



CITY OF CLEVELAND HEIGHTS, OHIO
MINUTES OF THE PUBLIC HEARING - 2010 TAX BUDGET
OF MONDAY, JULY 20, 2009

The Council of the City of Cleveland Heights, Ohio, met on the above date at 7:23 p.m.

Kenneth Montlack, presiding

Council Members present: Dietrich, Evans, Kelley, Montlack, Tumeo, Wilcox

Council Members absent: Caplan

Council Member Montlack excused the absence of Council Member Caplan.

Staff present: Carter, Czaga, Downey, Gibbon, Malone, Wagner, Wong

Council Member Montlack, Chair of the Finance Committee called the Public Hearing to order with regard to Resolution No. 67-2009(F), anticipated to be on second reading in the Regular Council meeting to follow, approving the adoption of the 2010 Tax Budget; and declaring an emergency. Council Member Montlack called for the staff report for the proposed 2010 tax budget and called on the City Manager Robert Downey.

Mr. Downey stated, "Thank you very much, Council Member Montlack, Mayor, Members of Council. As Council Member Montlack just mentioned, we do have a public hearing this evening on Resolution No. 67-2009(F) which references the 2010 tax budget. Just for purposes of procedure, once this is completed, our tax budget is then filed with the Cuyahoga County Budget Commission and in it are the rates and millages, etc., for property taxes and rates to be collected next year. So this is a planning exercise that we go through where we look at our needs for next year, determine what that is in terms of rates and millages and we submit that then to the County Budget Commission for them to do the collection of this money for next year, 2010.

As we all know, the economy, both nationally and here locally, has required that all communities everywhere go back and re-look their spending appropriations for this year as well as next year. Earlier this year, City Council spent a number of meetings and many, many hours reviewing our spending appropriation for this year in lieu of things going on in the economy and they actually reduced this year's sending appropriation by nearly 3 million dollars and just recently at a council meeting they amended our spending appropriation for this year by that amount and by that action. So, we've recast what 2009 will look like in terms of spending and that then lays the groundwork for what we were looking at for 2010. All of the cuts, all of the changes, all of the decreases that Council undertook to get this year's budget in place will all carry over to next year. That will be the groundwork from which we begin 2010.

All of the cuts in personnel, the no-pay raises, the ten days off, the decreases in programming that have gone on in every department in the city will all carry over like that into 2010. And after

several more months, Council can tell you how many meetings that was, we've come up with an outlook and a plan for next year and as of this week we're looking at estimated revenues for our City's General Fund in the amount of \$39,874,000 and right now expenditures in the amount of \$39,870,00, so by just a wee little bit we have a balanced budget for next year. We will need to monitor very, very carefully all of our revenue estimates and expenditure estimates for the rest of this year.

We would all like the economy to get better overnight - that probably isn't going to happen. So, we are going to need to watch this over time and make sure that our estimates are in conformity with what's actually going on. In addition, as you've been reading the newspapers, you know the state has struggled mightily to get their budget passed and just last week they were able to hammer out a biennial budget. I raise that because the state budget has great implications for us here in the city. All cities receive money back from the State of Ohio and we've been fighting for the last couple of weeks. Mayor Kelley has talked to state representatives and state senators helping to hold the line and we're hoping that none of the funding sources from the state that we rely on will have been hit by the axe. What we know so far is that the Local Government Fund, one of the bigger revenue sources from the state that we receive, the formula for that was left intact, but as we looked at it when we were talking on Council that's not the problem, the problem is even though the formula is the same, the state doesn't have enough money to put into the formula for us to continue to get the monies that we've planned for. So, we've got to watch that very carefully for the remainder of this year.

As I said, City Council has spent many, many long hours with the staff reviewing both this year's appropriation and as I said restructuring that and working with us on next year's appropriation and certainly the staff members here and those in the audience are all very appreciative of all the extra time and energy they've spent on that. In addition, Councilman Montlack, Council has before you, as well, a copy of our debt-service schedule, identifying what debt is being paid off and how we stand there as well as a breakdown of the 2009 property tax rates for collection in 2010. If Council would have any questions, I'd be more than happy to entertain those."

Council Member Montlack asked for any questions from Council, seeing none he added, "Thank you for that report. At this point we will open the floor for comments or questions from the public. If there is anyone who wishes to comment or raise a question, please raise your hand, be recognized, go to the podium, state your name and address and the floor will be yours. Is there any member of the public, any folks here - and I will remind those of you who came after this public hearing began that following this public hearing we will move into the regular City Council meeting. Having said that, is there anyone in the audience who has a comment or question? Seeing no hands raised, I will close the public hearing portion of this meeting and finally before closing the entire hearing, I will ask one more time if there is anyone on Council who has a question or comment? Seeing no one, with that, thank you to the City Manager and staff and to the public who is here and this public hearing is adjourned at 7:33 p.m."

Respectfully submitted,

Kenneth Montlack, Council Member
Chair, Finance Committee of Council

Thomas K. Malone
Clerk of Council

/mwc