

Cuyahoga Falls City Council

Minutes of the Finance and Appropriations Committee Meeting

July 6, 2004

Members: Mr. Flinn, Chairman; Mr. Barnhart, Vice Chair; Mr. Gorbach, Member.

Mr. Flinn called the Finance Committee to order at 6:49 p.m. The minutes from June 21, 2004 Finance and Appropriations Committee meeting were approved as submitted.

Legislation this evening (second readings):

A-100	An Ordinance authorizing payment of the moral claim of Katherine Waggoner, and declaring an emergency.
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Hope Jones, Law Department, indicates that Ms. Waggoner had a roof installed in 1993 through the city's rehab program. She always had problems with the roof and now she needs to replace the roof that should have lasted 20 years. Through Moral Claims, they negotiated a cost of about half of \$1985.00 since she got about ten years of good use out of the existing roof.

The committee recommends bringing out Temp. Ord. A-100

A-101	An Ordinance declaring the necessity of submitting to the electors of Cuyahoga Falls the question of preserving the municipality's right to impose a municipal income tax on a shareholder's distributive share of the net profits of an S Corporation, and declaring an emergency.
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Joe Brodzinski indicates since the passage of HB 127 in December 2003, the City of Cuyahoga Falls needs to maintain the collection of net profits on a S Corp in the State of Ohio. This tax is from the distributive shareholders of S Corporations who are residents of Cuyahoga Falls. We have always done this in the City and with this language we have one shot to put it on the ballot this November. It means \$15,000-\$20,000 to our city. This is not an additional tax and we have always collected it but we are trying to be proactive in preventing tax-free income. If the community the resident works in is 2%, there will be no tax, however if the resident works in Hudson who taxes at 1%, there will be a 1% due to the City of Cuyahoga Falls. Mr. Gorbach states he is in favor of it and he feels it is fair to keep it equal. Mr. Barnhart is concerned how the ballot language will persuade the voters. Mr. Brodzinski hopes that we can explain this to the voters through the paper and education. He will review the ballot language.

The committee recommends bringing out Temp. Ord. A-101

Finance and Appropriations Committee Meeting adjourned at 6:59 p.m.