was an issue, I was the Fire Chief and I dealt pretty regularly with the receiver, which was a bank who had control of that property. Because, the bank was on the hook for the money, so, they had control of the property. They could not give that building away and they literally tried to give it away and get out from under it. They couldn't give it away, there was no interest in it, the property was going to sit just like it was forever, so that was the alternative; let it sit like that forever or us take the risk or the burden of buying the property, take away the detriment to the property, which was the building, make the property developable, and hope that we move forward. That hasn't, obviously moved forward as quickly as we had hoped, but, it will, at some point, move forward. And, at some point, that will be revenue-generating property for the City and then we go back to the 93% -7% split. That property will, at some point, be a part of that 93% revenue generator whether it becomes office buildings or it becomes retail, or whatever it becomes, somebody's going to have employees there. Somebody's going to make a profit there and somebody's going to pay their share of taxes from that piece of property. None of us are all that happy with the speed that that's crawling along, but there was no alternative. If we

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Mr. Shroyer (continued): hadn't done something, it would still be sitting there looking just like it did several years ago and no prospect and no possibility that it was ever going to generate any money for the City. It was just going to be an eyesore and an expense. I understand where you're frustration is. I think ours is probably the same. We do have a fair amount of money invested and tied up there. We do expect that we will get that money back and it will move forward and generate revenue at some point, but, unfortunately, I can't put a date on that. Thank you.

Mr. Jacobs: If I may, I apologize. I wanted to clarify something. I'm not opposed to the purchase of the property, my only point in bringing it up was when we brought up the issues that are straining our system; that was left out and that was equal to the other items that were brought up. That was my only reason for bringing that up. I realize it was something that we had to have.

Mr. Shroyer: You're accurate, it is a strain, but we've got to get out from under it.

Mr. Jacobs: The list of things that are causing this issue and that was left out. That's my only reason for mentioning it. Thank you.

Mr. Shroyer: Thank you.

Mr. Knox: Edward Knox, Junior, 122 Ruskin, Springdale, Ohio. I really don't mind what we're doing here. But, I do want to see that we are going to promote the City. I would love to see that we start to put the "We're Open for Business" to put that out there that Springdale is open for business. I don't see us trumpeting the benefits, the services of the City. I don't see a website that is focused on trying to drive people to come here. We have Union Centre right up the road that's just going great guns. And yet, we're missing out by what, half a mile of all that revenue? We have to start to say, "Look. What can we do to bring that here too?" One of the ways people would be, I think, more inclined to pallet this is to, at the same time we're going to start to try to come up with ways to promote what this City stands for and try to get more people to recognize that this is a great place to live and not just say, "Well, we gotta do this and we're trying to maintain the status quo and they're shifting sands around there and woe is us", and stuff like that. No, no, no, let's try to say, "This is a beautiful place to live". I had a pizza delivery person, the first time they ever came to my house and they came down our road, Ruskin to the end and he's just looking at all the trees at the end of the road and he said, "This is gorgeous. It's so quiet here." "It's paradise." Is what he said. You want to get that out there. Let's not just try to get through this moment, but let's try to bring it in. That's all I had to say.

Mayor Webster: Thank you very much for your comments. Let me just tell you, there's two things that we had in mind that we wanted to put in the budget for this year and one of them certainly goes to your point here. We wanted to engage the services of a restaurant consultant. Because we've got too darn many vacant restaurants. We know that the primary cause is the lack of a liquor license.

Mr. Knox: But, at the same time, you don't look at the mix. There has to be a mix. You don't put two sports bars right next door to each other.

Mayor Webster: How about one?

Mr. Knox: One sports bar would be nice, but you don't put two in the same place and hope that they survive.

Mayor Webster: These consulting services cost money, so that was pretty easy to take that restaurant consultant out of the budget. We also need a comprehensive use plan for the City; here again, very expensive and time-consuming. Had to jerk it out of the budget because we didn't have money for it. Like I said, these two items didn't even make it to the Finance Committee; we took them out before they reached there.

Mr. Knox: One of the easiest, and I'm IT, and I look at, coming from the Clovernook Center for the Blind & Visually Impaired, yes, we're in the news these days, sorry about that,

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Mr. Knox (continued): but, she was a bad apple. A better website would really, really help us out. Something that you can get an aerial view. We took aerial views with drones of our property and you wouldn't believe how many people came and watched that video feed of the property like that. Little things like that; inexpensive that can give the City more life, more exposure and not have to go through consultants and things like that. The page could use a revamp because some of the technology in the page is pretty old. Some of the metrics that drive people to pages is not being paid heed to. There's different ways to the page and it's all based upon the code the page was written on before. So, if you don't have your page written in the latest code, then you don't get the traffic to it. People that live here, get there, but we want to invite everybody else in. That's all.

Mayor Webster: Thank you very much.

President Vanover: Well, I'll address one of the points. We have a full-time Economic Development Director and things are moving. If you haven't been over by the old GE Park, there's a huge hole in the ground. There's rocks that outweigh me by several hundred pounds that they've dug up for this building business park that is going in. We've got, what, 50 homes in Springrose over off of Kemper that are coming in. It's one of those things, unfortunately, and I will feel we've had discussion up here. Tri-County Mall; we don't own it and there's not much we can do. They have come in and asked for plans to be approved in the last three or four years. We've had several plans that we've approved and they haven't done anything.

Mr. Knox: My point wasn't so much about are we growing or are we trying new things. I just don't feel that we are getting the word out as much as we possibly could be for not a lot of cost just because we're not focused on trumpeting our services, which this City has great services. We're not saying, "Come to Springdale, you've got trash collection, you've got street cleaning, you've got tree replacement." There's all sorts of things the City does. Mom's part of the Garden Club and she goes around to all those spaces and plants the flowers and things like that. It's almost like if you sent somebody out and invited the citizens to all take pictures of their City and submit them to you, you would have great collateral right there. It's easy stuff.

President Vanover: Well, we are our own best salespeople. I have people that come to me and any of you that have travelled through the winter in neighboring communities, you know when you hit Springdale. We have the best kept roads; bar none, and I grew up north of here.

Mr. Knox: I want it to be shouted to the rooftops.

President Vanover: I agree, but sometimes we throw something out in a corporate sense, and it's "propaganda", but if comes from word of mouth from our residents, and our neighbors, that's the best sales job that ever will happen.

Mr. Knox: Yes, but we have a younger generation; that's where they go to. They go to the web, they go to their phones. When they're looking for apartments and things like that, they're looking for "How many houses in the area are houses that are under a mortgage and how many of them are being rented. They want to see those quick statistics. We're all driven by these things there these days (shows cell phone). I want to get Springdale on one of these for everybody to say, "Oh yeah, look at this city hey honey." You look at it "We're not going to have to pay for trash pick-up; so that's an extra \$50 a month right there." Look at the offsets; you've got these great expanses, Ross Park and places like that for the kids to run around and do things. A lot of people are looking for a community like that, but they don't know that this place really exists. I'm just saying we could do a better job. If we're going to go and collect this money, could we think about, again, trying to make this more open to the world. When I say "open" that more light is shined upon us and that we can say, "Hey, look, this is a great place to come and live. It's a great school district and you can maybe even, again, invite the citizens themselves to give you the collateral, give you the stories, give you the reasons why they live here so that you'll have those personal testimonies that you're talking about.

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President Vanover: You give us the money and we'll build it.

Mrs. Sullivan-Wisecup: I do know that on our Facebook page for the City that they do more of that kind of stuff. I know that you're saying that you wanted it on the website. I totally, totally get that, but on the Facebook page I know that we did a lot, especially in the winter time, taking pictures of your snow creations and things like that and my mother is also in the Garden Club, but I know that they also put stuff on the Facebook page as well with the different winning gardens and winning yards and things like that. I'm sure it's not at the level that it ultimately could be.

Mr. Knox: We don't have an Instagram account. You have a lot of people that are shying away from Facebook because of things that are going on, shying away from Twitter. It's sort of like you have to have a comprehensive media. You tie them all in and have one central location where you put your content up; your content stream and then it pushes it out to the platforms altogether to where it's also rendered so it's easily downloaded to a phone or something like that without you having to touch anything. There is, not to say I'm looking into it, I wouldn't mind if you did all this, if I knew that we were trying to bring more life to the community.

President Vanover: Sure.

Mr. Knox: That's all.

Mr. Shroyer: Thank you. Your points are well taken and I certainly agree. And as the Mayor mentioned, some of those things got to the talking stage, but not beyond the budget stage. I think that's part of being on the Finance Committee of Council and working with the Administration on the budgets. It becomes kind of a frustration to only be able to cover the necessities and be able to look at those other things and say, "We'd really like to do this". I think that's where we're at. This increase will not only give us some breathing room on the necessities, but it will allow for some of those other things. I agree with you. Mrs. Ghantous and I were talking before the meeting. She is a realtor and we were talking about we've (Mr. Shroyer and his family) lived in our home since 1977. We were talking about what my home was worth when we bought it, what it has been worth, what it wasn't worth, what it was again worth, what it wasn't worth, what it was again worth. And, fortunately, right now, we're in the pretty good range. But, I think some of our retail vacancies and our commercial vacancies are probably victims of that same cycle. The other issue is that everybody likes "shiny and new". Right now, Union Centre and that area is "shiny and new". When businesses are looking for someplace to go, they're going to "shiny and new". We're already seeing that there's businesses that are closing in the Union Centre area. Everybody went for "shiny and new". Hopefully, "shiny and new" has now made its cycle and our business community becomes attractive again to those folks that say, "There's a market here." Maybe "shiny and new" is full. Maybe "shiny and new" costs too much to do business in. There's still a market here and I agree that we need to sell that market, but, we need the finances to do that. That's why we're here.

Mr. Knox: Right; that's what I'm saying. You're asking for the finances to do it. Don't try to just maintain the status quo and maintain what we have. Think a little bit further than what you've got to grow with and not just maintain.

Mr. Shroyer: Well taken. Thank you.

President Vanover: Anybody else? Please. Yes ma'am.

Ms. Love: Can you guys hear me? I just didn't feel like standing up. I need some help; I need some clarification because I'm a bit confused and maybe I just don't understand how this works. But, I attended the public hearing for CiTiRAMA. That was approved. I took a lot of notes. I'm just a little confused. If you guys knew, back in late December; back in 2018; that there was a shortfall, why would you approve a CiTiRAMA project bringing 50 new families into the community with a 15-year tax abatement? I understand you are giving \$6,000 per lot, per year, as an assessment, so that on the back end, you're getting your money back for that

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Ms. Love (continued): bond. But, why would you bring in 50 new families with a tax abatement for 15 years if you knew that there was a shortfall?

Mayor Webster: Okay, if I understand your question, why did we give tax abatements to the new subdivision and why are we sponsoring CiTiRAMA?

Ms. Love: Correct. If you knew that we were in the condition that we're in financially. If you knew that, eventually, pretty soon, within six months, that you would ask us for another half percent. I don't get that. Help me understand it.

Mayor Webster: Even with the tax abatement, we will generate three times more tax from that property over there than what we were getting on the vacant ground. First off, you have what the tax rate has been over the years. Now, once the property owners sold it to the developer, now that increased the value, which will generate more taxes. Then as the developer puts the streets and sewers in and he sells those lots to the builders; that increases the tax value. So, we've got two layers of tax increases that the City is going to benefit from and the school district before a house is built on there. So what's been abated is from that point on, for fifteen years, the taxes on the homes that are going to be built there. But if you stand back and look at it, the City is going to get three times, I'm just throwing out some numbers here. Substantially more tax revenue is going to come to the City with the abatement versus no abatement and we have no development there. That is not costing the City money. CiTiRAMAs are expensive. That is being absorbed by the developer. The City is not going to be writing any checks for CiTiRAMA.

Ms. Love: Well, that's interesting that you say that; that the developer is absorbing that. Because they are charging, like I said, \$6,000 per lot, per year for 15 years to these new homeowners.

Mayor Webster: \$6,000 per lot for service fees?

Ms. Love: Yes. As you guys said in the meeting, it was to help pay back the bond that the City of Springdale took out to build the infrastructure for this new subdivision.

Mayor Webster: The City of Springdale has issued no bond for that development over there.

Ms. Love: So, the bond for the Port Authority never happened? Is that correct?

Mayor Webster: The Port Authority issued the bond, but not the City of Springdale. The City of Springdale has no liability on that bond and the \$6,000 a year that the new residents are going to pay; that will be used to retire that bond. So those folks are going to pay that fee in lieu of paying property taxes.

Ms. Love: Right; which \$6,000 seems a bit more than what the property tax would be. The homes are going for \$250,000 and up, correct? First of all, and we're not here to discuss CiTiRAMA, I get that. To me it seems like a raw deal for the \$6,000 in exchange for the tax abatement; so that's a totally separate issue. Like I said, I just wanted you guys to clarify why you would bring in 50 new families with a tax abatement for 15 years if we were in a shortfall. I just can't wrap my head around it.

Mayor Webster: Okay, if it came down to that, the shortfall would be more without the abatement. We're going to get more taxes off of that property in the coming years than we have been getting; even with the abatement.

Mr. Hawkins: Just to piggy-back on that. The Mayor went over how we got to where we are. There's some other things that get brought up. You bring up Springrose, you bring up the hotel. We haven't got to where we are because of any one of those things. It's a systemic cumulative thing that has taken place over a span of ten years or more. This is sort of a last resort type of thing. We didn't start out with, "Go to the taxpayers and ask them to pay this." This is after we've gone through and done freezes on raises, this is after we've gone through and done furloughs for non-union employees, this is after we have gone

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Mr. Hawkins (continued): through and cut hours of service that the City provides. This is after having gone through a lot of other steps and we've gotten to this point. At the same time, sort of piggy-backing on what we heard from Mr. Knox, the idea of looking forward and looking at things in a global sense and trying to constantly develop and grow the City's revenue and infrastructure; bringing in 50 new homes into Springrose is a huge thing in terms of the development of the City. Those people are going to want to eat in this City. Some of those people may work in the City. Those people are going to have people that are going to come in and see them and they're going to use our restaurants. They're going to use our new Home 2 Suites hotel that's going to be coming in. Those types of actions are going to help the City overall grow in development. All those properties that are around where that new development is going to go; those property value are going to increase. So, there is an overflow benefit economically for the City when we do something like that. That's going to benefit us. We went through that process when we talked about tax abatements between Mr. Williams and Mrs. Russell, our Economic Development Director, they went over and tried to go through and explain the tax abatement. Big picture was that development is great for the City. That's the kind of thing that would attract more businesses. If you have a restaurant, store, what have you and you say, "There's a new development, more people coming in, that's going to attract business". That's more reason to want to be in Springdale and have a business in Springdale. So, that development is something that is, again, forward-thinking about trying to help the City overall economically.

Mr. Shroyer: If I could just add to that and I think it may bear some clarification. You may agree with Mr. Hawkins or not that the development is good for the City, but, if I could address your comment that why would we bring that development into the City. We didn't bring it. We really don't have control; we have some guidance over those types of developments. When that developer comes to the City and says, "I have bought this piece of property and I'm going to develop it into single-family residences". We can't say no and, probably, our legal counsel could expound on that, but, people have a right to use their property to their advantage and to its best financial use. We can't say, "No, we want that to stay woodland, we don't want a development there." We can try to deal with those folks and get what we think is the best development, if possible for us, for the rest of our residents for the City. But, we don't bring a development any more than we can stop a development. What we were looking at, I think in that sense is, the other side of that option, is that same developer could have come to the City and said I bought this piece of property, I'm going to split it up into 100 by 100 square foot lots and I'm going to put 50 \$100,000 houses in there and I'm going to rent them to anybody that can pay the rent. We couldn't have stopped that either. What we were trying to do is work with an individual who said, "We're coming to town." And try and get the best deal for everybody involved. Just to clarify, we don't bring a development to town. All we can do is work with the developer to get what we think is the best deal. Thank you.

President Vanover: Anybody else?

Mayor Webster: If I might elaborate on a couple of things here. First off, Mr. Shroyer, I think you did a good job answering this gentleman's question. Let me just add to that about the free services that we give to our residents and it's just part of the benefit of living in the City. Your garbage collection and curbside recycling are free of charge. Weekly chipper service, and in the fall, we pick up the leaves. Free smoke detectors from these gentlemen back here in the corner. We've got our own Health Department, free flu shots, cholesterol screenings, blood pressure screenings. In the summertime, free concerts in the park. We instituted that last year. Citywide garage sales. Community events like ComeUnity Bash. No-fee permits for most home improvements. Debris removal truck for a very small fee. Extremely low cost for Community Center memberships and all the benefits and activities that take place down here. As a matter of fact, if you're a senior, it is only \$20 a year; that's unheard of. Certainly we don't want to even touch any of these services. We want to continue to provide these because that's one of the great things about living in this City. We want to keep that. Speaking of living in this City, a comment about Springdale; maybe Mrs. Ghantous can elaborate on this, but the last report I saw. This is to Eddie (Mr. Knox) is he still back there? He left? Okay. As far as people knowing about Springdale, well somebody must know we're here because "days on the market" we beat the pants off the surrounding communities. Houses hit the market, Springdale is a hot real estate market. It's not unusual for people living here to list their houses and have multiple offers and have the house sell more than the list

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Mayor Webster (continued): price and that's unheard of. But that's exactly what's happening. We must be doing something right. Somebody must know we're here. If they didn't, why would this be such a hot real estate market? Am I exaggerating anything Mrs. Ghantous? (Mrs. Ghantous shook her head "no"). Thank you. That's all I've got. Anybody else?

President Vanover: Anybody else?

Mayor Webster: We would all appreciate your support on May 7<sup>th</sup>. Thank you.

President Vanover: And again, I would like to echo the sentiment thanking all of you for coming out. We appreciate it. And stop in a regular Council meeting up there. We don't bite. We've all had our shots. Do come in and thank you again for taking the interest.

Adjournment

Mr. Hawkins made a motion to adjourn; Mrs. Sullivan-Wisecup seconded (or Mrs. Ghantous seconded?) and Council adjourned at 7:18 p.m.

Respectfully submitted,

Kathy McNear  
Clerk of Council/Finance Director

Minutes Approved:  
Tom Vanover, President of Council

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