

# SHARON CITY COUNCIL

**Purpose:** 2<sup>ND</sup> Public Hearing  
**Date:** Wednesday, December 2, 2009  
**Time:** 6:00 P.M.  
**Location:** Sharon Municipal Building Council Chambers

## MINUTES

CALL TO ORDER  
PLEDGE OF ALLEGIANCE  
ROLL CALL – Present:

TIME: 6:15 P.M.

Council:

President Donato  
Mr. Connelly

Mr. Heutsche  
Mr. Messina

Absent: Darin Flower

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Attorney Madden - City Solicitor  
Mayor Robert J. Lucas  
Sharronda Faber – City Clerk

News Media:  
Courtney Anderson – The Herald

Dept. Heads:

Terry Whalen - Fire Chief  
Michael J. Menster - Chief of Police  
Joseph Fragle - Community Development  
John Cave - Street Dept.

Also Present:

Robert Fiscus  
Dave Kepics  
Janet Thomas

Ron Maurice  
Ed Palanski  
Carol Rombold

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**CITY OF SHARON 2010 BUDGET SUMMARY  
AND NOTICE OF PUBLIC HEARINGS**

**REVENUES:**

Real Estate Taxes	\$2,957,957
511 Taxes	\$3,180,600
Licenses	\$ 199,000
Fines	\$ 100,000
Refunds	\$ 5,000
Interest/Rents	\$ 22,000
Grants	\$ 542,955
Department Earnings	\$ 139,500
Property Sales	\$ 281,600
Refunds & Miscell	\$ 398,930
Highway Aid	\$ 100,000
<b>Total Revenue</b>	<b>\$7,927,542</b>

**EXPENDITURES:**

Administration & Tax Collection	\$ 537,468
Buildings & Grounds	\$ 125,900
Protection Persons & Property	\$3,137,762
Health	\$ 54,415
Highways	\$ 564,874
Library	\$ 102,716
Parks	\$ 15,000
Special Services	\$ 33,537
Payroll Taxes & Employee Benefits	\$2,103,568
Insurance	\$ 356,500
Miscell	\$ 52,348
Transfers & Borrowings	\$ 843,454
<b>Total Expenditures</b>	<b>\$7,927,542</b>

## **BUDGET HEARING:**

Mayor Lucas provided City Council with a revised budget proposal. He advised that he worked with Mr. Lavorini on revising it and that some of the numbers also came in different than when the first budget was proposed. He said the taxes will remain the same at 26.51 mills. He highlighted some changes:

- 1) The Earned Income Tax was lowered to 2,100,000, but put in delinquent wage tax (which should arrive by 4/15/10). He advised that for the number, he reviewed the history from 2005-08 and compared them with the school district's collections, and came up with approx. \$600,000. He advised that \$2.1 million is a conservative number.
- 2) The City will pay the full MMO, and not take the discount. He advised that the City will eventually see a reduction.
- 3) Increased the Fire Dept. budget by \$90,000; \$59,000 paid by SAFER Grant – The Fire Department is going to take over code enforcement of rental properties, so money was secured through Community Development Dept. for salaries (\$70,000).
- 4) Mr. Fragle advised that he presented a revised budget.
- 5) Under the Mayor/City Manager's office, there is an increase in Training and Development, to \$5,000. The Mayor advised he was following the recommendation of Mr. Lavorini for training of City personnel.
- 6) Under the Police Department, the Mayor suggested that the Impact Patrol money for Zone 5 could be shown on the revenue side and offset on the expense side.
- 7) Weed & Seed will be reduced the \$22,348, as there is no match required by the City for 2010.
- 8) TAN Interest reduced from \$53,000 to \$37,000 due to getting the note at a lower rate.
- 9) \$5,000 increase for Fire Hydrants due to an increase by Aqua.
- 10) Decreased the initial proposed tax increase from 1.5 mills to 0 millage increase, and actually show a \$130,000 fund balance. Mr. Donato inquired if the personnel cuts initially proposed were maintained in the revised budget. Mayor Lucas advised they are still cut.
- 11) Still waiting for final numbers for Health Care.
- 12) Litigation & Arbitration Costs were increased from \$15,000 to \$30,000 due to 2 contracts expiring at the end of 2010.

**Mr. Connelly** – Inquired about the Code Department and how the work will be done by the Fire Department. Mayor Lucas advised that the Fire Dept. will do the code work as part of rental inspections. He advised that there is also \$29,000 for the hiring of part time code officers through Community Development. Mr. Connelly also inquired about the sale of property...It was determined it is the 2<sup>nd</sup> of 5 payments for the sale of the sewer plant.

**Mr. Heutsche** – Discussed a request by the Sharon Community & Economic Development Commission (SCEDC) to have approximately \$10,000 allocated for hiring a consultant to develop an Economic Plan for the City. Discussion held with Mr. Fragle about the money coming from Community Development. Mr. Heutsche proposed that \$8,900 be distributed from Comm Dev.: \$8,000 from Mercer County Community Action Agency (MCCAA) and \$900 from the Medical Equipment Recycling Program. Discussion held about the City forgiving a \$40,000 mortgage to Community Action Agency 3-4 years ago. He said that then \$1,100 could be found in the General Fund, so that a total of \$10,000 would be allocated for the SCEDC. Mr. Heutsche stated that they need to work to bring businesses back into town and feels that they should stand behind the SCEDC. Mayor Lucas advised that the MCCAA has donated money to the City in lieu of taxes for the past two years. Janet Thomas advised that in the Annual Action Plan (for Community Development) certain issues and public services need addressed, and expressed concern that the development of an Economic Plan does not address those issues. She suggested that they money be taken from Public Facilities & Street Improvement Projects (paving/demolition). Mr. Fragle concurred that it would be easier to do this and suggested that \$5,000 be taken from clearance and \$5,000 from the street program. Mayor Lucas also suggested that Council look into the “payment in lieu of taxes” program and that money could be used for the Economic Plan. Janet Thomas stated that she would look into any available grants through the Governor’s Center.

**Mike Donato** – Inquired to Mr. Fragle about funding to tear the house down on Irvine Avenue (2 recent fires). Mr. Fragle advised he would look into it.

**Mr. Connelly** – Commented to Chief Whalen that \$12,500 for fire dept. overtime is not a realistic figure. Chief Whalen advised that emergency overtime is typically \$15,000. Mayor Lucas explained that part time firefighters will help alleviate overtime costs. He said the part-timers could be used as a 3<sup>rd</sup> man (for the shift minimum). Mr. Connelly inquired about the cost for turn out gear for the part time firefighters. Chief Whalen advised that three of the part time firefighters are from Brookfield and plan to use their turn out gear from there. He advised that there is an agreement in place with Brookfield to allow them to use their gear, but if it’s damaged in Sharon the City will replace it.

**Mr. Lavorini** – Advised that he met with Attorney Madden and Mayor Lucas and discussed re-opening the budget. He stated that in studying the Home Rule Charter, he finds that there is no specific provision to allow this. Mr. Palanski stated that he is not sure what re-opening the budget would do versus clauses in the Home Rule Charter that allow changes to the adopted budget to manage it. He commended the Mayor and City Manager for all the work they have done on the budget. He also commended them for going to the school district (regarding the EIT tax).

**Mr. Palanski** – Discussed looking at trends, and stated that he believes that the wage tax projection is getting closer to where it needs to be. He stated that he still believes the budget needs to be reduced by 3%, and expressed concern over using the proceeds from the sale of the WWTX plant as “revenue.” He said it equates to 3 mills of taxes, but that it should be seen as more of an asset and should be used to fix something else.

**Mayor Lucas** – Discussed the problems with the Earned Income Tax, and that while the City is behind 25% in collecting theirs, the school district is actually ahead. He said some business owners have not yet started collecting the right amount from employees, and that the employees will owe the difference to the City when they file their taxes. Mr. Connelly inquired if Centax notified all employers of the Wage Tax increase. Mayor Lucas advised that they did. He made a correction to the salary of the City Manager – from \$65,000 to \$67,500 annually.

**COMMENTS:**

**NEWS MEDIA:**

Courtney Anderson – The Herald – Inquired if the City approached the unions about a wage freeze and discussed the City of Hermitage doing that recently. Mr. Connelly advised that there had been a discussion.

**CITIZENS:**

David Kepics – Inquired about the increase in the Arbitration budget. Mayor Lucas explained that two contracts will be negotiated next year, and that there are already two arbitration hearings scheduled for 2010.

**MR. LAVORINI:**

Offered two observations: 1.) The accumulated fund balance continues to decline. Concurred with Mr. Palanski about the \$280,000 from the sale of the WWTX plant, and that it is not income from year to year. Emphasized that the City must be attentive to the fund balance, and that the rule of thumb is it should be 5% of the overall budget. 2.) Just because it's budgeted does not mean you can spend it. Think before you spend.

**MR. CONNELLY:**

Stated that he appreciates all the work the Mayor has done, and that it has been an honor and privilege to serve with him.

**ADJOURNMENT:**

**Meeting adjourned at 7:00 P.M.**

**Motion: Mr. Heutsche**

**Second: Mr. Connelly**

**Vote: Yes - Mr. Connelly  
Yes - Mr. Messina**

**Yes - Mr. Heutsche  
Yes - Mr. Donato**

  
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**COUNCIL PRESIDENT**

**ATTEST:**

  
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**CITY CLERK**