



CLEVELAND HEIGHTS

MINUTES OF THE PUBLIC HEARING OF JULY 21, 2003 – 2004 TAX BUDGET

The Council of the City of Cleveland Heights, Ohio, met on the above date at 7:28 p.m.

Dennis Wilcox, presiding

Council Members present: Caplan, Dietrich, Evans, Hicks, Kelley, Montlack, Wilcox

Council Members absent: None

Staff present: Carter, Czaga, Downey, Gibbon, Malone, Niermann, O'Neil, Ruane, Wagner, Wong, Zins

Chairman Wilcox stated, "Good evening. This is a public hearing respecting Resolution No. 101-2003(F), which is the 2004 Tax Budget of the City. Notice of this public hearing was duly given. If you are here tonight to speak to Council on any other matter, at our full Council meeting which will be held immediately after this public hearing, you will have an opportunity to do so. If you do have a comment on the 2004 Tax Budget this is the hearing of which you should make your comment. A copy of the proposed 2004 Tax Budget has been available for inspection at the office of the Director of Finance, City Hall, since we first read the tax budget legislation two weeks ago. The Finance Committee and the City Manager and his staff have been working hard over the past two months to review and prepare the 2004 Tax Budget and present tonight a balanced 2004 budget. I am now going to ask our City Manager, Bob Downey, to briefly review some of the highlights of the General Fund Budget for 2004."

Mr. Downey stated, "Thank you very much, Mr. Chairman, Member of Council. As the chairman has suggested, we've been meeting over the last several months to discuss this budget for fiscal year 2004 and it has certainly been a pleasure for the staff to have these discussions. In preparation for this budget, the staff budgets were reviewed and evaluated by a team of senior staff including eight or nine senior staff members headed by my assistant, Kathleen Ruane. They were very important in putting this together as they were able to not only look at their own departmental budgets but reviewed other departments as well and offered suggestions as we look at another year of belt tightening.

As you know, cities all over Ohio have struggled with preparations for their budgets as the economy both locally and on a state-wide basis in Columbus and nationally in Washington, DC. In all three the economy has been difficult to read. Revenue projections are conservative, of course, based on that uncertainty. Belt tightening has been the order of the day for the last two years here and will certainly continue on into the future. However, we are and have been blessed and fortunate to be able to present you a balanced budget for fiscal year 2004 and while the budgets are tight for all the departments we will continue to deliver the service at the highest levels of productivity and efficiency.

The General Fund revenues are expected to be 40,076,000 dollars for fiscal year 2004. Our budget workbook, which we reviewed with you, of course, reviewed the General Fund by department: Public Safety, Planning and Development, Public Works, General Government, Community Services and so on, as well as by fund type, and of course, as a local government, we are very, very labor inten-

sive with people being our most precious asset but of course people also cost money and of course by fund type paying for our people between wages and salaries and fringe benefits take up nearly 75% of our General Fund Budget. Likewise, we reviewed a summary page that included our projections for revenues for next year including property taxes, municipal income taxes, state-levied shared taxes, intergovernmental grants and contract, charges for services, fees, licences and permits, interest earnings, fines and forfeitures, and miscellaneous. We have totaled that and as I said we're looking at revenues in the area of 40,076,000 dollars next year. All of our city unions and city employees covered by city unions are under multi-year union agreements. The remaining part of this budget is, of course, as Council knows, a line item - detailed budget, which for every single department provides a listing of employees, their history - number of years here and then a line item for all of the activities that are provided by that department.

Mr. Chairman, we will continue of course to monitor actions at the state level. As you know, the State of Ohio's budget has been a subject of much discussion and much debate. But if anything - any actions take place at that level that has an impact on the City of Cleveland Heights we will of course notify you and let you know how they impact the city just as quickly as we can. All of this will go on through the remainder of the summer and through the fall as we prepare to put together an appropriation ordinance this November and December for our operations for next year.

With that your Honor, I would just like to thank the staff again, including my assistant, Kathleen Ruane and all the senior staff who worked with her and of course our Finance Director, right here, Mr. Malone who along with his staff prepared the revenue budget and the revenue forecasts for next year. If you have any questions, Mr. Chairman, I would be more than happy to address them."

Chairman Wilcox asked, "Are there any questions from Council at this time? Does anyone wish to make any comments? [There were none.] If anyone is in the audience tonight and wishes to speak or make a comment on the 2004 Tax Budget now they may come forward. Please state your name and address for the record prior to your comment."

"Good evening, Mr. Chairman, Members of Council. My name is James Redhed. I live at 3236 Redwood Road. In reviewing this here I just have a few questions. One is - perhaps someone could answer for me, what is meant by balanced budget? As I read the document and last year when I raised this issue about projected expenses being higher than projected revenues I was told afterwards using the term 'deficit' was not appropriate there, but when you say balanced budget - does that mean something other than projected revenue equals projected expense?"

Chairman Wilcox replied, "I think the City Manager explained the amount of revenues and the amount of expenditures and I believe that was in balance. That's the way I understand it."

Mr. Redhed continued, "Is that different than what is in this document? Has this been revised and if it has that's fine."

Mr. Downey replied, "In the last two weeks it has been. I believe, Mr. Redhed, that was probably out of balance by 100,000 dollars or so and if you would take current operating revenues and current operating expenditures (let's not include a carry-over), balance would be in a positive position. In the last several weeks we've received information from the state and from the county about additional revenues that should be forthcoming to the City of Cleveland Heights which puts us in a completely positive position."

Mr. Redhed asked, "Okay. The revenue number that you gave us is [it] the same as what is in

here? What concerned me was that the expense number in here was higher than the revenue number that you just gave. So as the –”

Mr. Downey replied, “Both have happened. The revenue number has gone up - the expenditure number has gone down for next year.”

Mr. Redhed continued, “Okay. I also, just kind of as an aside, wanted to as I was looking over this compared with last year, again, thank Council and the staff for the mid-year adjustment last year which was significant. I’m sure it hurt departments to do that but just seeing that again, the magnitude of that is a percentage of the whole budget - a very commendable move - but I want to thank all of you again for that. I just had maybe one other question on just noticing on the agenda tonight, maybe this is better for that meeting - but is there a reason why dead instruments are being used to fund things like motorized vehicles for city departments - why those things are not part of the regular budget since they are not investment-type things?”

Chairman Wilcox replied, “Again. I think any comment other than the General Fund Budget should be saved for the regular Council meeting.”

Mr. Redhed replied, “Okay. Thank you.”

Chairman Wilcox continued, “Thank you for your comments. Are there any other individuals here who would like to make a comment on the tax budget? If not, I will adjourn this public hearing at 7:38 p.m. Thank you.”

Respectfully submitted,

Dennis Wilcox, Chair
Finance Committee of Council

Thomas K. Malone
Clerk of Council

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