

**NORTH RIDGEVILLE MUNICIPAL COUNCIL
MINUTES OF
SPECIAL MEETING SEPTEMBER 7, 2012**

CALL TO ORDER: 4:31 P.M.

President Kevin Corcoran: I call to order the Friday, August 7, 2012 Special Council meeting.

ROLL CALL:

Present were Council Members Nancy Buescher, Dennis Boose, Robert Olesen, President Pro-Tem Bernadine Butkowski, Richard Jaenke and President Kevin Corcoran.

Absent was Council Member Roseanne Johnson.

Also, present were Safety-Service Director Jeffry Armbruster, Law Director Andrew Crites, Auditor Chris Costin, and Assistant Clerk of Council Tara L. Peet.

READING OF NOTICE:

Acting Clerk of Council Peet: Notice of Special Council meeting. Notice is hereby given that a Special Council meeting will be held on Friday, September 7, 2012 at 4:30 p.m. in North Ridgeville City Hall, Council Chambers, 7307 Avon Belden Road, North Ridgeville, OH 44039. The purpose of this meeting is to discuss the proposed transition to the Regional Income Tax Authority (R.I.T.A.). The Special Council meeting is scheduled by order of Mayor G. David Gillock. George E. Smith, Clerk of Council.

NEW BUSINESS:

President Corcoran: We are here to discuss temporary ordinance T 92. I will have the Clerk read that.

Acting Clerk of Council Peet: AN ORDINANCE AUTHORIZING THE MAYOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT FOR PARTICIPATION IN A REGIONAL COUNCIL OF GOVERNMENTS FOR THE PURPOSE OF COLLECTING MUNICIPAL INCOME TAX REVENUES FOR THE CITY OF NORTH RIDGEVILLE AND DECLARING AN EMERGENCY.

President Corcoran: Before we can have any discussion, obviously we need somebody to make a motion to give it a first reading.

It was moved by Butkowski and seconded by Buescher to give T 92 a first reading this afternoon.

President Corcoran: Are there any comments or questions? All those in favor say yes. Those opposed say no.

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6-yes 0-no

President Corcoran: Now we have the first reading.

Acting Clerk of Council Peet: AN ORDINANCE AUTHORIZING THE MAYOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT FOR PARTICIPATION IN A REGIONAL COUNCIL OF GOVERNMENTS FOR THE PURPOSE OF COLLECTING MUNICIPAL INCOME TAX REVENUES FOR THE CITY OF NORTH RIDGEVILLE AND DECLARING AN EMERGENCY.

It was moved by Butkowski and seconded by Johnson to dispense with the second and third readings.

President Corcoran: Are there any comments or questions?

Councilman Olesen: I have a question Mr. President. We are talking about the Regional Council of Governments. We are talking about RITA here. That is not spelled out in the ordinance.

President Corcoran: RITA is a Regional Council of Governments and their purpose is collecting municipal income taxes. In essence, it is referring to that, but go right ahead.

Law Director Crites: President Corcoran is correct. It is confusing. It struck me as well when I first read through it but we haven't spend a lot of time going over the Regional Council of Governments, but essentially, they are one in the same. The Regional Council of Governments was formed under the Ohio statutes for the purpose of collecting taxes on behalf of municipalities and that Regional Council of Governments, then formed an agency known as the Regional Income Tax Agency. So, essentially, it is one in the same. I would have liked to see in there too; it would have made it clear and I understand the ambiguity is confusing, it was for me as well, but I have to rest on a pretty safe assumption that there is probably some reason that over the years and for the multitude of municipalities that they do the work for that they write the legislation in the contracts this way. Most importantly, for the clarification for this Board, that will not affect anything that we are doing in this relationship even though they are not saying RITA. What matters, and what matters most for the legal authorization of what we are doing, and the legal vehicle of what we are doing is that this is a Regional Council of Governments.

Councilwoman Buescher: Mr. President, I agree that it would be a little difficult if someone was walking into the Council office or looking for an explanation involving RITA . There is a possibility that someone wouldn't be able to find it without that being put in parenthesis or something.

President Corcoran: The difference is, correct me if I am wrong, RITA is the organization that actually conducts the activity on behalf of the Regional Council of Governments. There are two separate things. We are not joining RITA, we are joining the Regional Council of Governments.

Law Director Crites: If I may, that is exactly correct and also Ms. Buescher, there will be subsequent legislation coming down the pike which will see the name of RITA on it. We are going to have to do a little tweaking, not sure yet, of our tax code. It will also involve the adoption of RITA's operating rules and regulations. The public will see.

Councilman Boose: The agreement today is with the Regional Council of Governments, not RITA, hence the reason that the title is the Regional Council of Governments. Theoretically, the Regional Council of Governments could have RITA and another thing that they do regionally, fire trucks, or what have you. The agreement does provide that we as a City, as a member, do not have to participate in any or all of their things.

President Corcoran: The ordinance specifically limits our joining as just for the purpose of collecting tax. We still have that protection. If we decide to do more, we can talk about it then.

Councilman Boose: Mr. President, we had the Safety-Service Director talk about the audit that was done for the records. Can we talk about that timeframe?

Safety-Service Director Armbruster: It was yesterday that they were here. Two of the auditors, including their head of computers as well as their manager of accounts being taken over – I don't have their exact names here, but I can get it if you would like to have it; met with Laverne and I in the morning. They had a checklist that they went through with Laverne and myself and then spent another hour at income tax themselves going through the programs; going through the files just to see exactly what they had to operate with and how organized they were. We met about 12:45-1:00 P.M. and they had informed me at that point that we were good to go for January 1st. They felt very comfortable seeing our records, seeing what we had available to them. They provided us with a document that we would send if this is passed to MITS, who is our present collection agency which would go out on Monday asking them for electronic files starting in September. Then there are two other times beyond that. They also provided us with all the information we have here. Of course their chief legal counsel as late as 4:00 this afternoon, gave us an explanation of why the numbers were not filled out because it is for the entire year. I did have another conversation with their executive officer today and he again indicated that we were good to go and he wanted to make sure that everything was taken care of. They are ready and able to take us on to convert us by January 1st.

Councilman Boose: Mr. President, just a note, since the Safety-Service Director indicated on page five that the numbers in the calculation are blank, that is no concern really because the calculations are listed there as to how those numbers are arrived at. Just because they are blank does not mean

that we don't know what they are. We have done our own calculations based upon last year and so we have a good idea of what those are, hence the reason for the savings listed. Thank you.

President Corcoran: Any other comments or questions?

Councilman Boose: Mr. President, it would be nice; I don't know if the Auditor has any comments, but yea or nay, or just we are good?

Auditor Costin: No comments.

Councilman Olesen: After that big build up!

President Corcoran: Thanks Chris.

Auditor Costin: If you would, I believe that this tax department has done an excellent job over the years, particularly with its closer relationships with our citizens, but I think the time has come with all the confusion at the state level on what is going to happen with taxing authorities and the fact that we are at a point now in our history when the cost effectiveness of having an outside agency, rather than internal collection of taxes – I think the point has come where they are in a position to be economically less expensive than we could do it internally now. I think we have reached that spot where it is probably a good long term decision for the City.

President Corcoran: Thank you for your comments. Anything else? All those in favor say yes. Those opposed say no.

6-yes 0-no

It was moved by Butkowski and seconded by Olesen to adopt.

Councilwoman Butkowski: Do we need the emergency?

It was moved by Butkowski and seconded by Olesen to add the emergency clause to meet the Regional Council of Governments Board meeting on September 14th.

Safety-Service Director Armbruster: Clarification maybe Law Director, Andy: they are taking this to their Board in September. The question becomes do we or do we not need the emergency clause? I would think we would move forward and there wouldn't be a question then on the thirty day enticement because I can't really send out the document to MITS unless it is passed by emergency, Monday.

Law Director Crites: I think we would enjoy the benefit of having the Mayor's authorization in hand to sign the contract when the time is right, as soon as the RITA Board, which we anticipate they will do, brings us in. I think it will help and probably make the RITA Board more

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comfortable in moving forward in doing the immense amount of work that is going to be involved in getting this up and going for January 1 if they have a signed contract in hand. I think the City's best interest in health and welfare of the City, specifically by the collection of tax revenues, will best be served by having the Mayor, with the authorization to sign that contract as soon as he can.

Safety-Service Director Armbruster: So the emergency, I would agree, should be...

President Corcoran: I believe, they mentioned, that their Board meeting is on the 14th, so they are looking for a solid answer for us and the emergency would give that to them.

Safety-Service Director Armbruster: Right, and I wouldn't be able to send out the letter on Monday to MITS unless I have the emergency to get this process going.

President Corcoran: Are there any questions or comments on the emergency clause itself? All those in favor say yes. Those opposed say no.

6-yes 0-no

President Corcoran: Again, it was moved Butkowski and seconded by Olesen to adopt T 92 with the emergency clause. Any comments or questions? Clerk please call the roll.

6-yes 0-no

Acting Clerk of Council Peet: The motion carries 6-0 and is known as Ordinance No. 4954-2012.
Permanent Ordinance number 4954-2012

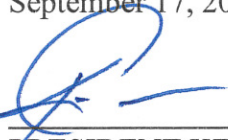
ADJOURNMENT:

President Corcoran: That being the only piece of business, and seeing no other business to bring the City this afternoon, the meeting is adjourned.

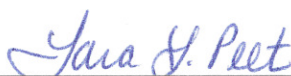
Meeting adjourned at 4:48 P.M.

Approval of Minutes:

These Minutes were approved at the regular meeting of the North Ridgeville Municipal Council on September 17, 2012.



PRESIDENT KEVIN CORCORAN



ACTING CLERK OF COUNCIL TARA L. PEET