

# *The Village of Walton Hills*

## *Committee of the Whole Meeting*

Date: December 6, 2016

Time: 6:42

Location of Meeting: Council Chambers

Mayor Hurst asks that Mr. Mason be allowed to leave for the night. 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.

Approval of the Committee Of the Whole meeting minutes for November 1, 2016 – Councilman Kolograf makes a motion to approve the Committee Of the Whole meeting minutes of November 1, 2016, seconded by Councilwoman Terlosky and six ayes approved. Minutes are approved.

Approval of the Committee Of the Whole meeting minutes for November 8, 2016 – Councilman Rich makes a motion to approve the Committee Of the Whole meeting minutes of November 8, 2016, seconded by Councilwoman Brenner-Miller and six ayes approved. Minutes are approved.

Persons having business before Council – Sara Blondin from 16883 South Meadowpark Drive speaks and asks for a quick update regarding to the 2017 budget and storm water funds that would be secured for 2017. Mayor Hurst states that as of right now, the Council is going over the budget for 2017. He states that this is on the Council as to whether we want to do this as a capital project next year. Mayor Hurst states that they will secure the funds to try and get that accomplished, and it would probably be around the month of May or maybe closer to June because of the funds building and it would be anticipated with the amount of funds being collected through the year. We estimate close to \$86,000 of storm water funds. Some of this will be to finish up the Walton Road project as well. Councilman Rich asks the resident for her home phone number and she provides it. No commitment will be made on it until next week because this is our first working session and Mayor Hurst would not tie himself to anything until all Councilmembers have all of the details. It is not on the docket to discuss tonight. Ms. Blondin asks when the capital projects for the next year finalized, and Mayor Hurst states that this happens when they pass the budget. Mayor Hurst explains the timeline of the budgeting process in the Village of Walton Hills.

Mayor Hurst asks for any other questions or comments from the audience at this time. There are none.

Council Comments – Mayor Hurst asks for any comments that the Council may have at this time. Councilman Linville has no comments. Councilwoman Brenner-Miller has none. Councilman Rich has one comment regarding a resident in the Alexander Road area in regard to the Senior Lawn Care and Leaf Pick-up. He states that he is aware that we do not have anything to do with that besides passing who we have for this service. She was disenchanted with the leaf pickup because she only received one leaf pickup. She discussed it with the company twice and they said they were out there twice. She is home all of the time and states that it was only the one time that they had the leaf pickup. She made a recommendation that we do not approve this company again for next year. He just wanted to bring this up to everyone. Mayor Hurst states that this individual should call the administration, such as Dan Stucky. Councilman Rich states that she did talk to Dan Stucky. Mayor Hurst states that Dan should have rectified the situation. Councilman Rich states that he told her to call Village Hall and she said she did. Katie Iaconis states that they have received several complaints from others about it as well. She states that she thinks that what happened was that they picked up the first weekend of November and then again on the second weekend of November, but it was not spaced out enough and there were still a lot of leaves falling.

Councilman Rich also comments about the tailgating of his vehicle when he is driving the speed limit on Alexander Road, as well as Dunham Road going up through Maple, etc. He wishes we had a little more diligence when it comes to police in this area. He is simply making a citizen complaint, not a Council complaint.

Discussion of Budget for 2017 – Mayor Hurst leaves this for open discussion for everyone to make their comments or ask questions as we go through this. He turns it over to Katie Iaconis. She goes over Report 52, as of 12/6/2016. The 2017 budget numbers are the same that the Council had been reviewing from the last meeting when she handed it out. Our actual to-date numbers for 2016 are up-to-date on this version. It is numbered to make it a bit easier. Katie states that everyone knows that our debt did sell and we received all of our money. Fidelity was one of the major buyers of our debt, which our underwriter was impressed by. We closed on the property on Alexander on Monday. On page 9, this shows what we are projecting as a budget for 2017 – a deficit of \$436,000. This is a pretty bare-bones budget. Not much is different from what was passed last year. This does factor in a 2% increase for everyone. We can peel back for some employees, but it is mandatory per our police contract that they do receive 2%. All-in-all, that equates to about \$60,000 for everybody. The main reason why we are seeing this deficit is because our only source of revenues are payroll tax, and we are completely without Ford now and we have done about six months this year without Arhaus, which is a major hit to our budget. So, until we have someone move into that space, which we are not optimistic that we are going to have a company move in with the same amount of payroll that Arhaus provided us. Until the Ford property is redeveloped, we are going to see these kind of deficits. We just don't have any other revenue streams. If we didn't have the JEDD; thankfully we do; we would be in a lot worse situation. This falls into the packet that the Mayor also handed out. This goes over some different options and different revenue streams that Council can consider for the future. This does include some capital projects including \$380,000 for Northfield/Alexander and then the debt service, which is simply paying down our note every year, and then Miscellaneous services that we pay through capital including engineering that we paid Chagrin Valley and then any other professional services. Councilman Rich mentions that on page 1, it says that the municipal income tax is \$4,052,000 budgeted and he wants to know if that is flat over 2016 or is it an increase or decrease. Katie states that it is a decrease. She states that we budgeted 4.5 million for 2016. Through today, we are at almost 3.7 million. We have one more month and maybe we will get close to 4 million, but that is the reflection of us losing Arhaus. Mayor Hurst reminds everyone that the communities around us keep increasing their taxes so there are small hits there as well. Katie states that it is not significant in each community, but it definitely adds up. We are losing money from Cleveland, from Cuyahoga Heights; we may end up losing money from Bedford if that passes in the spring; Macedonia keeps trying to pass a roll-back on the credit they give or the amount that they charge. So, little-by-little it is adding up and that is why we see this decrease. Mayor Hurst states that we are going to see a little bit of an increase with the JEDD, not a major increase, because we did capture some more property there. The building on Sagamore Road is being removed this winter and so all of the professional services are moving into the JEDD. This should see maybe another \$100,000 to be shared. We did not put that in the budget and stayed conservative because we wanted to wait a full year until we had total collections on that. We get 3% off the top for our services as well.

Carol has been without two other drivers and is down to just two people, which is why it has been so low. The transportation part of the salaries has been way under budget. This is factoring in that she is going to end up hiring somebody. We also have to think about next year, with the purchase of the new building, the type of staffing that she may need there may increase or there may need to be more drivers. Mayor Hurst clarifies that if we were to bring in Zumba classes, we would front the money, but we would get that back on revenues. We did not equate that into this, but we did put the extra money into the budget for those kind of programs. There is a dance studio in Macedonia area on 82 that has approached Carol about bringing in dance programs and things like that. She is factoring in \$2,000 of revenue from exercise classes that we can now hold and do a more expanded type of program in the new facility. We are also seeing an amount here for Special Events. This could be more, but this is being pretty conservative on the side of how Katie feels we will be able to make some money from the renting out of our banquet hall. Mayor Hurst clarifies

that the misconception of the residents who do not understand is that our anticipation is to get a bond or a mortgage on the church and then we want to rent the church out to cover the mortgage. We have already had two restaurant facilities approach the Mayor in the last week-and-a-half about wanting to go into an agreement to pay us rent to run weddings out of it, with us having funerals, senior lunch, etc. having top-notch bids on the building. Council will know all of the details and they will solidify all of those deals as we get the contracts drafted. These are other potentials for that building. He is not wanting people to say that we bought a church and we are running out of money as this has nothing to do with it. Mayor Hurst is going to put more articles in the literature to try and clarify things to the residents. Katie states that we are not running out of money and we are still in a good position. She states that we are in a much better position than many other communities, but we want to stay in that position, which is why Mayor Hurst and Katie wants to discuss all of these other revenue streams.

Councilman Kolograf asks that we go through the budget page by page as it would make it easier to follow.

Katie tells the Council that the front is just giving a summary. Starting on page 14, which is the expenditures section. Starting at the Police budget, we are at \$983,000 projected salary for 2017. This reflects a 2% increase. It is also a bit higher than 2016 because we did have one officer retire who was in a higher pay class, but we then hired two others in a lower pay class, so it is a bit higher. We are only a little bit over on overtime. They are expecting it to stay around \$15,000. There were some officers covering shifts when we were short on part-time police. Mayor Hurst clarifies that we get close to \$12,000 of that back from UH Hospital because we do the saturation control and the OVI task force. Our actual salary for dispatch is pretty low and it is going to be under for this year because we did lose one full-time dispatcher and then one was out for a significant amount of time. In correlation to that, we will see that our part-time dispatch salary is over budget for this year, putting it back to \$100,000 for 2017 because we are fully staffed in full-time and we have enough part-time people. Our longevity is a constant; this is what we pay each of our officers based on the amount of time they have been employed as a full-time officer here in the Village. One thing that hit our budget this year that we were not expecting was the retirement of one officer, so he did have a \$49,000.00 cash-out on his amount of accumulated time. Our OPERS contributions are the amount the Village pays. Each employee pays 10% out of their paycheck and the Village makes a 14% contribution into their pension. The Village also makes a 2.25% contribution for Medicare. Our insurance went up 7% over last year. It looks to be about the same amount that we budgeted, but we did lose 1% as one of the officers that we hired is not on our insurance plan. Life insurance is about the same. Worker's Compensation is going to be a bit lower as they have changed the way they do their pay schedule. We used to pay a year in advance and now they are more on a regular schedule. Uniforms and clothing is also a large amount - \$26,000 - we give our officers, fulltime and part-time, a clothing allowance that they use to maintain their uniforms. We also give this to our full-time dispatchers. The telephones and pagers is kind of an inaccurate title and Katie will change it. This is the data we pay on their tablets that are in each police vehicle that they use to pull up information when they run people's license plates. This is an absolute necessary item. The Village pays for no cell phones. Councilwoman Terlosky asks if there are any police officers that potentially could retire in 2017. Katie and Mayor Hurst state that they do not think so in 2017, but in 2018 there are two that are reaching their date. Training services are \$4,000 - for ongoing training - officers go to different conferences throughout the year. Dues and fees - these are part of the SEAL program, the SouthEast Area Law Enforcement Task Force. There are some basics for any upkeep of their machinery, furniture, equipment, office supplies that do run to be quite a bit. Katie states that we lucked out on fuel costs this year because we budgeted quite a bit for fuel for all departments and it has been way down. She is being a bit conservative by giving us a good amount for next year, but trying to be positive that the costs are going to stay about flat. There is \$15,000 for repairs and maintenance of their vehicles. This year, they have gone a bit over due to some issues with the EcoBoost. Katie states that we are entering our last year with Oakwood for our fire contract in 2017. It does have options to continue, but that will be up to the Mayor for negotiation. That is a 2% increase as well.

As far as Recreation – the salary is increased 2% and also being a little more realistic with the hours that both Carol and Carlene work. As far as seasonal, we were pretty much right-on with our counselors. They are utilized all throughout the year as well at the Christmas party and other things, and also the transportation salary was down about \$20,000 from what we had budgeted. I am putting it at \$20,000 so Carol has some flexibility to hire another driver so that the two she has are not so strapped. Councilman Linville asks that the transportation salary includes the special transportation for Villagers, etc. Katie confirms that this is what we pay the people who drive them. Lodging and meals – Carol and Karlean did do a couple of conferences. They will probably do another one next year. They have been extremely educational for them. As far as trips go, these are our costs. When we charge our residents to go on trips, what we ask the residents to pay does not always cover our costs so we do have additional costs that we offset so that is factored in there. Special Events – Not community, but all of the other things we put on throughout the year such as Tree Lighting, Memorial Day, etc. and all of the special events that Carol does. The Parker Program - \$12,000. We put in a bit more, but we also had a bit more revenue coming in because we had a good turn-out this year and I expect the same for next year. So, this is offsetting it. She made some money this year with baseball that she had not before by being creative and renting out our baseball fields more than they have ever been before, and know she will continue to do this. We will look into our fees and make sure they are in line with other rental fees, to see if there is room for an increase in our fees that we charge to rent the fields. We also put in \$25,000 for Community Day. Katie has to give a lot of kudos to Carol as she has budgeted \$25,000 and she is at \$24,000. She knows how to stretch her dollar and does a great job managing her budget. Mayor Hurst mentions that she gets a lot of donations to offset a lot of things. The contractual is the \$20,000 that is given to the Lake. This is presuming that the Council wishes to continue this for the next year. This is for the services of swimming and the Parker Program, etc. Councilman Linville states that funding of a facility like this is well in excess of \$2 million and then other communities look at at least \$250,000 to fund such a facility. We have \$20,000 for anyone in the Village who wants to enjoy it. Senior Services – This is a catch-all, but we end up putting a lot into here. The cost of the Senior Lunch is also put into this category, but these are also offset by the amount of money that she collects for Senior Lunch. There is also some minor money in there in case one of the cars needs repaired or they need any computer supplies, etc. Mayor Hurst clarifies that we budgeted \$236,347 for 2016 and we are asking for \$242,000 now – a \$6,000 increase for recreation with no capital. Mayor Hurst states that he would like to apply for a grant to see if we could get a playground at the new facility. We may not get it until 2018 or 2019, but this would be a capital project in a couple of years. Councilman Linville states that the tennis courts should be encouraged to be used. Kathleen Kapusta in the Professional and Technical Services is in the Recreation budget. Councilwoman Terlosky states she is excellent and is an asset to this community.

Building Department – When we did appropriations last month, we removed \$20,000 from this line item. This salary was just kind of moved around and it was moved into the SCMR. This salary is essentially only paying the stipend for our building inspector and the stipend for our zoning inspector, which adds up to about \$21,500. Katie does point out that when we get down to Professional Technical Services on the next page, this has been a huge win for us. All savings add up. In 2015, we spent \$54,000 with MBIS. We budgeted \$30,000 based on the contract we negotiated with SafeBuilt, so we ended up saving about \$20,000 by doing a lot more of our inspections in-house and switching to a different contract structure. So, again, this coming year, I am projecting about a \$30,000 expenditure that will be going for their building services but as we continue, our building inspector is learning more and taking on more, it could even be less. Mayor Hurst states that we re-negotiated a contract because they were getting all of our registration fees and they were getting a large sum of our permits. So, we convinced Mr. Kalman with this stipend that he could do this and we kept the permits, and we negotiated this with SafeBuilt. This is where the \$24,000 savings came from. Mayor Hurst reminds us that in 2010, we had \$158,000 to the Building Department. We have trimmed \$100,000 out of this.

Engineering – This is the salary for Don Sheehy. It is the same - \$19,000. Then the contributions that go into OPERS for him.

Utilities – Our electricity is a bit more than we had expected this year but we did add power at several locations and then we did re-negotiate some contracts. I do expect us to be around 70 next year and then natural gas did go down. We had a nice, not too cold of a winter and a hot summer. We are pretty much right on track with the garbage, Katie thinks we are going to be close to the 135, which brings us down about \$15,000 from the year before. This will steadily continue to decrease as more and more people are using their recycling carts. Mayor Hurst states that our recycling is up tremendously. Our telephone costs will probably be around the \$17,000 mark, but it is still about \$12,000 less than a couple of years ago. So, it is amazing how it adds up for telephones – landlines and no cell phones. The great internet connection has enabled us to save on our phones because we have IP-based telephone lines. This has also improved our surveillance capabilities because we have a fiber network running here at the Village Hall. We will have the same network at the new building. It is already scheduled. The fiber will be installed in the next couple of weeks. We will have the same surveillance and we will have the same phone lines and the wireless for anybody who is using that building. We are also going to have state-of-the-art for presentations, etc. This will all be factored in there.

Service Department – This is the salary for two employees, our mechanic and facilities maintenance. Everyone else is in the SCMR fund. It is only at \$82,000 this year because the one employee was not employed for a full year. So, we are looking at \$98,000 between the two of them next year. All of our service department employees plow so that is fluctuating. We were really great on overtime this past year because of the lack of snow, but this year, we don't know what is going to happen. Everything is standard in this section. We put \$25,000 into Professional and Technical Services. This is money that Dan puts towards our facilities. So, this \$25,000 will go towards the maintenance in all of our buildings, not just stress related. Materials, if we have to have a tree removal, if we have to do some repairs to our boiler, etc. He has spent only \$3500 but I have a feeling in the next couple of weeks, it may get to where it is budgeted. We also have \$50,000 every year into the repairs and maintenance of the building and land. Sanitary and sewers have \$25,000. These are the same amounts that have been budgeted for the past 5+ years in each of these categories.

Mayor – Same salary, dependent on CPI. His insurance went down because his daughter is aged out. He does a lot of economic development meetings so we keep that in there for meetings and meals. We also join several associations – the MAC association, the Ohio Municipal League – and things that keep him connected. Office supplies, not too much this year.

Council – This reflects a 2% increase across-the-board for Council. We do not allocate much more to you guys since you don't ask us to buy you very much. Mayor Hurst talks about how Bedford is going through a big financial struggle. They put it up and voted up to freeze their salary of 2% for their council and it saved a little over \$3000 or \$2300. The one Councilmember asks why are we doing this when we should get rid of our healthcare. Everyone on Bedford Council gets healthcare, just like Macedonia. Councilman Linville also mentions that if there was an option to affect everyone, we could vote to freeze our salary to not take it this year, but save it for next year. This is just another option that was not talked about. A discussion ensues about how this would work for all affected people. Councilwoman Terlosky mentions that another option could be that each person could give back a certain amount on their own and it would not affect other Councilmembers.

Mayor's Court – This number is the salary for our Prosecutor and Assistant Prosecutor. We then have the magistrate, which is budgeted for 48 sessions, which was passed last year. Then, we have our Mayor's Court Clerk. This is a little bit more because she went from a part-time to a full-time position so this is also including her healthcare, which is \$19,600, which is what we pay for a family insurance plan per employee. There are also some general dues and fees and office supplies for her. Councilman Spitznagel states that he has made a generic spreadsheet for this and in 2014, our revenues from the court was \$188,700. It went up to \$203,700 in 2015 and we are proposing \$212,000 in 2016 and \$215,000 in 2017. The expense in 2014

was \$85,700 and in 2017 is projected to be a little over \$129,000. Basically, he did basic profit revenue – expenses equals profit. The highest was in 2015 at \$122,460. If we pass this budget as it is, even though our revenue goes up by \$12,000, our profit goes down to \$85,930. So, we are working a lot more for a lot less money. If we were a public company on the stock exchange and experienced a 29.5% decrease in revenues, he knows what would happen to our stock. He states that he took the personal services and benefits to make up the expenses. The line item for personal services and benefits in expenditures for municipal court on page 2, the 2016 budget is \$90,080 and the 2017 budget goes up to \$129,069. Katie mentions her concerns from where he is pulling his records. On page 13 on the one hand out, this is what shows everything that we take in for Mayor's court and if you are just looking at the Mayor's court line items, that is not a full picture because some money is sent from 9902 into law enforcement trust, into the Mayor's court computer, into the general fund, etc. So, in the 2015 actual, we took in \$310,047 and then to date, we have taken in \$283,690. This is the true depiction of how much money we are taking in. Then it is separated into multiple accounts and it does not all just get funneled into the Mayor's court. We do not project this in 9902 for 2017. This is as of December. Councilman Spitznagel said that our expenses still increased by 58% from 2015 to 2016 because we made one person full-time plus health benefits and we doubled the court hearing dates. So, he will have to relook at this; obviously the numbers are going to change because we have another \$100,000 in there, but we have increased our expenses by over \$47,000 also. Katie also adds that this employee helps out administratively since Jane retired, so she does pick up some slack in that capacity as well. So, we could do a break-out if you want us to allocate that to Mayor's court versus administration, but it does offset in the amount that we are saving from the retired person's salary into that making her full-time. Mayor Hurst clarifies that we did not replace Jane, we just moved somebody to full-time to cover the hours. Brad was hired in to replace Dianne who left here and Jenilee, the one who does the journal, works as a dispatcher. So, everyone is wearing more than one hat. This is how we have been able to save a lot of money. Discussion ensues regarding this.

Boards and Commissions –Zoning and Planning – They each receive \$40 a month for their services. We do not have any audit fees this year, but then we do pay \$4,500 for our accounting software. The \$60,000 under solicitor is for Mr. Mason's salary. We do have some savings with him because we pay him through our Accounts Payable and we don't pay into pension for him and we don't pay into Medicare or Worker's Comp since we are paying him on a 1099 basis. We do keep an extra \$15,000 in the Professional and Technical Services here as this is for any additional law overages that we may have in addition to Mr. Mason's services.

Income Tax – Our postage is very minimal. We have gone to a lot more of an electronic process so our postage is down. Our refunds are up, so we are going to be expecting another \$150,000 will be refunding people, mostly businesses, who will over-pay us on their estimates for a prior year and then come back and request refunds if their net profit was not where they expected it to be.

Administrative – This includes a 2% increase. This includes salaries of our finance department, and also our front desk (Lisa), and a portion of Jenilee. We no longer have part-time so you will see the \$17,000 is not there from the prior year and then we had one retiree. The amounts we are paying are pretty comparable to what we paid before. I also would like to point out that because we are doing the collection for the JEDD, we do receive the administrative fee on top of that, which could technically be considered an offset to our finance department, which is 3% of that total. So, we are looking at about approximately \$20,000. That entry is in Professional and Technical Services. A discussion ensues about Parma Heights. The only other major line item is our Professional Services. This becomes a major catch-all for just about everything. This can be a wide range of our IT people, when we have certain contractors do work for us, other additional softwares that we purchase, photography that we have done, etc. That budget is \$75,000. It is a little bit more realistic because we generally do go over budget in that line item. It all ends up distributed out and we have never had to increase for it. It all finds a place. We did upgrade our server in 2016, but that came out of capital. Katie will go through and see why it is so much higher. She said we are paying a little bit more than we were. Our IT company ended up going out of business and we had to go

with a new company that provides us with more services, but is a tad more expensive. She do not believe this increase is because of this. For instance, our law fees when we went up for underwriting, this would fall into this category. The Capitals and Transfers are generally the amount of money in the general fund. The general fund subsidizes all of the other funds in order to keep them at a positive balance. So, \$120,000 is going to be going from the general fund into the Ohio Police and Fire Pension, which is the amount that we pay into the pension for our officers and \$600,000 going into our SCMR because at one time we were receiving a lot of government funding and state highway tax and things of that nature. A lot of that has been cut so our general fund has to subsidize those accounts more. Also, \$360,000 is going into capital because we don't have any revenue feeding our capital and \$9,000 into our water meter repair. That is the end of the general fund.

SCMR – This is our street fund. This has everyone else from our service department minus our mechanic and facilities maintenance. This is showing them with a 2% increase. I kept their overtime at \$20,000 although they are only at \$11,000 for 2016; this depends on how the rest of this month goes. We did have one retiree so we had a little bit of money out there. Everything else is pretty much the same. I need to give kudos to Dan as well. He is very strict at sticking within his budget. He is somebody who really watches his numbers and he works within what you give him every year. Again, \$15,000 for Professional and Technical Services, street related. We did increase his operating supplies to \$45,000. This is due to some aging equipment and the costs are increasing a little bit in regards to keeping those repaired, but he is also not asking for any new equipment this year. Mayor Hurst reminds everyone that we put new truck beds on ourselves and we did the work on the trucks ourselves. Our trucks have 100,000 miles but they never see the highway. They stay within our town. So, I convinced our service employees to do the work in-house and they did that. We do have some doors that are starting to rot. We are going to try to find those in junkyards. It is hard to find 2000 and 1998 truck doors. We will probably have to get them through the internet on the south, but the Mayor is comfortable with the trucks because they never see hard labor as far as somebody traveling the highway; so their running gears are in great shape and that is the goal – to continue to use these trucks. Also, Katie mentions that they are at about half of the budget that we expected for fuel, so there is a good savings there. We have a big savings with our salt. There is a minimum that we are required to purchase but we do have quite a stockpile left from last year. Katie would be comfortable maybe taking \$20,000 off of this amount if you felt it was necessary, but just know that we may have to then come back for appropriations if we were to have an especially bad winter, but \$75,000 is a number that Dan felt comfortable with. Councilman Spitzngaël asks why \$75,000 is in the SCMR fund and then \$13,000 in the state highway fund. Katie states that this is a little extra stash of salt money. She actually removed it this year when we did appropriations last month. There was \$13,000 in there that has not been spent because he had such a stockpile. So, we removed it out of the budget for 2016, but this is something that we put in there yearly as a little extra amount of money. This is being funded by what we receive from the state highway fund local government distributions. Mayor Hurst states that if the salt does come down to \$22/ton (it is \$38/ton right now), he will be coming to the Council to ask to buy to throw up one of those temporary tents and try and get a couple-hundred ton there, like they have on Route 8 at the landscaping place (the around-the-clock landscaping). We have the land but we just don't have all of the storage. He would just like to bank salt so the next time it goes up to \$64 or \$70/ton, he could be the broker and sell it.

A short break is taken at 8:16.

Meeting resumes.

Part of the Law Enforcement Trust Fund is funded on the revenue side by court costs that go into this fund. In the past, the \$3,000 that they spend on here in operating supplies has been to put on the Senior Police Academy or when they purchase any sort of police things that they like to hand out at the Community Day, etc. Nothing in the motor vehicle license. We go into the Police Pension Fund. This is essentially the subsidy from the general fund. This is what we pay their pension out of. We put \$9,000 in the water meter

repair fund about every year. You will see this it was \$8847 for both of these years, so it will hopefully be that next year. We go into the Mayor's Court Computer Fund and part of the court cost revenue goes into this fund as well. This would be as a replacement for her computer if necessary. We need to spend \$1900 out of this so far this year, which was probably for ink or printer, or repairs, if she needed anything for her computer. I think she got a new printer. Next is the Special Bond Retirement Fund. This is where we will see where we retired our \$1,275,000 note that matured on 12/01/2016. We show our new issuance of \$1,720,000 in the 2017 budget. The \$36,000 is what we will be paying in interest payments on our OPWC loans; we make two payments and have not made our second one yet, which is why we have only spent \$18,200 this year. Then, the other \$25,800 interest is what we actually will be paying out since we sold our debt. This is the amount we will be paying upon maturity on 11/29/2017 to the people who bought our notes. Mayor Hurst clarifies that when we carried our own notes, we paid ourselves \$6000 to \$8000. Now because we are not carrying our own notes and we sold it out, it costs the Village \$25,000. Councilman Spitznagel asks Katie about the \$1,720,000 under the Dunham Road sanitary/sewer, but it is actually a conglomerate of many things. Katie will break it out to keep track of it so the Council can see exactly what is going to what. Discussion ensues regarding bonding out and rolling the debt over each year. Third-party services and Issue 1 and 2 Capital Funds are pretty obsolete. We move into Capital Projects. Here there is the \$150,000 under Professional Services. This is where our engineering costs fall, as well as other miscellaneous projects. We have an electrician that we utilize for a lot of projects. He is the one doing the cameras and surveillance, and things of this sort. The \$125,000 land and land improvements – this is \$100,000 for the new building improvements and then \$25,000 for any additional beautification. We do have a few different intersections that we would like to finish up and then we will complete next year. Then, the \$380,000 would be for the Alexander/Northfield project, which we thought we were going to have this year, but it did not happen and we are receiving matching funds for this project. So there is offsetting. Mayor Hurst clarifies that we are waiting for First Energy with the telephone poles and this is the biggest issue. They are matching this amount – the OPWC. Discussion ensues regarding the poles we are getting. Councilman Spitznagel mentions about an accident that occurred with a pedestrian, and he asks if we would put a bus stop booth up there as part of this. Mayor Hurst states no because this would be RTA who would put one in if we wanted them to. Mayor Hurst states that he pays our service guys to go up there with our bus when the snow hits the ground and transport them for 2-1/2 to 3 months from 6:30 to 8:30, and then it is daylight. Then we don't worry about transportation.

On the last page, the JEDD is discussed. This is the 9904. This is showing that there is going to be \$400,000 that we are paying out to another community estimated that we paid to Sagamore Hills, and then a \$400,000 transfer out, which will then be going into our general fund.

This wraps up the expenditures.

Councilman Linville states that he takes solace in the fact that he watched two deficits of \$1,800,000 each and now we have a good steward of our money as represented by the Mayor Hurst. So, he states that he has no problem voting for this type of a budget as it is all justified.

Mayor Hurst states that we did apply for Cleveland Water grant money for Hickory, Tulip, and Chestnut. We were denied. He asks that everyone go to the first page A. He would like to follow along here. The following pages represent several different types of information concerning the community. Mayor Hurst says that he gave this to the Council in September so some of this information is redundant, but he wanted to go over this publicly to show them that they have options. The first information was collected from Cranes Magazine with a list of the wealthiest suburbs in seven different counties and ranked by medium household income, the Village of Walton Hills was listed as 35<sup>th</sup> out of seven different counties; however, the Village was listed as 21<sup>st</sup> community out of 59 in Cuyahoga County. The second part of this information details as compared to our Village tax base of 0.3 millage compared to all of the other communities in our county. He references our counties because he wants everyone to know where we are at. The third part demonstrates how we compare with all of our communities in our school district on

millage. The fourth item is for us to take notice that even though we have the lowest millage compared to all of the other communities in our county, because of our school system, we have the largest millage of 45 mills compared to other communities. He states that we all know we are going to have to do something legally to change some of these things. The reason he wants to show the Council this was to give them comparison. They have the records in front of them to show them that, based on \$200,000 homes, we collect \$18.38 per year for the whole community for each home (937 homes). In section C of the package, it breaks out what our millage is and what we have. It says the following information is provided to propose the Councilmembers to be informed of our three millage information. This information is based on 937 homes, an average of a \$200,000 valuation. Of the three mill's homes, we collect \$17,222.06. This does not cover any three Councilmember's salaries. That does not cover any part-time police officer's salary. That does not cover our trash. That does not cover the branch-chipping of two employees out chipping branches and picking up leaves. That does not cover almost anything. Walton Hills has 104 commercial entities in our valuation, an average valuation of \$902,000. This is the property value of the buildings. On Public Utilities, we used to get chunks of money back in the 80s and 90s, but our state officials felt we were squandering that money and gave all of these breaks to the utilities. We collect \$9390 per year for our Village on taxes on utilities. The grand total for the Village of Walton Hills on property tax of \$35,987.78. That does not cover all of salary of Council. That does not cover half of my salary. That does not cover a full-time police officer. That is still less than 1/3 of our trash budget. The Mayor says these things to give everyone examples. To recap the details and information, page C provides that the Village Council has demonstrated to the Council that we can control the future of Walton Hills with the possibilities of increase of millage. Walton Hills can continue with the program that exists as well, and offer more programs to benefit our residents, as I have referenced in several different memos over the last six years of possible revenue-generating possibilities such as, but not limited to, the following – Different kinds of levies (safety, police, fire, recreation). We could lower the income tax rate credits (25%, 50%, 75%) – this is what other communities are doing. This is tax credit on when you work in another community and they lower your tax credit and then you have to pay your home community a percentage of your check. We could increase the millage of tax of personal property inside millage. Council has full authority to do this – to 3.8 or possibly 5 mills. There is a sheet there that shows what the increase would be to generate revenue. We could borrow money at a low interest rate and carry the debt for 20 years, and pay the money back over time. This will help us when we redevelop the Ford Plant until our economy takes a positive upturn. On page C2, it shows all the millage and what Council has authority on, and what if we went to the vote of the people. If a homeowner in the Village of Walton Hills pays \$20.42/month (this is also going to kick over to the commercial and kick over to the public utilities), this would be a 4 mill increase, we would generate \$488,000. Mayor Hurst recommends that we put it out to the vote of the people or Council takes the authority and goes with inside millage. This is his suggestion and proposal. Page B shows the 2.5% that Walton Hills pays, we get 100% credit. We collect \$208,000 outside of our Village. This has to be corrected because of the election and because of Cleveland going to 2.5%. We could take another \$85,000 off of the \$208,000 from outside. 32 communities get 100% credit. 24 communities get less than 100% credit. 7 communities get between 75% and 100%. 13 communities get between 50% and 75% credit. Four communities get less than 50% credit. Three communities do not have local income tax in our county.

Discussion ensues regarding needing to try and do something soon with regard to the deficit and what to do to correct this in the future. Talk occurs regarding going to the vote of the people regarding possible levies, etc.

Mayor Hurst announces that this Saturday is Santa Delivery. Councilman Kolograf and Mayor Hurst will be doing this all day starting at 10 a.m. and finishing around 6:30 or 7 p.m.

Mayor Hurst hopes that this time next year they will be in their new facility.

No other questions or comments from the audience or Council.

Councilwoman Terlosky motioned to adjourn the meeting, seconded by Councilman Spitznagel, and six ayes approved. The meeting adjourned at 9:28 p.m.

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Katie Iaconis, Fiscal Officer