

RECORD OF PROCEEDINGS

Minutes of

VILLAGE OF FORT RECOVERY COUNCIL

Meeting

GOVERNMENT FORMS & SUPPLIES 844-224-8338 FORM NO. 10148

Held July 04, 2025

**CALL TO ORDER:** Mayor Dave Kaup called to order the Special Council Meeting on July 04, 2025 at 8:00 am in the Village of Fort Recovery Council Chambers to discuss a Tax Levy and possible legislation to be placed on the ballot and also pass Amended Appropriations.

**Roll call** was conducted with the following Council members present: Cliff Wendel, Luke Knapke, Greg Schmitz, Scott Pearson and Al Post. Erik Fiely Absent.

**Also Present:** Randy Diller, Roberta Staugler, Eric Albers and Bailey Cline.

**RES 2025-18 A RESOLUTION TO AMEND APPROPRIATIONS.** Pearson made the motion to suspend the rules which was seconded by Schmitz. Post made the motion to pass the resolution which was seconded by Pearson. Vote all yes.

Diller: We are visiting the idea of switching levies on real estate to income tax. The recent Budget Bill passed, after the governor vetoed 67-line items. Not much changed from the village on collecting real estate tax. They didn't include eliminating inside millage or allowing the county budget commission to make adjustments if they feel it is not needed. The governor vetoed it and they may try to override his vetoes. Also, he vetoed requiring schools to only maintain a 40% budget carryover. It would not change our perspective if they outlawed replacement levies. End of day, nothing changed from our perspective. Most items are in separate bills that could move forward. Hb 335 is probably dead in the water. It would have bankrupted schools. Idea has been to consider to revert to added income tax. Yes, if we move forward with income tax and it passes, we can zero out levies by submitting to auditor requesting no millage be collected. That is something we can make official, we will agree to zero out real estate levies, not a question, we are going to do it. Currently collecting 9.8% on voted levies which are on a 5-yr rotating basis and generate about \$300K annually. We would collect more on income tax than real estate to a tune of about \$300K. Maybe we want to talk about what we will target with the money?

A person would save approximately 14% on their RE tax bill. My personal tax would save \$300 per year; J&M would save about \$30,000. Eric Albers: So, you would save 14% on each property, but pay .5% more on income? Diller: If working in town that already pays, already paying 1.5% not included in what you pay. Only communities in this area, Ansonia, Chickasaw and Rockford. Rockford does not allow any credit. We could do that too, eliminate, but then everyone would be paying 2.5% or more. Some communities do that; Rockford has no industries. We are the biggest of the 1% communities, everyone else is at least 1.5% which is the majority. Post: Even people working here at 1.0% have to pay more? Diller: We have a lot of options, we could say 1% maximum credit but let's not change the rules, still allow the full credit at other communities.

Again, one thing to remember is that income tax is only paid on earned income. Retirement currently not paying, only thing we collect on is earned income, gambling, some business earnings, most business no profit on paper don't impact as much.

If the income tax levy would be put on the ballot, decision not to do it, ask the public if it fails, we could still run the RE levy that was scheduled to be ran this year at next year's election. To proceed with an additional income tax levy, we need do two pieces of legislation. Resolution to declare intent to proceed for additional .5% income tax. The second provides a requirement for clerk to file with board of elections. I discussed with Erin, found out we could pass on the same day. First one is the intent, could pass together, but we will do in two. First is to declare intent second to pass. We have until August 6th to file. If you guys want to pursue, we can pass both on to second reading. Monday, discussion should be how do we want to get it out to the public? Public forum, address questions, post on line not trying to sneak anything through. We need to have 5 council present for passing legislation. Could have waited. My suggestion, if you want to pursue, only need 4 votes to pass to next reading.

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Held \_\_\_\_\_ July 04, \_\_\_\_\_ 20 25 \_\_\_\_\_

Kaup: Our street levy passed forever at 60% or better. If replaced at today's real estate market at today's market values, would it be a better income? Diller: No. Part of the discussion we see at the state level is them getting hammered on the RE tax burden. My statement to legislative people, those on fixed or low income that do own a house, if that is where the problem is, lets fix that problem. We understand school needs money. Step in villages perspective, help the fixed income people on retirement or programs. We can take away some of real estate tax burden. Always discuss income vs real estate. Only hits people that own properties, they're not paying any addition on real estate tax. It is getting taxed 1% take away from real estate. Kaup: If a guy makes \$100K they would pay another \$500 and if they own a property valued at \$500k save them \$400? Diller: More like \$800. I looked at your real estate you would save \$1,100. Kaup: I think that is one way to explain.

Diller: Not trying to double up, streamline on income fairly count on. This year is a down year, if things go back up great, streamline helps that real estate tax burden. We see it but not as much as in city. If bought home at \$30k now worth \$400k real estate tax are unbelievable compared to their income for those that own home for long time with no mortgage. Knapke: So, a \$100K property will basically save 14% off yearly real estate tax. Calculated into dollars, so Albers would save 14% off property. Wendel: Most of gain likely come from working in town, unless they don't own real estate. Is the net gain based on 2024? Diller: Yes. We talked about the lumped budget giving back. We are counting on a large refund next year. Wendel: From the village, J&M is down and JR Mfg. downsized, could be increase? Much more relying on business and income in town. Diller: RE tax is paid twice a year and a lump sum you know what it will be. If earn less pay less if more income pays more. I talked to someone who said their income is down. If we pay on what we make, we know don't have to budget for it. Common person is taken out of their pay, don't need \$3,000 when tax bill comes.

Knapke: Monday do we want to come up with a plan of where the extra money can go? Diller: These are things we need to discuss. Right now, as written, all eligible village expenses so no limitations. We can continue to put into the streets, storm. Storm sewer was passed in early 80's, Street Levy was forever ago, we also put into street from general expense also used for safety and security. Street and police still have same expenses, if collect more where would you like it to go? Street, sidewalk, street lights, park always maintain a nice park? Could be \$75K in Street, \$75 into storm and commit same amount into those programs. Or we can say we will concentrate; storm always has expenses but a huge amount has been eliminated. Don't have floods. Since 1995 we made changes and spent a lot of money. What it does now is keep storm sewers active.

Kaup: Is the scenario based off of 2025 income, based off overtime? Based off W2, if no tax on OT will we tax it? Diller: Only credit being discussed is on federal level. Won't pay on federal but will on local. Maximum thresholds for credit is \$12,500 individual or \$25,000 per household. They can't direct us to change our ordinance. Everyone taxes on overtime and tips that are turned in.

Albers: It won't have bearing on what we do. I understand could potentially be good for both. Diller: You came here to learn, a lot of people don't. We have to invite people to something; a lot of people won't come but they think we are trying to sneak things through. Albers: A lot of people don't see how much it takes to run a village or school. My wife's an educator, I know it takes money.

**RES 2025-19 A RESOLUTION DECLARING THE INTENT TO PROCEED WITH ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN INCREASE OF THE VILLAGE'S MUNICIPAL INCOME TAX RATE FROM 1.0% TO 1.5%, FOR AN INDEFINITE TIME PERIOD, AND FOR PURPOSES OF GENERAL MUNICIPAL OPERATIONS. NEW EQUIPMENT, MAINTENANCE, EXTENSION AND ENLARGEMENT OF MUNICIPAL SERVICES AND FACILITIES, PERMANENT IMPROVEMENTS, DISCHARGE OF PRINCIPAL, PAYMENT OF INTEREST, AND ALL OTHER MUNICIPAL OPERATIONS AND**

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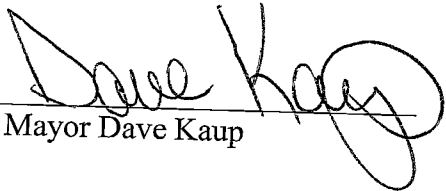
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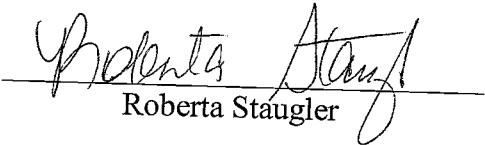
Held \_\_\_\_\_ July 04, \_\_\_\_\_ 20<sub>25</sub>

**OBLIGATIONS PERMITTED BY LAW; AUTHORIZING SUBMISSION TO ELECTORS; AND DECLARING AN EMERGENCY.** Pearson made the motion to pass the resolution on to the second reading which was seconded by Schmitz vote all yes.

**RES 2025-20 A RESOLUTION DIRECTING THE FISCAL OFFICER FOR THE VILLAGE OF FORT RECOVERY TO FILE A CERTIFIED COPY OF NECESSARY RESOLUTIONS WITH THE MERCER COUNTY BOARD OF ELECTIONS; DIRECTING THE MERCER COUNTY BOARD OF ELECTIONS TO PUT THE ISSUE OF AN INCREASE OF THE EXISTING MUNICIPALITY OF THE VILLAGE OF FORT RECOVERY, OHIO INCOME TAX BEGINNING JANUARY 1, 2026 AND TO CONTINUE INDEFINITELY ON THE November 4, 2025 BALLOT; AND DECLARING AN EMERGENCY.** Pearson made the motion to pass the resolution to the second reading which was seconded by Schmitz vote all yes

Knapke made a motion to adjourn the meeting, seconded by Wendel. Meeting adjourned at 8:30 am.

  
Mayor Dave Kaup

  
Roberta Staugler