

RECORD OF PROCEEDINGS

MINUTES OF JACKSON TOWNSHIP TRUSTEES MEETING

JANUARY 31, 2006

Pizzino called the special meeting to order at 10:00 a.m. at the Jackson Township Hall with all Trustees, Fiscal Officer, Lyon, Fitzgerald and Heck present. He requested that all cell phones and pagers be turned off at this time.

The Pledge of Allegiance was recited.

Heck: The purpose behind today's meeting is to seek County Auditor's Certification of dollars that would be generated from the millage. We currently have a 5.6 mill operating levy. That's the only operating levy that the Fire Department has and as we've discussed over many months of work sessions and discussions, we're finding it necessary to add .4 of a mill or go to 6.0 mills, if you would, on the ballot in order to maintain our operations. One of the big issues, and I would hope the news media would, not only with us but it's hitting every political subdivision, probably the unincorporated areas more so than the incorporated areas, is the loss of personal property tax. That is going to be phased out. The State Legislature said to the local communities 'we'll give you four years to figure out how you're going to replace it'. Sadly for townships, that leaves property taxes as the main item. Incorporated areas have other choices. For the Fire Department, in talking with the Fiscal Officer, the estimated loss to the Fire Department alone is a little over a half million dollars. And that's virtually all our non-people type cost other than overtime, our utilities, our supplies, our fuel that we use, training equipment, all those things are wrapped up in that dollar amount. It's going to have a heavy impact, not only on us, but on all other governmental operations that rely on any type of property tax. The purpose behind the .4 is to attempt to make that loss up. Since 1986 we've operated with a 5.6, we have been on average every five years replacing that levy, bringing it back up to the current value which is an increase of property owners taxes but it's slight. We haven't had to seek additional millage which many other departments have had to do. If we're going to provide the service, maintain the insurance classification that we have, which is a savings to property owners, we have got to take this step. Are there questions from the Board to me?

Pizzino: Any questions from anyone on this Board? We've been talking about this for three or four months trying to figure out what to do. And again, this is the first time in 20 years he has asked for an increase and it's .4, less than half a mill. Randy, that half a mill, will that get us through?

Gonzalez: It will be real close in its last year.

Pizzino: That will just get him up to the last year monies that he received, isn't that correct?

Gonzalez: Yes, that's what we're recommending. I think Chief Heck decided, and the Board decided on three years. If you go five, it won't make it.

Burger: Chief, one of the questions the people have asked me recently when they've been reading about this, and obviously, they're senior citizens, some of them are widows and so forth, they live in these homes that were built back in the 1940's or whenever and I guess, I'm no different, I just wrote my tax bill and living in the same house for over 30 years and looking at the improvements that I have, obviously the value of the home keeps climbing and climbing and that's something that everybody faces and it's hard for them to understand. They haven't done any improvements in their home but all of a sudden they see their home is. . .

Heck: Their taxes are going up.

Burger: Yes.

Heck: I don't know the answer to it, Mr. Burger. I think it's extremely difficult for the citizens to understand the tax laws in this State. We could tell people that really their cost for fire protection decreases during the life of a levy because we can't generate, technically, any more income. If you and I both have an identical house and we pay \$15 a year for fire taxes and someone builds a house identical to ours, we don't garnish the \$15 addition. Our taxes, technically, drop to \$10 apiece and still generate the same income. It's a shame the only methods that we have are property taxes.

Meeks: Chief, that's exactly what we've been preaching for well over a year, year and a half. This Board is very sensitive to the burden that the property owner has. We are a township and even though all the fallacy that is out there, you know, when you talk Jackson Township, well they have all the money. We only have the money that the levies let us have. And our residents have been very good at supporting our safety services and our highway and roads but you know like I said last meeting that it is our job and we have been looking at all the options that may be out there to offset these costs. It would be a great thing if we could tell our residents that we can wipe your levies clean. And there are options out there. And one thing that I was criticized in the paper based on wrong information that people tend to want to believe but, you know, we've been working with our State Senators and Legislators trying to get legislation passed at the State level not so that we can impose it but we could put it to our voters. One of those options was and still might be is if we were able to put it to a vote of a half percent sales tax in rural townships, large townships, that could support that if the residents would buy into that and pass that. On a conservative estimate it could bring in upwards of being able to retire both our fire and police levies to the tune of about 13 to 14 million dollars. That's huge. Then what happens is we are able now to take the burden off of our property owners and then we're not competing with health care and just every day living costs for our senior citizens and fixed income people, as well as not competing for school dollars, cause that's very important. Our community is successful because we have everything to offer those with a family, the best schools, everything at your fingertip.

But on the other end, there's a price tag associated with that. So this is an option that we look at, it's also an option of working with neighboring communities, forging agreements so that we can share in those revenues that possibly could be realized from our Belden Village area, the Strip, all of our commercial retail areas, so that we can take the burden off of our property owners and still keep the integrity that we so want in our community.

And then quite frankly the final thing is, looking at the possibility of incorporation. Is it the direction that we need to go? And again, I've said it time and time again, that I think in the near future a committee should be formed, separate from this body, to bring out the pros and cons of that and let it up to the residents to decide. Do you want other people that's using your services and buying your goods to pay for those services to take that burden off of them. And I think at the end of the day the answer would be yes. But we're not there yet and quite frankly it is being very responsible elected officials that we are that we're not waiting until the eleventh hour to look for these options. We're looking now, we know that we have four years down the road to come up with solutions to present it to our residents so that they can make that decision. And that's what we have been talking about for over a year and a half now.

Pizzino: Thank you Mr. Meeks. There are a couple important issues here. The first one is the increase. The only reason why you kept up for the last 20 years at the 5.6 mills is because of the growth in the Township.

Heck: That's correct, we replaced our levies. We didn't even renew them, we replaced them.

Pizzino: The new construction is what helped you and, of course, then every house being built it lowered people's property tax and you touched on that. They don't understand that it was \$15 at the start and next year it might have dropped down to \$12 because of the new construction. And by replacing these levies you just brought it up to current dollars. I think, again, we could have probably got away with it again for the next four or five years. One, if the evaluation would have hit right and two if they didn't pull our personal property tax.

Heck: The personal property tax is what we're taking a hit with.

Pizzino: Yes, absolutely and there's just no way a township, the only way, as Mr. Meeks said, that we can generate funds is through a levy. We can't impose an income tax. There's just nothing there right now. Now, hopefully, Mr. Meeks and Mr. Gonzalez have been working pretty hard with our State Senators and our Legislators to change that. We all agree we have to take it off our homeowners. But we don't want to drop the quality of service that we have had in the last 30 years in Jackson Township with our fire service. It's important also when people look at their property taxes to actually understand their property taxes and actually see what they are paying Jackson Township Fire and Jackson Township Police and Jackson Township schools. Everybody thinks that Jackson Township, us, we're getting all that money. We're getting 19%, Mr. Gonzalez, 18%? Somewhere around there?

Gonzalez: Around 19.

Pizzino: Around 19%, that's it. That's all we're getting and it's running our road department, our police department, our fire department, and this administration. Again we're very fortunate because Jackson Township people want to live in Jackson Township and they're moving to Jackson Township and they keep building in Jackson Township. Randy, I want you to touch on just the difference between a replacement and the .4. It was my understanding when you did the figures it's roughly under \$12 or right around \$12 additional per \$100,000. Is that correct?

Gonzalez: \$33 if it's \$100,000.

Pizzino: No, but I'm saying the difference on the .4 of a mill, there's no way we could ever back up without the replacement. You need the 5.6 as we have the last 20 years. The difference is the important issue here. What is it a year \$11, \$12?

Gonzalez: To replace it is \$20.83 and we're asking for \$33, so it's \$13 more.

Pizzino: So we're about \$12 a year difference. That's all you're asking for, Chief. And again, you know, you've done a great job with the administration in that fire department and your whole administration, I should say, has done a great job in trying to control costs. We know in two years we have to come up with almost a million dollars on a ladder truck. It doesn't look good right now, but we'll do what we have to do. Hopefully, the residents always have supported us and I believe they will support us this time. Are there any other comments from this Board?

Gonzalez: I would like to make my comments now if it would be all right. Everybody's talking about personal property tax, our administration has done a great job of going to the Ohio Department of Taxation website and they show every township in the State and the amount of loss that they're going to lose in the personal property tax. We kind of set a benchmark and anybody that was going to lose over three quarters of a million dollars or more, we've invited them to a meeting, actually tomorrow, the Ohio Township Association is hosting a convention in Columbus. We've secured a room and we're going to invite those twenty people and I was able to get Mike Sobul from the Ohio Department of Taxation as their attorney who pretty much wrote House Bill 66, and understands this more than probably anybody in the State, to come and talk to those twenty. The purpose of the meeting is going to be exactly what Mr. Meeks said. We're going to go in there and hopefully come up with alternatives to this loss. The State is going to make it whole for the next five years. Then in five years it goes away and that's \$1.7 million in Jackson Township. There are twenty other townships, for example, to give you the makeup so you can understand the difference in the community make ups. As you look at Plain Township, which is larger in population than Perry, they're going to lose around \$200,000. Perry on the other hand is going to lose \$840,000. It's the makeup of your community, if you have a lot of business, those that have the business and have benefited by those businesses for so many years are now going to lose and take the largest hit with personal property tax. It has very little impact on Plain but it has a huge impact on Perry Township. Obviously in Jackson Township, \$1.7 million is a huge number for us to make up and it is leaving us with, right now, one of two alternatives. I think that you heard the Board say either we go back to the voters or we reduce services, we don't just stop buying enough white out, paper, and pencils, to make up a \$485,000 loss in the fire department. It's not anything that any elected official in this community want to do. We don't want to go to the voters, we don't want to ask for tax increases. Our parents, our kids, we all live here, we certainly don't like to pay more taxes either, but until we make an impression on the legislators and maybe come out of that room tomorrow with one voice with those largest twenty townships and they all go contact their legislators, maybe we can have an impact. In the meantime, we're kind of left with playing the hand we're dealt.

Meeks: Well, on piggybacking on that, Randy, the alternative that the State is giving us to offset these cuts, you have a choice. You can either incorporate or you can pass an operational levy. And this Board is not and I think you should understand by now that this Board is not in favor of putting any more burden upon our property owners at all. Until we are forced to make that decision I think we will shake all the bushes that we can in coming up with a solution that would be palatable to all. This is a step in the right direction. We've talked about this and, again, Jackson Township's taken the leadership role of organizing these large townships in trying to see what they have already done, if anything, or if nothing at all and how we can band together to, if it is at the end of the day, meeting with the representatives from our State that our solution would be to have the legislation changed, then so be it. If it isn't, then we'll know that as well. But I think this is a huge step in the direction of, again, Jackson Township not just thinking, which we do though, how we can better ourselves and take the burden off our residents but also sharing that with the rest of the State.

Gonzalez: Just to give you an example also, Jackson Township, Stark County is taking the second largest hit in the State out of over 400 townships. The largest in the State and the biggest hit is Westchester Township in Butler County. They're going to lose \$2.3 million. Jackson Township is second with \$1.7 million in losses. Just to show you again the make ups of your communities, the largest township is Colerain Township, they have about 60,000 people, and they're going to lose a million dollars. The second largest one is Green Township in Hamilton County. They're only going to lose \$254,000, so that tells you it's a real bedroom community with no businesses. We've had the benefit of the growth our businesses picking up a huge portion of our taxes for years. Quite frankly they pick up 35% of the tax burden. It used to be 50% of the tax burden. That's another reason we have to go back to the voters more often. It's changed from 50 - 50 commercial versus residential to 65 - 35 with the 65 being on the weight of the residents. I really feel bad about that, I've written two articles in the Township newsletter that Mr. Burger spoke about. It's great that we pass these levies when we do them but there are those that vote no because they absolutely cannot afford it and they still get saddled with that cost. And that's the people on fixed income that Mr. Burger's talking about. We have to address that issue also.

Meeks: The other thing is we look at trying to create and attract new businesses in our community. One of those ways is we look at the future needs is teaming up with higher education and businesses and trying to create the high tech corridor that would bring the high paying jobs to our community. It not only helps Jackson Township but it also helps more importantly Stark County and doing those things help offset the figures, the percentage that Randy gave. It balances that out to where it does take the burden off the property owner and it puts it more on the business owner, where it should be. But when you have loses in your community such as the Hoover Company pulling out, that's one huge hit not only in job loses but the commitment that they've had to the community that they're in, then turn around and sell it to a non-profit organization that now we don't realize any of the benefit of that large property and building and what could have been another business moving into our community. So we have to prepare ourselves to attract the businesses to offset the loses that the GE Capitals, the Rubbermaids, the Hoover Companys and those things and believe me, we work very hard at trying to come up with alternatives and attracting businesses to our community so that we can continue to grow and be strong and trying, again, to alleviate that pressure off of our residents.

Pizzino: Unfortunately, we've talked and talked about this and this is the only way out that I believe we can go. So, hopefully, we can get the message out and the voters have supported us in the past and that they will support us now. But we do have to find, as Mr. Meeks and Mr. Gonzalez said we have to find a different way to take the tax burden off our residents. Hopefully, tomorrow and the next day while we're down in Columbus, the other townships will rally behind us and get the State House to understand the situation that we're in and the other twenty townships. There's just no way other than by levies that we can pick up that \$1.7 million and we won't do that.

RESOLUTION 06-06, ATTACHED

Meeks moved and Burger seconded a motion be it resolved that the Board of Trustees of Jackson Township, Stark County, Ohio, on behalf of Jackson Township, Stark County, Ohio, and as said taxing authority for said District, does hereby determine that it is necessary for the replacement of an existing tax of five and six tenths (5.6) mills and an increase of four tenths (.4) mills to constitute a tax of six (6) mills, outside the ten (10) mill limitation for the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites therefore, or sources of water supply and materials therefore or the establishment and maintenance of lines of fire alarm telegraph, or the payment of permanent, part-time, or volunteer firefighters or firefighting companies to operate the same, including the payment of the firefighters employer's contribution required under section 742.34 of the revised code, or to purchase ambulance equipment or to provide ambulance or emergency medical services operated by a fire department or firefighting company for Jackson Township, Stark County, Ohio, for three (3) years, tax years 2006, 2007 and 2008, commencing in 2006, first due in calendar year 2007.

Be it further resolved that the Board of Trustees of Jackson Township, Stark County, Ohio, as taxing authority for Jackson Township, Stark County, Ohio, pursuant to the requirements of Ohio Revised Code Section 5705.03(B), does hereby certify to the Stark County Auditor this resolution requesting that the Stark County Auditor certify to this taxing authority, the total current tax valuation of Jackson Township as a subdivision, and the dollar amount of revenue that would be generated by the replacement of an existing tax of five and six-tenths (5.6) mills and an increase of four tenths (.4) mills to constitute a tax of six (6) mills for the purpose of providing and maintaining fire apparatus, appliances, buildings, or sites therefore, or sources of water supply and materials therefore or the establishment and maintenance of lines of fire alarm telegraph, or the payment of permanent, part-time, or volunteer firefighters or firefighting companies to operate the same, including the payment of the firefighters employer's contribution required under section 742.34 of the revised code, or the purchase ambulance equipment or to provide ambulance or emergency medical services operated by a fire department or firefighting company for Jackson Township, Stark County, Ohio. Ohio Revised Code Sections 5705.19(I), 5705.191 and 5705.192 authorizes submission of the question of the tax at the May 2, 2006 primary election.

Be it further resolved that the Clerk of the board be, and hereby is, directed and authorized to certify this resolution to the Stark County Auditor pursuant to the provisions of Sections 5705.03(B) of the Ohio Revised Code, and to proceed with all things necessary to be done in order to accomplish the purpose of this resolution and the requirements of Section 5705.03(B) of the Ohio Revised Code.

Be it further resolved that it is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and as further herein attached.

Pizzino **yes**
Meeks **yes**
Burger **yes**

Meeks moved and Burger seconded a motion to send two employees to FDIC training in Indianapolis. **3-0 yes**

Pizzino moved and Meeks seconded a motion to go into Executive Session for Land Acquisition – To consider the purchase of property for public purposes. **3-0 yes**

Upon return from Executive Session at 11:15 a.m., Meeks moved and Burger seconded a motion to adjourn. **3-0 yes**

John Pizzino

Randy Gonzalez