

Next year will prove to be a challenging year for the City of Canal Fulton.

After two years of study, discussion, and debate City Council will consider increasing water rates for homes and businesses. We've prided ourselves on having one of the lower water rates in Ohio. But, that came with a price with income tax dollars meant for the police & fire departments and capital projects being transferred to the water department in order to keep it operating. City Council has also concluded that the amount of water & sewer revenues paid to administer those departments are too high, so less water & sewer funds will be used to pay for those functions. This helps keep water & sewer rates lower but this also cuts into income tax dollars normally used to fund the police & fire departments and capital projects.

To complete the perfect storm the State of Ohio State will decrease the amount of tax revenue that comes back to local governments by 50% and the amount of inheritance tax by 100%. Only estates with a net worth over \$330,000 are subjected to inheritance taxes. In 2013 the inheritance tax will be completely eliminated. These reductions will result in over \$200,000 lost in revenue on average per year.

Thankfully our income tax revenues have been solid and actually increased in 2011. This has allowed us to build up some reserves going into next year, but we anticipate that we will need to spend more than we bring in to get us through 2012, in part because of the cuts coming from Columbus. Our employees have taken concessions in benefits and many haven't had a pay increase since 2009. Actually we are fortunate just to have jobs as this economic crisis keeps its hold on our nation.

Our friends in Lawrence Township are experiencing some of the same economic issues as the City. We have been given a mandate from our governor and State Legislature to begin collaborating more with the communities around us. Currently Canal Fulton and Lawrence Township shares fire and EMS services but we still maintain two individual departments and purchase equipment and apply for grants individually. This increases costs to run both departments and decreases our success in getting grants. Now, with the new budgetary changes and cuts, I consider our Fire & EMS operations to be under funded.

In 2010 a group of dedicated volunteers made a commitment to study the formation of a joint fire district to provide fire and EMS service to Canal Fulton and Lawrence Township. It had the support of both the City and Township fire departments, who actually initiated this process in 2009. They even gave this new district a name, the Northwest Fire District. Last April, after about a year of research and discussion, the committee did recommend the formation of a joint fire district as a means of providing better fire and EMS services with lower costs. But, the committee also recommended waiting to form the joint fire district until after having both departments operate out of our new fire station to see how things work out.

In October I took it upon myself to draft a proposal on how we can proceed to form the Northwest Fire District and presented it to City Council. The proposal is based on the study and has the support of both the Canal Fulton and Lawrence Township fire chiefs. It can be viewed on line on the City Manager's webpage. The Lawrence Township Trustees have informed us

that they are willing to meet to discuss the possibilities and potential benefits of forming a joint fire district.

Even more cost effective would be the combining of the Canal Fulton and Lawrence Township police departments. It costs about a million dollars per year to fund, what I believe, is one of the best police departments in Stark County. Canal Fulton officers have established an excellent working relationship with the Lawrence Township police officers. Each department will back the other up when needed. There is much potential to increase collaboration to improve services and decrease costs.

Canal Fulton has submitted a draft Cooperative Economic Development Agreement to Lawrence Township to share tax revenues from any businesses that connect to the new sewer line that was installed on Marshallville Street.

I'm hopeful that next year Canal Fulton and Lawrence Township will make significant progress in cooperative efforts that will improve services while decreasing costs for both our communities.