

The Village of Walton Hills

Committee of the Whole Meeting

Date: October 4, 2016

Time: 6:00 p.m.

Location of Meeting: Council Chambers

Mayor Hurst called the meeting to order. The roll call was taken by Katie Iaconis. Present: Councilpersons Denny Linville, Mary Brenner-Miller, Paul Rich, Gloria Terlosky, Don Kolograf, and Brian Spitznagel. Administration present: Katie Iaconis, Fiscal Officer; and John Montello filling in tonight for Bill Mason, Law Solicitor.

Approval of the Committee Of the Whole meeting minutes for June 7, 2016 – Councilman Rich makes a motion to approve the Committee Of the Whole meeting minutes of June 7, 2016, seconded by Councilman Kolograf and six ayes approved. Minutes are approved.

Approval of the Committee Of the Whole meeting minutes for June 14, 2016 – Councilman Kolograf makes a motion to approve the Committee Of the Whole meeting minutes of June 14, 2016, seconded by Councilman Terlosky and six ayes approved. Minutes are approved.

Persons having business before Council – Benjamin Blondin from 1683 South Meadow Park speaks regarding the storm water issues that were addressed in February. He had an engineer come out and assess our land. He stated that the first snowfall we would have some kind of significant dirt being moved, some significant erosion happening. We went around and tested the soil to make sure there were not anymore holes opening up and he found a few more. He wanted to get a gauge on how this is going to go because he recommended to dig an emergency outlet to our pond to make sure some of this does not happen, and it is just getting to the point where he needs to do something about it before winter. He states every time he contacts the council, it is the same exploratory things and we are not really getting anywhere.

Mayor's Report – Mayor Hurst states that the council is fully aware of your issue and we have been discussing that. If you could share your engineer information with us, I will give it to our village engineer and see if we need to do something, because that is the main concern is not tearing up the road there or causing detrimental to any other neighbors around you. The council is fully aware of that. We have an assessment from our engineers. We did say we would look at this for next year because this year's project with the storm water money is not feasible. If you show us your information and it is more update, maybe we can address it quicker. The council has the authority of the purse strings. They are fully aware of your issue and they have a memo from the village engineer, you will be copied on it, it tells all the different details and what the perspective is. The engineer gave 1-1/2 page memo and it was passed out at the last council meeting. Mayor Hurst states that his goal is to have it on the agenda for improvements to the village for the spring of next year because that is when the money would be eligible. This is a \$75,000 project. The Council is aware of this. We are trying to look and find the best way to do this and they have not agreed on a percentage for you to pay. We have never done this before, so we are looking at every option. Mayor Hurst states he has an executive session next week to talk about some other issues. He will bring it up in the executive session to see what the Council feels. He cannot see doing it until spring of next year.

Council Comments – Councilman Spitznagel states that when the Council goes on somebody else's property we have to tread lightly as to what the village purpose for the benefit of the village versus going on someone's property and helping a private residence. We are not allowed to do that. The Mayor has kept us fully informed on what the situation was.

Senior snow plowing – Mayor Hurst states that the bids will be open until next week and you have a recommendation. This is for the resolutions accepting to bid. The same thing with the bids for striping and cracked ceiling will be open next Friday after our COW meeting, but it will be recommended by the engineers, as we have done in the past, to award the contract in regular council meeting.

Discussion on Item I – Discussion of building improvements, heating, air conditioning, lighting, roofing – Mayor Hurst states we started to process this and should have something at the COW meeting for the month of November. We had our meeting last week with the company, Trane, and they are getting all the schematics of the building. We did make sure they got the right BTUs and there is a lot involved. Once we get the information, everyone will be provided with that.

Discussion on Item J – Mayor Hurst states that we will start with the information that was in Crain's Magazine about our community. Information was collected from Crain's with the wealthiest suburbs in seven different counties and ranked by median household income. The Village of Walton Hills was listed 35th out of seven different counties. However, the Village of Walton Hills is listed as the 21st community out of 59 communities in Cuyahoga County. The second part of this informational piece is to compare village tax base of .3 mills compared to all the other communities in the county. The third part demonstrates how we compare all the communities in our school districts. In the fourth, please take notice that even though we have the lowest millage compared to all of the communities in our county because of our school system, we have a large 45 mills compared to other communities. With that said, you can see where all our money goes. This is all based on a \$200,000 home. That is what they ranked us in Crain's Magazine. If you see the millage and how everything is, Independence was paying less tax dollars than Walton Hills. It is because their community gets \$134 a year from the residents. It is because the school district is at 34 mills. If you follow Walton Hills, it is at 45 mills. That is what hamstring us. We look at comparisons of the communities around us. Glen Willow gets \$202 from their residents, but their school system is at 47 mills, which is higher than us so they pay more tax dollars than we do. If you look at Newberg Heights, the last list on the back page, they have 110 mills. Their residents pay \$2,000 a year just to live in Newberg Heights. A \$200,000 house in Newberg Heights is \$6,900 a year. You compare yourself to all the communities around you. In Broadview Heights, a \$200,000 house pays \$4,560. They pay their community \$600 a year. I need the Council to digest all of this so you have clear information as you make decisions for 2017 and 2018. We are still not in bad shape. This will be about the fourth year that I have brought up all this different information. I dug up memos about criteria we can tell residents. I go back to 2012 with the memo that we could raise the inside millage. This would generate about \$400,000. We could have several different levies, police, fire safety infrastructure, we could go back to percentage of tax credits, we could borrow money at a low interest rate and bond out our future five-year programs, or we can replace parts of the building. That has been going for a while. We want to continue to keep a standard in our village to where there is a fair share across the board instead of all these payroll tax. That is what I want everybody to understand. This is the original tax rate from 1951. No one has ever adjusted. If you look at the tax codes, every community around has adjusted. We are the only community we can find in seven counties that has never adjusted their tax base. I want everybody to know the facts because you are going to have to make some tough decisions in the long run. We need to talk about raising taxes. It's an option we have to explore. The next sheet is about the tax credit. Walton Hills offers 100% tax credit. The front page gives the general information. There is a breakdown of different millages and tax credits in all the communities in our county. Walton Hills is currently offered 100% tax credit to all residents. Currently, with 100% tax credit collects \$208,586.47 per year. Proposal for the Village of Walton Hills: The first proposal, if we roll back the tax credit to 75%, rather than 100%, we would generate another \$200,000. If we rolled back the tax credit to 50%, we would collect another \$400,000. At the bottom is the math on it. If we went to 75%, we would walk away with \$409,000. If we went to 50% on top of our \$200,000, we would get \$612,000. The next page breaks it out. There are three communities that have no payroll tax. Chagrin Fall Township and North Olmsted; they have no tax because townships do not collect taxes. The other is Hunting Valley because they have no commercial business. All they have is residential property. Thirty-two communities give 100% out of 59; 24 communities give less than

100%; some are 68%; seven communities give between 75 and 100% credit; 13 communities give between 50 and 75%; 4 communities give less than 50% credit; 3 communities do not have any income tax. Once again, look at Newberg Heights. They give no credits, so they collect 2% to their residents that work outside their community. We need to consider those options as well. We have several options on our plate. We have millage, tax credits, levies. I'm not telling you we have to pass this year or next year; I'm telling you to put this information out. The last thing I put out was the one about millage that everyone should know already. I want you to be informed. The information is based on 937 homes at an average of \$200,000 value; 3 mills of 0.3 millage gives our village \$17,222.06 from the homeowners. Walton Hills currently has 104 commercial entities and their value is an average of \$902,315.38. That currently provides \$9,375.06 per year. Walton Hills currently receives revenue from Public Utilities that generates the funding of \$9,390 per year. If you add them all up, Walton Hills receives \$35,897.78 a year on property tax in our village. The one with utilities is being discussed by our state representatives to eliminate that. The one for utilities could change on us. We have to be prepared to make decisions. I know I gave you a lot of information, but I wanted to do it publicly so it is all out there and you have the information in front of you. I am open for comments. I know Katie has some information she is going to pass out to give you past years of capital projects. Once this conversation is over, at least they will know we are serious about it and we have to make decisions. The problems do not run away. Katie Iaconis states we are probably past the point of doing a bond before the end of this year, so we are looking at reissuing our note, but just an example that we did not want to take on a bond payment and still be incurring other costs. These are just some of the top amounts from each year going back to 2012; that we are spending anywhere from \$300,000 and \$400,000 on these type of capital projects, which the bond would be funding. We really would not be spending any additional amounts. We would be spending those funds for these projects. It is definitely a cost that we could sustain generally for the next five years. In 2012 and 2015 we had the big road projects, so there was a large portion that was reimbursed and a big portion of those were applied either in OPWC loans and another portion was rolled into our notes as well. Mayor Hurst says that at the bottom there, you can see what is going on. We will talk about that in the Executive Session next week. I am hoping we will have complete details and hopefully by the Council Meeting we can have something to vote on. We could easily sustain the \$300,000 a year payment and still have a low interest rate. I think that opportunity has sailed and I think with the election everything is going to change the dynamics. I would rather roll over our debt and see where we are next year. We are keeping our savings account for any kind of emergencies or major issues and we continue to work with the money we have. I think once we get relationships with other communities and programs that we have been successful with and if we get the Ford Plant redeveloped, or potential buyers of Arhaus Furniture, those are all revenue generating. I want to make sure that if we did go for a bond in the future, we can afford the payment.

Other Business – For the Veteran's Day Program, we have dignitaries coming from other communities helping us carry flags and setting up there. We will have seats for all of you that want to participate to sit up front and I will recognize you. Oakwood is going to participate as well by their residents coming and their fire department helping us and their police department. Once again, that is on November 11th at 2:00. I think Bedford Schools are going to be doing the acapella singing. We are getting a lot of participation and it is growing as we go.

Lights Out for Hunger, the notification that went out, we have given them \$250 the last five years, we will do the same thing. We will pass a resolution saying we support it and turn the lights off on December 21st.

Please plan on attending the homecoming game at Bedford on Friday. I will be there, they are right now 6-0 and in the six games, their quarterback has thrown for over 1,000 yards. We have a resolution for improvements on Walton Road. This will be on the agenda for the Walton Road. Those four different houses; we have talked about this before about the drainage issue in the back. That will be on the agenda. It will go out for bids. I will have the details explained. We are right now meeting with those residents to sign the temporary easement so we can go through the backyards and remove the big concrete pipes.

Since we have not committed to any roads, but we did take the opportunity to apply for a grant for Logan, Fern, Chestnut, Hickory, and Tulip for 2017. Those roads are in bad shape. They are on the scale. We are trying to tie that with the water department with replacing the water mains like we have done and we can get away with only a small percentage out of our pocket. This is secondary road, but we have applied and we should have answer by December.

Our health insurance has gone up another 14%. Katie Iaconis states that it is proposed to go up 14% through the county's regionalization program. Every community is sustaining a pretty substantial increase. We are currently doing health assessments through our broker. We are going to go out and shop around and see if we can get a better plan at a better rate. We are not positive we will be able to, but we are going to try. Vision and eye are still locked in. Everybody's rates are going up. North Olmsted went up 38%. I ask you, do I give my employees a 5% raise and raise their contribution to 20%? That's how this market is going. Right now, they pay 10%. I don't know what the standard is. I sent out a flyer to find out what the standard is. There are still some communities that pay no share-cost. Most is 10-15%. I will present it to Council once we get that information. We have to pass legislation to see if we want to do that or not do that. I am not recommending it at this time. We will see the new rates that come back. We have until January 1st, so we have time. We want to be ahead of it and be on top of it.

There are two residents we have documented and the smoke from Oakwood Village. I have been investigating this and the EPA has not done very much. We went with Cleveland Air Quality Division and they have not done much. Air Gar, which is a company by Oakwood near the interstate, they have a high volatile product that puts air into tanks for hospitals and the quality was so bad, they took them to court and they shut them down. They have been shut down for the month of May, June, July. They had to buy filters for all their system over there. Last Friday, the power went out and they did have it on generators, and they released a large smoke in the air. It was not contaminants, but we had residents complain. We are getting a complete written report and either I will send it out to all the residents or we will give it to those two individuals who have been complaining. They do have scrubbers on their system now and they meet the air quality standards. The EPA has signed off and so has Cleveland Air Quality has signed off as well.

I went over a lot of information. Everyone has a copy of things going on in Oakwood for November and December. Our Santa delivery will be on Saturday again, and it will be December 10th, and theirs is December 11th. Next Friday is the trip to Amish Country and Carol is taking care of passing this out to people who always take these trips. I did give you a memo on what was posted in the Journal about the CIC. You can go on that website and it tells you what the CIC is and what the standards are. We need two Council members to serve on it and myself, and then we need four residents. If you know anybody that would be interested or anybody that would want to serve on it. I think anybody is eligible. I would like to have conversation and let them know what we are trying to accomplish here. I do have interested people in our old service garage. We will go into more details in the Executive Session. That's another option to sell to pay down some of our debt as well.

No other comments from the audience or Council.

Councilman Brenner-Miller motioned to adjourn the meeting, seconded by Councilman Terlosky, and six ayes approved. The meeting adjourned at 6:59 p.m.