

Cuyahoga Falls City Council
Minutes of the Finance Committee Meeting
October 17, 2011

Members: Kathy Hummel, Chair
Don Walters
Carol Klinger

Mrs. Hummel called the meeting to order at 6:35 p.m. All members were present.

The minutes from the September 12, 2011 and September 19, 2011 Finance Committee meetings were approved as submitted.

Legislation Discussed:

Temp. Ord. B-90

Temp. Ord. B-91

Sub. Temp. Res. B-92 (dated 10/17/11)

Discussion

Temp. Ord. B-90

An ordinance authorizing the Director of Finance to enter into a contract with the City of Cleveland, Ohio to establish membership in the Central Collection Agency and for the purchase of certain income tax collections services, and declaring an emergency.

Mr. Brodzinski stated this agreement is with the Central Collection Agency (CCA). It is similar to RITA. The City is requesting to become a special member, which would allow CCA to use federal tax information to locate taxpayers not currently in the City's database or to use for members within the tax base. CCA can balance the City's records to federal reports. Municipalities over 250,000 are permitted access to federal files. Under this agreement the City would pay CCA five percent of the gross receipts, which would be additional tax money for the City. The City will work with CCA on the type of letter CCA will send to the taxpayers. CCA will work with the taxpayers for six months and then turn them over to the City to handle. Once a taxpayer makes contact with CCA, CCA will get with the City. Stow has used them and the program generated an additional \$50,000. This is money the City can find no other way. He stated he would give Council quarterly status updates. Mrs. Hummel asked if this would be used for delinquent taxpayers. Mr. Brodzinski stated they can talk to them about those cases. This agreement is to balance the information taxpayers submit to the City to the federal tapes. The City currently utilizes the Law Department and the Akron Credit Bureau for delinquent accounts. He feels this would generate at least as much as it did for Stow. He added that there are discussions that the State Department of Taxation will be doing all of the local income tax collections. Mrs. Hummel stated she had a copy of the agreement and suggested anyone else who wanted a copy to contact Mr. Brodzinski. Mr. Brodzinski stated he would PDF a copy to all Council members. Mrs. Klinger asked what the length of the contract was. Mr. Brodzinski stated there really wasn't a stop date. The City doesn't pay anything if nothing is collected. Mrs. Klinger asked whether gross receipts is the actual money CCA collects or what they identify. Mr. Brodzinski stated it is the amount actually collected. This service would help in the cases where taxpayers under report their income or use two W-2s when, in fact, they have three. If CCA identifies one of these situations, they would make contact on the City's behalf. He added that in the past, the City has contemplated doing on-line taxes and, with this agreement with CCA and CCA having the benefit of having access to federal reporting, he can see the City moving toward on-line filing, which will save time and effort. Mrs. Hummel asked how long political subdivisions in excess of 250,000 had access to federal records. Mr. Brodzinski stated it's been about five years. He wasn't aware of Akron having a program such as this and did not think Akron had a population over 250,000.

Mr. Walters moved to bring out B-90 with a favorable recommendation, second by Mrs. Klinger. Motion passed (3-0).

Temp. Ord. B-91

An ordinance authorizing the Director of Public Service to enter into a Cooperative Procurement Agreement with the North Central Service Cooperative dba National Joint Powers Alliance (“NJPA”), waiving competitive bidding for the purchase of products, services, materials and supplies purchased through cooperative purchase agreements administered by NJPA, and declaring an emergency.

Mrs. Carr stated the City belongs to several groups that allow it to purchase off state bids. This is just another group. It was established in Minnesota in 1978, and most members are municipalities. She looked through the preliminary vendor list and found several vendors the City currently uses included. The City would like to join this group before the budget process begins. This membership would allow the City to start utilizing the website for comparative prices. There is no fee to join.

Mrs. Klinger moved to bring out B-91 with a favorable recommendation, second by Mr. Walters. Motion passed (3-0).

Sub. Temp. Res. B-92 (10/17/11)

A resolution accepting the amounts and rates of taxation as certified by the Summit County Budget Commission, authorizing the necessary tax levies, certifying such authorization to the County Fiscal Officer, and declaring an emergency.

Mr. Brodzinski stated that the City passes a resolution every year to the County so that it can receive property tax money. In the original legislation, he had a concern because the amount the County gave him to list in the legislation was 1.6% higher than last year. When he called to find out the reason it was higher, they said it was just a preliminary number, and recommended the City just pass this and then they will revise the final number later. They have since calculated the final number. Last year, the City received \$10.6 million. This year, it will receive \$9.964 million, which represents a 6.15% decrease. This is a loss of \$600,000 to \$625,000 in the General Fund. He stated the millage rate is the same. It was the valuation that changed.

Mr. Walters moved to bring out B-92 with a favorable recommendation, second by Mrs. Klinger. Motion passed (3-0).

The Committee meeting adjourned at 6:57 p.m.