

## Ways & Means Committee Minutes

Honorable Council  
City of Newark, Ohio  
May 28, 2014

The Ways and Means Committee met Tuesday, May 27, 2014 in Council Chambers following the Finance Committee, with these members in attendance:

Ryan Bubb, Chair                      Doug Marmie  
Jeremy Blake

We wish to report:

1. **Ordinance No. 14-13** levying an additional income tax of 0.15 percent for the purpose of raising general operating revenue specifically and exclusively dedicated to the general construction, re-construction, re-surfacing, and repair of streets, roads, bridges and sidewalks on all taxable salaries, wages, commissions and other compensation as set forth herein as well as on all taxable net profits earned by businesses, professions, or other activities as set forth herein and providing for the collection and enforcement thereof was considered.

**Mayor Hall**—this is a continuation of the discussion Brian Morehead our City Engineer had a few weeks ago about it costing just north of 2 million a year to maintain our streets. We looked at a property levy that would raise about 1.6 million and at the same time some Council members reached out and asked what that would look like in an income tax levy. That is the piece that we are bringing in tonight. At .15% we have a 1.75% income tax which is very low especially with a City of this size. Heath is at 1.5% and they are fifth our size and then up to 2.5% across the State of Ohio. This would raise it to 1.9% and raise approximately the same, 1.6 million dollars. We realize that is short of what the annual maintenance of those streets would dictate but it is a good starting place and would get us going the right direction with the streets. There are two separate pieces of legislation here and our Law Director could explain why there are two different pieces of legislation on the same issue.

**Mr. Marmie**- why are we including bridges and sidewalks if we are really looking to help with just streets?

**Mayor Hall**- the last two bridges that we have done have cost in excess of a million dollars apiece. We were fortunate to get State Capital Improvement dollars to repair those. If we didn't have that money provided at the state level then we would need money sitting there that we could potentially use versus having a bridge sitting there that we are unable to fund. The focus we know is to stay on repaving but we want them to be wide enough to cover other aspects of streets to keep traffic flowing. Mansfield had a similar project and their legislation was so narrow that they had the dollars now but were unable to spend them because they didn't have

other dollars for other required improvements to the street. We rank number five in the state for the number of bridges. We have 89 bridges in the city limits about half of them are on state routes and maintained by the state the rest are maintained by this body. It is a large part of our transportation system and I think we would want it included. Obviously we wouldn't spend the money on bridges that we wouldn't need to though.

**Mr. Marmie-** The purpose of this is to catch back up on our street repair correct? That is the primary purpose of this levy so why are we deviating from that and keeping it open? It is almost like saying we can just open it up in case we need new fire trucks. If the purpose is truly for the repair of streets and paving them why are we not calling it that?

**Mayor Hall-** again if a bridge went down then I think that would take priority over repaving a street to move traffic throughout the city.

**Mr. Marmie-** I would hope that our current Capital Improvements is set forth so that we could do that. This is to increase street paving is what we have been told not to supplement our Capital Improvements that is already set forth to take care of a bridge or something along those lines.

**Mayor Hall-** it is still a street related project

**Mr. Marmie-** as far as the reason why we have to increase revenue in order to take care of our streets, have there been any other suggestions? It was stated earlier in the year that we were going to ask employees to come up with some solutions to our funding issues. Right now we are currently dipping into our Budget Stabilization Fund as if it was in an unappropriated balance; we are also possibly affecting our future bond ratings and our ability to borrow money because of that Budget Stabilization going down. What are we doing besides asking taxpayers to take care of our financial woes?

**Mayor Hall-** since day one of coming in here this administration has built efficiencies for 2 ½ years. We have shaved over \$100,000.00 a year off the health department contract; we have gotten our utilities under control and saved 50,000-60,000.00 a year on our electric bill and reaching out to the gas bills when those contracts come up that the previous administration put us in. When they expire we can re-shop that. We have worked for two years now on efficiencies within the departments; many people within departments are wearing several hats. The Auditor's office would be a good example. It used to be a department of 10, it has 4 now. Staffing is low, the lowest it has been in the city. We are getting as many grants as we can to get things done from that direction. We are building efficiencies all we can there just isn't anywhere else to go.

**Mr. Marmie-** so we are done with efficiencies you are saying?

**Mayor Hall-** we have looked at most of the large dollar item efficiencies that can be saved. We are constantly working on saving a dollar but if you are going to look for a \$50,000.00 or 100,000.00 savings in a department it isn't going to be there. I will testify to that because I worked on the budget 24/7.

**Mr. Marmie-** so how are we going to operate next year when we dipped into the Budget Stabilization for almost that amount and the pay raises that are going to occur and we are getting further and further behind on this and we are trying to throw money at a problem.

**Mayor Hall-** a lot of what we are trying to do is get economic development rolling in this city and get tax revenues up in that angle too. We are trying to bring businesses in which will create more jobs and create an environment that will attraction more businesses. We are in the

Budget Stabilization Fund now because we need to be not because it is convenient. If it is time to go back and cut out services to the city we will have to talk about that at another time but I don't think that we are quite there yet, necessary services let me clarify that.

**Mr. Blake-** Mr. Mayor my understanding if you could just refresh my memory because a lot of questions will come from the community when we start talking about say the license plate permissive tax, the funds that Brian presented a few weeks ago are being used for streets but they are for main thorough fares and we are not able to touch the neighborhood streets because of the maintenance and upkeep of the main thorough fares. Is that a correct statement would you say?

**Mayor Hall-** let me clarify that maybe a little bit. We have license plate permissive tax that has gone up about 4 times in about 30 years during the time that asphalt has went up about 4 times. It has gone from \$21.00 a ton to just short of \$70.00 a ton so you don't get more miles paved. Gas excise tax when you pump your gas at a station here in the city limits we do get a piece of that. Those have to be used for roads. We reach out for State Capital Improvement dollars and as I previously mentioned used that for bridges. We use it on main streets where we can reach out to LCATS for funding sometimes but those are not available for neighborhoods. West Main Street was paved a couple of years ago, it weathered the winter very well. As Brian stated in his presentation if we can catch that in the 8-10 year mark than repaving is all we have to do. To pave 1 mile of an average width street is \$90,000.00-110,000.00 just to resurface not to do any underneath repair work. If we can catch it before it is mandated than at that point we are saving dollars and that is what we are trying to get ahead of but to get into those neighborhood streets we are going to need more revenue.

**Mr. Blake-** I know in my Ward on Beacon road there was a holistic approach with that project. It wasn't just the road but the curbs and sidewalks and everything had to be done and I believe Granville road was a holistic project as well.

**Mayor Hall-** Beacon Road was clay cliff we were constantly putting asphalt on that and throwing money away almost but you do have to patch it. The asphalt would slide off the clay so finally getting that project done it had to be a complete project. That project was north of \$300,000.00 but we expect that to last long term because that was what was needed in that particular part of the City.

**Mr. Blake-** considering the funds that are currently being used it is time that we finally get out into some of our neighborhoods and I think the polls being brought forward will allow additional funds to do that so I will make a motion to forward it on to full Council.

**Motion by Mr. Blake to forward to full Council, second by Mr. Bubb**

**Motion passed by a 2-1 (Marmie) vote.**

2. **Resolution No. 14-46** providing for the submission to the electors of the City of Newark, Ohio of the question as to passage of a 0.15 percent additional income tax levy dedicated to general construction, re-construction, re-surfacing, and repair of streets, roads, bridges and sidewalks within the municipality was considered.

**Law Director-** these both are companion pieces of legislation, if you read them independently the language might seem a little bit odd but it is the language required by

statue for passing an income tax of this sort. You will notice that Ordinance 14-13 which you just passed on to full Council says levying an additional income tax. Technically you are levying an income tax if this passes but it can't be imposed and enforced unless it is adopted and affirmed by the voters. That was what Resolution 14-46 does. It basically says in there kind of strange language, it says Council previously passed Ordinance 14-13 saying we are levy an additional tax but then we are directing the Board of Elections to put that question on the ballot for the voters to affirm or disaffirm. It has to reference that previous ordinance because before this resolution can go to the Board of Elections that ordinance has to pass. It can pass 1 minute before the resolution passes it still counts as being previously passed.

**Motion by Mr. Blake to forward on to full Council, second by Mr. Bubb**

**Mr. Blake-** this is basically telling the people you have a choice. We all know that we have issues with our roads and we all know that we have issues with wanting to get out into the neighborhood streets. All of our last campaigns we heard that, we heard it over and over again. Needing additional funds for those neighborhood streets is what we will be presenting to the voters and the voters will have a choice, either support it or not support it. Basically we are just moving this on to the voters to make that decision.

**Motion passed by a 2-1(Marmie)**

**Ryan Bubb, Chair**