

MINUTES – SPECIAL SESSION

PORTSMOUTH CITY COUNCIL MEETING

Thursday, January 27, 2010

6:00 P.M.

The City Council of the City of Portsmouth, Ohio met in special session on, Thursday, January 27, 2011 at 6:00 p.m., in the Council Chambers of the Municipal Building.

Acting President, John Haas called the meeting to order. A moment of silent prayer was followed by the Pledge of Allegiance to the Flag.

Roll Call showed the following members to be present:

David Malone	2 nd Ward
Nicholas Basham	3 rd Ward
Jerrold Albrecht	4 th Ward
John Haas	5 th Ward
Richard Noel	6 th Ward

Also present were Mayor David A. Malone; City Solicitor, Michael L. Jones and City Auditor, M. Trent Williams. (*Note: Councilman Johnson arrived at 6:07 p.m. and took his seat at the table.*)

Clerk's Report

1. At the January 24th regular meeting of Council, Acting President Haas requested a special meeting be called for Thursday, January 27th at 6:00 p.m., in the Council Chamber of the Municipal building for the purpose of considering legislation to submit to the electors, at the Primary Election, two proposed amendments to the City Charter,
2. Notice of the meeting was delivered to all members of Council, the Mayor, the Solicitor and the Auditor.
3. A returned receipt for the notice was received from the Mayor, the Solicitor, the Auditor and Councilman Haas, acknowledgements by phone were received from Councilmen Albrecht and Basham; and acknowledgements by e-mail were received from Councilmen Johnson and Saddler.

The Clerk's report was accepted, on a motion by Councilman Albrecht.

STATEMENTS FROM CITIZENS ON SUBJECT OF SPECIAL MEETING

Ray Mitchell – 2416 Micklethwaite Road expressed his wish that the City would be run like a business and questioned how the City can pay its expenses without taxes from businesses. He claimed the population of the City in 1928, when the charter was adopted, was 50,000 people, noting we now have a population of about 19,000. Mr. Mitchell said the City could not be raising taxes every time it needs to buy something.

Austin Leedom 1521-5th Street claimed we have a problem and it was all on the members of Council. He claimed more money to have been spent than the City has and that the people who live in his area are telling him "they don't want taxes". Mr. Leedom claimed "there is a feeling of anger among many people that's existed or nearly nine years now". He said this has been "since the Marting's program". He stated "many people have hope that you gentlemen will be better businessmen than have better fortune than we have had in the past".

LEGISLATION

The Clerk gave a **first reading** to an ordinance to submit to the electors of the City of Portsmouth, Ohio at the Primary Election to be held on the 2nd day of May, 2011, a supplemental section to the Charter of the City of Portsmouth, Ohio to levy annually, beginning January 1, 2012, an income tax in an additional amount of six-tenth (6/10) of one percent (1%), notwithstanding any provision in Section 47-a prohibiting said tax, to provide funds for the operations of Police and Fire forces of the City of Portsmouth and for no other purpose whatsoever, and declaring same to be an emergency.

Councilman Albrecht moved to suspend the rule requiring an ordinance be read on three separate dates but withdrew his motion when Councilman Basham made a motion to amend the ordinance. Mr. Basham's motion to amend would change the beginning of the levy from January 1, 2012 to July 1, 2011 for a period ending on December 31, 2016 (five and one half (5 ½) years).

The Solicitor, for clarification, read Mr. Basham's amendment back to him and inquired as to the reason for the assessment to be for a period of five and one-half years. Mr. Basham stated that he was

attempting to have the levy expire at the end of a calendar year. He also said he wanted it to begin in July because he felt the Police and Fire Departments need to be funded as soon as possible. The Auditor felt to begin in mid year would create a problem for employers but acknowledged this would address the problem facing the City. The Auditor agreed with extending the levy to the end of a calendar year. In response to Councilman Johnson, the Auditor advised that all local CPA's are aware of a proposal to increase the income tax and will be prepared for it. However, he felt that for the State of Ohio and out-of-town business a mid-year change in the income tax might present them with a bit of a problem. He felt that it may take the State of Ohio six months to make a change of this type. He noted that if this passes, employers will have from May to July to prepare for making the necessary change. Mr. Williams again advised that all local employers are aware that this conversation is occurring at the present time and he did not think it will be a big problem for them. He also felt that the need to alleviate a financial issue for the City outweighs any problem that might result for his office or any other office affected by the change.

There being no further questions or comments on the motion to amend the roll was called. VOTE: ayes 5 (Johnson; Saddler; Basham; Albrecht; Haas) – nays 1 (Noel) The ordinance was amended.

Councilman Albrecht moved to suspend the rule requiring an ordinance be read on three separate dates.

The roll was called. VOTE: ayes 6 (Saddler; Basham; Albrecht; Haas; Johnson) – nays 1 (Noel) The rule was suspended.

Councilman Albrecht made a motion to pass the ordinance.

Councilman Noel stated that his efforts to take a nap this afternoon was unable to because of his concern about this proposed legislation. He said he has not spoken to a single person who is in favor of this proposal. Mr. Noel expressed his personal opinion that the issue will not pass. He said the only way he could support an income tax is if everyone, including Council, would take a 5% or 10% reduction across the board, with Council taking a 50% reduction. As an alternative, Mr. Noel suggested "a 10% reduction in forces". He acknowledged the City to be in a bad financial situation but did not feel an increase in the income tax would resolve it. Mr. Noel said he would also like to see the 18% increase in water and sewer rates rescinded. In lieu of doing the things he mentioned, Mr. Noel said he would consider anything reasonable anyone else can suggest "that would pay our way out of this situation we are in right now". He said he would be interested in a five-year increase in income tax to fund improvements to the City's infrastructure. Mr. Noel again advocated that this levy would not pass but if it did it would not solve the City's problems. He acknowledged that it might get the City out of its present deficit problem but it will not solve future problems. He felt that things will not get better but "have to get worse". Mr. Noel said he did not feel the tax would be fair to the citizens and expressed his opinion that these types of problems are being taken care of all over the country and felt we could negotiate our way out of this situation if we just negotiated properly. He also expressed his opinion that the store has been given away to the unions. He said he wants to be fair to the unions but at the same time they need to be fair with the City. Mr. Noel said, "It bothers me to see what is happening so I'll be voting 'no' on this". In response to Mr. Johnson asking how much funds this increase will generate, the Auditor, based on this year's collection, estimated the increase would bring in an addition 2.8 million dollars, and described his estimate to be conservative. Mr. Johnson acknowledged having some of the same concerns as Mr. Noel but first felt this to be an issue that should be decided by the voters. He noted the City's financial situation is something the residents have been aware of for some time and they are also aware that costs have increased while our revenues have remained flat. Mr. Johnson pointed out that unlike some businesses and individuals, there are some costs the City cannot cut if we are to protect the public and maintain our roads. Mr. Johnson also pointed out the fact that the last increase in income tax was in 1986. He claimed that since 1986 personnel costs with benefits have increased over one million dollars. He noted the bulk of this to have been in the four big departments. Mr. Johnson felt the bottom line to be for the voters to see how the City does in the next couple of months with regard to this year's budget and will make a decision based on that. Councilman Albrecht reported Huntington to have raised their income tax by 1% and pointed out the fact that New Boston's tax is at 2.5%. By comparison, Mr. Albrecht did not feel the proposed increase to our City's income tax to be unreasonable. In response to the citizen who wants the City to be run like a business, Mr. Albrecht noted that when the price of oil goes up the price of gasoline increases as does the price of bread when the cost of grain increases and pointed out this fact as being inevitable. The Acting reminded everyone that the vote of Council is just to put this issue before the voters who will make the decision as to whether or not the tax will be increased. Mr. Haas stated that he is virtually certain that there will be a group of people who will campaign hard against this proposed increase, however, he felt, at this point in time, the facts that we have before us are pretty clear cut as we go through the budget process, these facts will need to be made known to the public. He noted that these facts have already been discussed with the employees and department heads. Mr. Haas advised our present tax rate to be 1.4% compared to New Boston's 2.5%, noting our tax rate to be the lowest in the State of Ohio. He further noted the City to have struggled with this last year and that he is of the opinion that this is something that needs to be put before the voters. He acknowledged that those working on this issue has tried to put something together that is reasonable and limited in nature in order to allow the City to work its way out of a deficit. Mr. Haas pointed out that, at the time this is passed, the citizens will decide, in the future, if they want to renew it. He said he will vote in support of placing this issue on the ballot because he feels it is something the citizens need to decide. The Auditor, in response to a citizen's remark, said he did not think it accurate to say the City has done nothing to alleviate the City's financial situation. Mr. Williams noted that he has sit in meetings with Mr. Haas and several other members of Council last year on this issue and noted there to be negotiations with the bargaining units and discussions in the Council Chambers. He pointed out that

everyone gave up salary increases and followed that up by going through each department's budget line by line, in a four-hour meeting, making cuts to everyone's budget. The Auditor acknowledged the fact that other departments have made a concerted effort to keep their costs under control. Noting the City to be at an estimated 2.2 million dollar deficit, he stated that 2010 ended with less of a deficit than projected and will end the year with a \$1,000,000.00 deficit. Mr. Williams noted the bottom line to be that the City cannot cut enough to continue needed operations of the City without additional revenues. He acknowledged that we now have fewer citizens than in the 1950s, however we have more crime, more mandates and more things that require additional employees to handle those activities. Councilman Basham said he felt it important to bring to the light that this ordinance is not going to line any coffers or to provide a "slush fund" for anyone. He acknowledged we are short about two million dollars and the proposed tax increase will provide about two million dollars. He further acknowledged this increase has been set for a finite period to allow time to try to fix the problem. He expressed his hope that this will fix all the problems with regard to the budget. Mr. Basham said we can then go back to the voters and say we did our jobs, were frugal with the money and did not overspend. He noted that we are only asking for what is needed not for any extra.

There being no further questions or comments the roll was called. **VOTE: ayes 5 (Basham; Albrecht; Haas; Johnson; Saddler) – nays 1 (Noel)** The ordinance was passed. **ORD. #07-11**

The Clerk gave a **first reading** to an ordinance to submit to the electors of the City of Portsmouth, Ohio, at the Primary Election to be held on the 2nd day of May, 2011 a proposed amendment to Section 3 of the Charter of the City of Portsmouth, Ohio.

Councilman Albrecht moved to suspend the rule requiring an ordinance be read on three separate dates.

Prior to the roll being called Councilman Albrecht moved to amend the ordinance by changing the residency requirement to read "three years" as opposed to the proposed "one year" requirement.

Councilman Johnson claimed that in all his documentation there is not one city in the United States has a residency requirement of more than one year. He claimed New Boston to be the only city to require even one year. Mr. Johnson stated that as long as people are registered voters and adhere to the Constitution of the United States they are eligible to run for office. He said he found it interesting that in our charter the Mayor has to be a resident for five years but neither the Solicitor nor the Auditor have residency requirements. He felt the different requirements for different elected officials to be contrary to any democratic principle. He also claimed, "the courts around the county have rules consistently that there is no need for more than one year given a movable population indications that we have that people can and do get involved if they so wish". He continued, saying, "But the bottom line, past anything else is the same reason I voted to put this before the voters. To expect someone to move here and just register (*not discernible*) a year and think they are going to run for City Council, they may happen once in a while but it's the voters who are choosing. That is the people we have to trust as far as the bottom line whether they be voting on increasing taxes or a measure such as this or for who they want to represent us". Mr. Johnson felt that if someone has lived here for a year and can convince the people that they can do a good job then that should be the public's decision. Acting President Haas noted parenthetically that, after this was brought up and identified as something that was going to be placed on tonight's agenda, he also did some research and he found residency requirements ranging from zero to seven years. He noted five years to be on the high side and seven years to be in a vast minority for residency requirements. He acknowledged there to be cities with no residency requirements but that there are also cities with five, six and seven year residency requirements. Councilman Basham felt it important to point out that, from his perspective, members of Council are elected to be in charge of a ward and to take the ideas of that ward and neighborhood into these meetings to provide legislation that will push the City into one direction or another. When looking at the different elective offices, Mr. Basham pointed out that the Auditor and Solicitor are professions while members of Council, at \$50.00 per month, are certainly not professional. Mr. Basham felt that more than a one-year residency to be really important in getting to know the people for who you are going to be speaking. He acknowledged this to be "a small town where a lot of people know a lot of people". He felt it to be a good thing that people moving into the community can run for office and win if they can convince people to let them represent them, however, he noted that often candidates running for an office are unopposed just because this is not a fun job. Mr. Basham felt that given the fact a lot of unopposed people are running for office, it is good to have some kind of a residency requirement so you know what the people want. Councilman Noel felt that if you have lived in a ward for one year and did not know what was going on and the people don't know you then you will not be elected. Mr. Noel felt that six months or one year would be sufficient. Councilman Johnson said he seemed to find that one of the reasons there is not enough candidates is because people notice things when they first move here then after a year, if they can't get involved, they lose interest. He claimed that the present residency requirement is keeping people from participating while they are interested in becoming a candidate. He said he felt the residency requirement has not helped the City to get more people to run and felt that instead it has been a hindrance.

There being no further questions or comments on the motion to amend the roll was called. **VOTE: ayes 4 (Albrecht; Haas; Saddler; Basham) – nays 2 (Noel; Johnson)** **The ordinance was amended.**

The roll was called. on the motion to suspend the rule. **VOTE: ayes 6 – nays 0** **The rule was suspended.**

Councilman Albrecht made a motion to pass the ordinance.

There were no questions or comments. The roll was called. **VOTE: ayes 6 – nays 0** **The ordinance was passed. ORD. #08-11**

The meeting adjourned at 6:39 p.m., on a motion by Councilman Basham.

City Clerk

Acting President of Council