MINUTES OF THE HOWLAND TOWNSHIP BOARD OF TRUSTEES

The Howland Township Board of Trustees held their Regular meeting on March 25, 2015 at 4:30 P.M. at Howland Township Administration Building, 205 Niles-Cortland Rd. N.E., Howland Township, Ohio

Roll Call: Rick G. Clark – Excused
Dr James Lapolla – Present
Matthew G Vansuch- Present

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to excuse Fiscal Officer Robert Costello for personal reasons.

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to suspend the reading of the March 9, 2015 minutes and accept as written.

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to authorize the Fiscal Officer to pay all outstanding invoices incurred and approve all warrants issued.

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla - yea
Matthew G Vansuch –yea

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to vote on Resolution 2015-31

Authorize the Fiscal Officer to transfer monies within the following fund:

Fund – Howland Springs Road Improvement
30-A-07C (Transfer Out) to 30-A-05C (Township) $729.07

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to vote on Resolution 2015-32:

Authorize the Fiscal Officer to pay the following invoices from the Trumbull County Engineer for the purchase of salt and ICM:

Invoice 2723 dtd February 23, 2015 for purchases from 2/1 to 2/9	$ 3,101.99
Invoice 2740 dtd February 25, 2015 for purchases from 2/13 to 2/24	$10,376.34

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to vote on Resolution 2015-33

Per the recommendation of Administrator Darlene St. George and Director of Planning and Zoning Kim Mascarella, approve to contract Northstar Planning & Zoning to provide planning, zoning and development-related services at a cost not to exceed $5,000.00

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

SUMMARY OF MEETING:

Trustee Vansuch: Sent a letter to the House Ways and Means Committee concerning tangible personal property reimbursement phase out. There was an article in the Plain Dealer about schools in Cuyahoga County being affected by it. It has had an effect on Howland Township by over $700,000 which is 7.5% of the budget. The effect on each department would be 10.5% for police, 7.5% for fire and 8.5% for road. The letter will be sent to the newspaper to let the residents know about this sad irony and how significant this is harmful to the Township.

A motion was made by Dr. James J Lapolla and seconded by Matthew Vansuch to adjourn the meeting at 4:55 P.M.

Roll Call: Rick G. Clark – excused
Dr. James J Lapolla – yea
Matthew G Vansuch –yea

Approved by Robert Costello Date 3/25/15
Robert Costello, Fiscal Officer

Approved by Matthew Vansuch Date 3/25/15
Trustee Matthew Vansuch

BOARD OF TRUSTEES
Rick G. Clark
Dr. James J. LaPolla Jr.
Matthew G. Vansuch

Fiscal Officer
Robert M. Costello

Financial Office
Vivian McDowell

Administrative Offices
TEL (330) 856-2340
FAX (330) 856-3278

ADMINISTRATOR
Darlene M. St. George

Fire Chief
James T. Pantalone (330) 856-5022

Police Chief
Paul S. Monroe (330) 856-5555

Public Works Director
David L. McCann (330) 856-4037

Planning Director
Kim Mascarella (330) 856-3461

Zoning Administrator
Peter Ross (330) 856-5223

March 10, 2015

Representative Jeff McClain
Chairman, Ways & Means Committee
Ohio House of Representatives
77 S. High Street
Columbus, OH 43215

Re: Reinstitution of the Tangible Personal Property Tax Reimbursement Phase-Out

Dear Chairman McClain:

On behalf of my fellow trustees, I urge you to reject the Kasich Administration's request to resume the phase-out of the tangible personal property (TPP) tax replacement payments. While the TPP tax may have been gradually repealed in 2005 to stimulate economic growth, particularly in manufacturing,[1] the current result will be to punish those residents like ours who live in townships that have strong industrial bases.

Howland Township runs a lean and efficient ship while providing quality services to our 19,100 residents, despite seeing its funding sources reduced or eliminated. Since 2007, Howland Township's overall budget has decreased by over $1 million to its current size of $9.1 million. In that time, state funding through the TPP tax replacement payments and the undivided local government fund have fallen 42.6%. Property tax revenues have also declined. Furthermore, the elimination of the inheritance tax has also hurt our funding. I have attached an exhibit that graphically illustrates this drop. The effect on our residents will be significant and palpable because these payments comprise 10.36%, 7.56%, and 8.70% of the police, fire, and road departments' respective budgets.

Until 2005 when our voters approved additional levies, our police and fire departments operated on levies from the 1970s and 1980s that respectively generated $423,507 and $337,953 on a collective 4 mills. In 2012, our voters replaced those older levies with new ones that generate approximately $711,000 for each department. We made a conscious decision to also reduce the millage to 3.5 mills based on the current funding sources rather than seek a full replacement. We did this because we wanted to demonstrate to our residents that we were only

[1] Office of Budget and Management, "Resuming the Phase-out of the Tangible Personal Property Tax and Public Utility Deregulation Replacement Payments," *available at* http://obm.ohio.gov/budget/operating/doc/fy-16-17/OBM-TAX_letter_TPP_replacement_payment_phase-out.pdf (February 6, 2015).

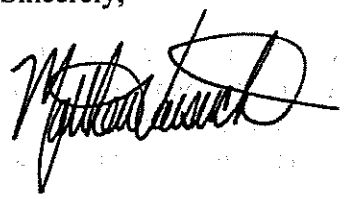
replacement. We did this because we wanted to demonstrate to our residents that we were only asking them to cover that which we were losing through no fault of our own but that those departments needed to operate.

The total millage for Howland Township and the Howland Local School District, which also includes the county, county library, and park district, is 70.600 mills. One mill generates approximately $400,000, and we would need to put at least 2 mills on the ballot to address lost and reduced revenue.

We are very active in economic development activities. Last year, we were awarded a road improvement grant to improve roads in the Township's industrial area (the "Golden Triangle") from the Appalachian Regional Commission. This grant was Complaints from townships and villages have some merit: Their revenues have fallen further. They've cut expenses. But, especially in the case of townships, they have more limited options for raising money to make up for the loss. The loss of the estate tax is making the situation worse."[2]

Those of us on the front lines do not know what more the State wants us to do to continue to provide the level of services that our residents expect. We do not live extravagantly. But our revenue streams are taken away. I encourage you not to continue down this path by reinstating the phase-out of the TPP tax replacement payments.

Sincerely,



Matthew G. Vansuch
Vice Chair
Howland Township Board of Trustees

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[2] http://www.cincinnati.com/story/news/politics/elections/2014/09/07/despite-complaints-local-governments-ok/15232123/

Reductions in State Funding to Howland Township since 2007

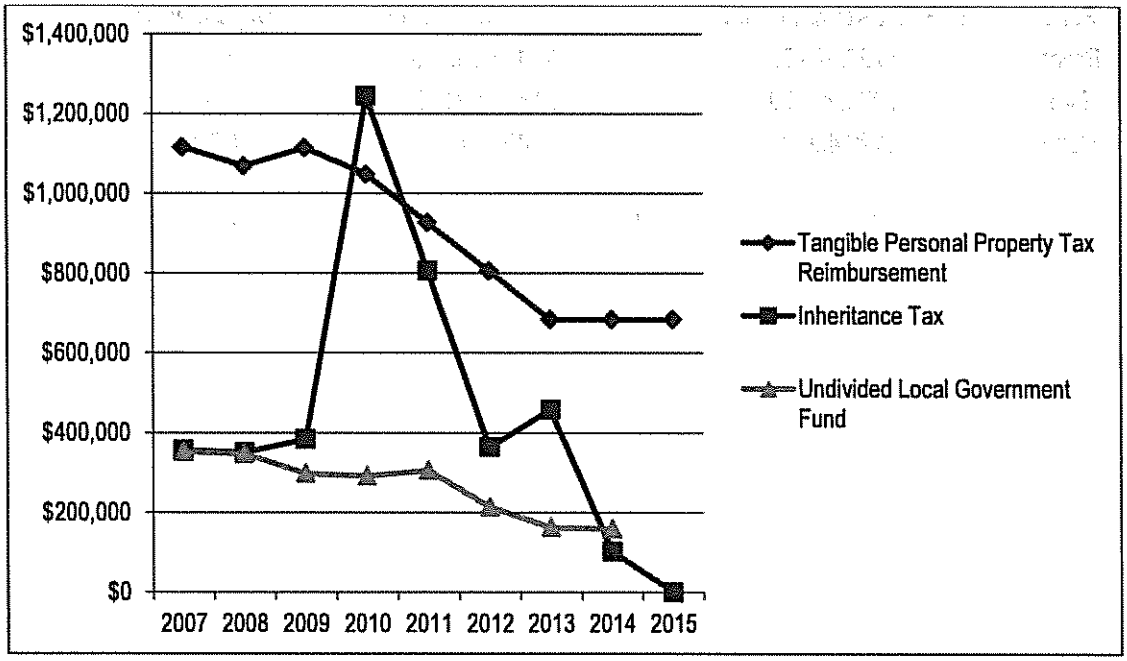

Figure 1 The inheritance tax was eliminated at the end of 2011. The Township continues to receive minimal amounts until all of its residents' estates are completed and closed.

Loss of TPP Tax Reimbursement by Each Department/Fund

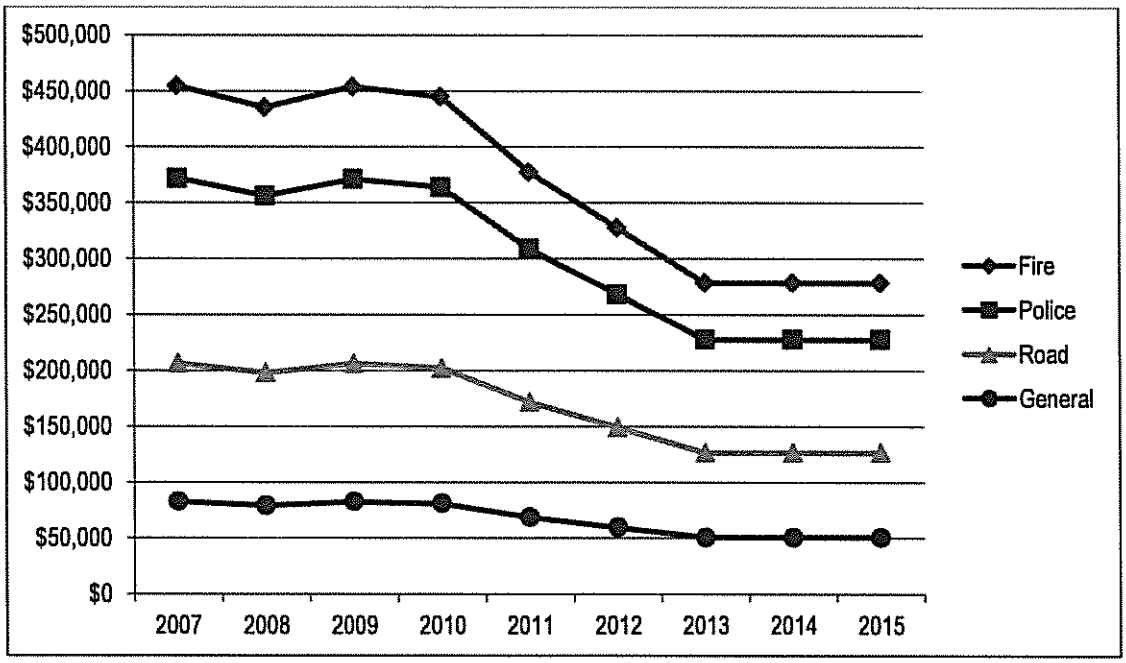

Figure 2 By 2013, Howland Township's TPP tax reimbursement will have fallen 38.76% from 2007. The TPP tax reimbursement was phased out but frozen at 2013 levels.

Department's Dependence on TPP Tax Reimbursement

Fund	TPP Tax Reimbursement	2015 Total Budget	Dependence
Police	$227,675.00	$2,197,588.36	10.36%
Fire	$278,269.00	$3,679,094.52	7.56%
Road	$126,486.00	$1,453,778.23	8.70%

Table 1 This table shows each department's dependence on the TPP tax reimbursement in the FY2015 budget.