

KIRTLAND CITY COUNCIL MINUTES

May 20, 2024 – Work Session

The work session meeting of Kirtland City Council commenced at 6:23 p.m. Council members present were: Ronald Fenstermaker, Suzanne Grazia, Scott Haymer, Joseph Smolic, Julie Symonds and Eric Ziegler. Absent: Matthew Schulz.

Mayor Kevin Potter, Law Director Matthew Lallo, Finance Director Louis Slapnicker, Service Director Joseph Fornaro, Police Chief Brian McCallister, Fire Chief Anthony Hutton and Senior Center Coordinator Teresa Szary were in attendance.

Mr. Slapnicker noted that Councilman Fenstermaker had requested information regarding Kirtland's income tax rate in comparison with other communities. He noted that he pulled information from the Regional Income Tax Agency site, which shows every community managed by them. Mr. Slapnicker said the worksheet he provided to Council shows that out of 439 taxing districts, Kirtland falls within the 2 to 2.24 percent; he noted that 24 percent of all taxing authorities fall within the 2 to 2.24 percent income tax rate. By increasing the income tax rate 1/4 percent, Kirtland would fall into a bracket of approximately 3.64 percent of all taxing districts; it would put Kirtland in the top 11 percent of taxing authorities. Mr. Slapnicker said he also broke down the credit rate, noting that Kirtland gives a very high tax credit. Mayor Potter noted that is important for individuals who live in Kirtland and work elsewhere.

Mr. Slapnicker said he also provided Council members with a worksheet broken down by three categories – individuals who live and work in Kirtland, individuals who live outside of Kirtland and work in Kirtland, and individuals who live in Kirtland and work outside of Kirtland. For those who live and work in Kirtland, an individual pays \$1000 in income tax for each \$50,000 of income. If the income tax rate is increased from 2 percent to 2.25 percent, an individual would pay \$1125 in income tax for each \$50,000 of annual income.

Relating to road funding, there was discussion regarding the option of an income tax increase vs. a property tax levy. Most Council members favored an income tax; however, Councilman Fenstermaker stated that any type of tax increase will be a challenge. Councilwoman Symonds noted that concerns she heard about the previously proposed income tax increase related to the language on the ballot. Mayor Potter noted the importance of the correct ballot language and presentation of information to the voters.

Mr. Lallo reviewed potential language that will clarify that any income tax increase in excess of two percent shall only be allocated to the city's road improvement and maintenance program. Noting that another concern was the unlimited nature of the tax, Mr. Lallo reviewed potential language stating that after December 31, 2044, Council shall be prohibited from levying an income tax in excess of 2 percent unless there is further modification of the charter.

In discussion of concerns from the previous road levy, Mr. Fornaro said it is important to make the residents aware that funds from any tax increase will not be going toward any equipment or labor.

There was discussion regarding timing of legislation to meet the deadline for placing a matter on the ballot.

Council President Smolic stated he would entertain a motion to convene an executive session to discuss the potential appointment of two public officials, pursuant to Article I, Section 7(a) of the City Charter. Ms. Symonds so moved, and Mr. Fenstermaker provided the second. **ROLL CALL: MOTION CARRIED 6/0 (VOTING YEA: SYMONDS, ZIEGLER, FENSTERMAKER, GRAZIA, HAYMER AND SMOLIC. VOTING NAY: NONE).** The time was 6:51 p.m.

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Upon adjournment of the executive session, the work session meeting reconvened at 7:07 p.m.

There was no further discussion, and the work session meeting adjourned at 7:07 p.m. upon the unanimous consent of Council.

President of Council

Clerk of Council