

PUBLIC HEARING

**BEDFORD CITY COUNCIL
STATE OF OHIO
COUNTY OF CUYAHOGA**

DATE: May 21, 2012

AGENDA

TIME: 7:00 P.M.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **NEW BUSINESS**

a. Resolution No. 2456-12

approving and accepting the proposed 2012 tax budget for
the year January 1, 2013 to December 31, 2013

4. **ADJOURNMENT**

Bedford, Ohio

May 21, 2012

Mayor Pocek called the Public Hearing to order at 7:00 P.M. The roll was called. Present: Zolata, Batten, Koci, Mizsak, Pocek, Pozar, Saunders. Also present: Jeanne King, Joyce Daunch, Silvia Heller.

Mayor Pocek requested the residents in the audience give their names to Clerk Villers for public attendance.

RESOLUTION NO. 2456-12, being a resolution approving and accepting the proposed 2012 Tax Budget for the year January 1, 2013 to December 31, 2013 and declaring an emergency was read by title only. This topic was placed on the May 21, 2012 regular council meeting to be considered as either emergency legislation or read for first reading. Mayor Pocek stated it was the recommendation of Mr. Gambosi to place this issue on first reading this evening.

Mr. Pozar explained this type of report took numerous hours to accomplish. He asked how the 1% internal millage worked. Mr. Gambosi explained the amount of debt to appropriate in the debt service fund to the general fund which was close to 1 mill that the City needed plus what was being transferred from the other funds. Mr. Pozar pointed out the amount was \$295,000. The \$295,000 came from the general fund and then the City requisitioned taxes/internal millage to align it with the \$295,000 from the general fund. Mr. Gambosi added there were other transfers from other funds also involved. Mr. Pozar thought the amount was being tweaked to make the general fund not support the bond issue. Mr. Gambosi said the debt service fund was supposed to have a millage associated to it to pay for the inside millage and that was where the one million came into play. He had always put the amount in the general fund to allow when the values were larger to remain in the general fund rather than be confined to the debt service fund where those funds could not be obtained to pay any other purpose but to pay debt. Mr. Pozar understood this process was now co-mingled. Mr. Gambosi said it was always co-mingled but it was now separated into the debt service for this year. In 2014, he would take these funds and move them back to the general fund then move the income tax that was going to the waste water fund will be moved back to the debt service. Also in 2014, he will relieve some of the losses the City was going to experience from the State budget cuts. The State's budget cut was \$862,000 per year. The City was making plans to take \$300,000 out of the waste water fund, move it to the debt service to relieve the general fund and put the money that was in the general fund that was in the debt service fund. This was one way to combat the third Tier cuts that the State had previously done. Mr. Gambosi said he estimated his evaluation of the City to decrease 5% in 2013. Mr. Pozar said because of the State cuts the City was operating at a huge deficit opposed to a couple years ago. Mr. Gambosi said the amount was \$862,000 but the general fund would increase with some income tax increases to net approximately \$630,000 in 2013.

Mr. Pozar asked if the Administration was planning to reduce the services to the residents. Mr. Gambosi said he would address the resident's services this year during the budget discussions. The waste water fund would assist the City in the allowing of these types of services in 2014. He briefly explained the building and ambulance type fees also assist in covering the access costs. Mr. Pozar noted that Mr. Gambosi had in the Housing Rehabilitation line item, a zero dollar amount. Mr. Gambosi was not sure what was going to happen so if he didn't know what was going to happen in the future, it was best to estimate \$0 until an amount was established. Mr. Pozar questioned if Mr. Gambosi thought the budget would be affected if residents went to the Board of Revisions for property tax relief. Mr. Gambosi explained he had anticipated this and that was why he had a 5% decrease in several funds.

Mr. Gambosi stated there were three reason for this budget process: 1) County Auditor sets the property tax for the following year and currently Bedford was at 21.7 mills as it had been in the past since the levy passed, 2) it allowed the City to receive local government funds of \$330,000 even though they were reduced, and 3) it allowed the County Auditor to provide the City with a certificate of estimated

resources. This does not appropriate any money for spending in 2012 but it gave a rough estimate of where the County was going to value Bedford and where the City thought it could be in 2013 based on the revenues and expenses. He said the Administration and Council would start the budget process in August and finish up by the end of December. Mayor Pocek stressed this was the beginning of the budgetary process.

Mr. Saunders asked if the decrease in value was going to off-set since some of the banks were taking over some of the foreclosures and they were paying some of the back taxes or has this even been considered. Mr. Gambosi replied the County Auditor/Fiscal Officer was responsible for the collection for taxes. The delinquent taxes for two of the homes had already taken place, which puts the City at 100% of collections upon sale. The collections were already figured in this report.

Mrs. Zolata felt the City had been proactive in addressing the State budget cuts to some extent but she was sure there had to be more.

Mayor Pocek said he would be attending a meeting tomorrow as a First Suburbs Consortium member where he will hear what County Executive FitzGerald had to propose regarding the \$39 million dollars Cleveland would be getting from the new gambling revenues. His understanding was that the County Executive wants to take the \$18 million from the gambling revenues and give it to the City of Cleveland for various economic projects. While any attempt to spur economic activity was always a worthwhile goal, to do so without consideration of the cities constituting the First Suburbs was not the way to build cooperation and the cohesion so advocated by the County Executive.

The fact that the First Suburbs' collective population was greater than 37% of the total population of Cuyahoga County and that many of the 56 communities in the County continue to be in dire financial straits, to propose and enact the type of distribution being considered without discussion or feedback from those affected communities of funds needed to be reconsidered.

Not only will the City of Cleveland receive \$21 million for the casino being there, it will be receiving the income taxes for 1,600 employees, parking lot and other assorted fees, restaurant taxes, bed taxes etc. He was certain someone could put an estimated dollar value on those items and it would be substantial.

The State of Ohio will continue its assault on local municipal government budgets through the year 2018. The City of Bedford, aside from current cuts, will face another \$862,000.00 per year in lost revenue. Other First Suburb cities will be facing similar cuts. Every one of the First Suburb cities would love the opportunity to have a few more dollars for economic development and possible job retention.

Mr. Pozar asked if there was support in what Executive FitzGerald wanted to do. Mayor Pocek was not sure; one proposal was the \$18 million would be divided between the eleven members of the County Council for distribution to their cities. He thought tomorrow's meeting was going to be interesting meeting. He figured Bedford would benefit approximately \$350,000.

Motion made by Batten seconded by Koci to place Resolution No. 2456-12 on first reading this evening.

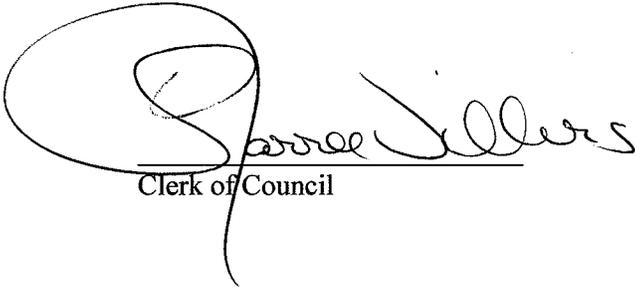
The roll was called. Vote – Yeas: Zolata, Batten, Koci, Mizensak, Pocek, Pozar, Saunders. Nays: None. Motion carried unanimously.

Mayor Pocek asked if there were any further questions. There being no reply, motion made by Koci and seconded by Batten to adjourn. The roll was called. Vote – Yeas: Zolata, Batten, Koci, Mizensak, Pocek, Pozar, Saunders. Nays: None. Motion carried unanimously.

The Mayor informed everyone that the Public Hearing was now concluded and that Council would reconvene the work session that was being held in the caucus room prior to the Public Hearing.

He announced the meeting was adjourned.

Meeting adjourned at 7:14 P.M.



Sarah Sellers
Clerk of Council



David S. Poek
Mayor - President of Council