

The Village of Walton Hills
Special Committee of the Whole Meeting
Working Session for 2018 Budget

Date: November 29, 2017

Time: 6:01 p.m.

Location of Meeting: Council Chambers

Mayor Hurst called the meeting to order.

Mayor Hurst states that the agenda says Special Council Meeting. He asks for a motion to change this to Working Session of the Budget. Councilman Kolograf states that it was posted as a COW meeting. It is just the agenda that says Special Council meeting. He makes a motion to change this to a Special COW meeting of November 29, 2017. Seconded by Councilman Rich. No questions or comments. Six ayes approve. Mayor Hurst clarifies that none of the contents changed, just the wording.

The roll call was taken by Katie Iaconis, Fiscal Officer. Present: Councilpersons Mary Brenner-Miller, Paul Rich, Gloria Terlosky, Don Kolograf, Denny Linville, and Councilman Spitznagel.

Discussion of the 2018 Budget. Mayor Hurst says that we have our Fiscal Officer, Katie Iaconis, present at this meeting, which is also the Clerk of Village Council Members and also the Assistant to the Mayor. With this basic meeting, we would like to go into discussion of the 2018 budget and go over the details. If we do not find answers tonight, then we can have more meetings. It is not a problem. This is just our projection. There are a couple of things that Mayor Hurst wants to clear up before we start the meeting. He says that everyone has a book that they put together today. It basically is a comparison of our community to all the communities in the county. The council has received all of this information since 2013, but this time, Mayor Hurst put it in a binder book so they can reference it throughout the year. It shows who pays trash. It shows who pays what millage. It shows all the assessments of all the other communities from street lights to sidewalks to improvements to the road in front of homes and things. He says the reasons he gives the council this is so they can reference this as residents continue to ask them questions. We did put it on the bigger 11 x 14 paper and folded it in there so it was easier to read and follow through. He says that we would be more than happy to put together other types of formats and/or comparisons if they would like. We have been talking about this since 2014 with shortfalls of revenues and possible opportunities. The one thing I want to point out is that this year, our tax collections will be less because of communities that went to 2.5% like Cleveland. We reflected that last year before those things went into effect. This will impact our budget close to \$100,000 for 2017. With that being said, the Mayor has about three different memos that the council has in front of them. These will be talked about at the end of the meeting before the adjournment. It has nothing to do with the budget. It has everything to do with reflections with year-end projects. Mayor Hurst also states that he asked Mr. Sheehy for an update and all the dates of when we started the Route 8 and Alexander Road project. That is in front of them. He says it gives them a complete printout and it gives them the responsibility that the Village has compared to the responsibility of the utility company and the state for the different types of funding.

Mayor Hurst now turns it over to Katie and himself to answer any questions they may have and go through the budget together.

Katie starts by telling the council that in front of them is Report 52, which will show revenues versus expenditures and then the bottom line. She asks them to go to the last page and we will get right to it. She said the first draft had less of a deficit. There were some transfers that had to be made in order for capital budget to have a positive balance. So, we are looking at approximately \$274,000 deficit for 2018. The key points she wants to mention are as follows. This deficit is the amount it is even though she has included in

this budget approximately an \$100,000 estimate of traffic camera revenue, which is low, but that is going forward with doing that. It is also \$170,000 in assessments for rubbish collection. It is also removing our sewer maintenance, which would be the turning over our sewers to Cuyahoga County to maintain. Without doing those things, we would be in a much bigger deficit – approximately \$600,000 to \$700,000. Councilman Kolograf asks Katie what the sewer was. Katie says that the sewer fluctuates, but we have to do two complete replacements, so we are looking easily at over \$100,000 in expenses for sewer maintenance next year. That does not include doing the camera of the sewers, which the Mayor has brought up, which is another substantial cost.

The Mayor said that we backed out of the budget \$125,000 conservatively. Councilman Kolograf asked what the garbage was. Katie said it is about \$170,000. She says that if you look on the revenue spreadsheet in the budget itself, they will see under 1390 line item, that is the special assessments. That is where we see the revenue coming in for trash collection and rubbish. Our approximate cost is roughly \$140,000 for rubbish collection. The reason there is a higher amount that we are receiving is due to fluctuations within the contract. So, it is not a set price that we pay. It is based on tonnage. There is a bit of fluctuation there. Councilman Linville asks if this is trash only on that line, and Katie says yes, that is just for trash. Mayor Hurst says that this was the calculation when we did the consortium and because we have increased our collections because they provided us with a can, our recyclables have gone up tremendously. That is what drove down our operations of about \$140,000. Our contract fluctuates up and down depending on the amount of collections of recycling and things. We are projecting \$170,000, but it may be not be exactly that amount. It depends on what our neighbors participate in recycling. If they participate in recycling, it could be at \$143,000 or \$148,000. Mayor said that he can get them a breakout that did show that we used to receive so much tonnage and recycling, and that has almost doubled since we have gone with this new contract. He says that we are looking at \$15 per month per home/per address, per month to get this assessment. Bedford charges \$21 per month per home/per address and they have the exact same contract we have. That is the reason we started with those numbers. That is where we pulled those numbers from. This is not a revenue generator. This is just an offset of what our cost is.

Councilwoman Terlosky asks if they bill us quarterly or how it is billed. Katie says that it is billed through the water bill. Mayor Hurst says that if you pass the assessment and go through all of 2018, then the following year, it goes to the property tax. Katie says that because we are past the deadline for the property tax assessment, we would put it on the water bill. We can choose to do it quarterly so it shows up quarterly on the bill, or monthly. That would be up to us. They do charge us a fee to do the billing for us so we would be losing out on a small portion of that revenue, and then we would be able to get on the assessments for 2019. Mayor Hurst states this is why we were looking at the water department. If we were to allow Kimble to do it, they have made it crystal clear that our contract will become void and if our residents do not pay it, they will leave the trash and it becomes our responsibility. So, then we are out there picking up trash. This is why we were going through an outside source for billing so it is guaranteed and nothing changes in the contract. Instead of us becoming the provider of the billing. It makes it easier and more efficient. Katie says we would have to pay a portion to have the billing done this year, but then once we get it on the property tax assessment, we would not have to pay that.

Katie goes on and going down a little further, some of the other notables. She asks the council to look at line item 590.0011 – Charge for dispatch. She states that reflected here is an additional \$35,000, which is in the draft of the fire contract. This is another \$35,000 for Glenwillow because we have been doing some of their dispatching. This is if the council supports the contract once they have the draft and are able to review it. Mayor Hurst states that they have a draft right now, but it has not been discussed publicly, and we did pass it out in Executive Session for discussion. If there are any other real concerns, we can have more Executive Sessions or we can discuss it publicly. He recognizes that Councilwoman Brenner-Miller was not here, but they did pass it out last week. He clarifies that nothing increased in the fire contract. It is still 2% and 2% every year. What we did was add \$135,000 to drive it up to \$181,000 for dispatching. He was able to convince the Mayor of Oakwood and the Mayor of Glen Willow that we have been doing calls

for five years to that community. The ones at Glen Willow go through a different dispatch and then come to this community. We felt it would be more of a safety issue, so we passed the responsibility on to Oakwood. Either they are going to pay the \$35,000 or Glen Willow is going to pay it. So, we did increase getting more money into our dispatch. That is where the \$181,000 came from. He explained this to the council in Executive Session. Mayor Hurst states that the only thing we are doing different this year in the contract is the payroll income tax that we collect from the employees that are in the basement, they ask that we put that into a special account and pass a resolution to agree that that money would go toward capital projects and capital equipment for the fire department only. Not the safety director. Not the police department. That is approximately \$9000 a year. So, over a ten-year deal, it will only be \$90,000. That would pay for equipment. He gave a breakout and he will make sure they have a copy of it. That breaks out exactly their equipment. They spent over a million dollars in equipment in the last three years in Oakwood on trucks, ambulances, and other equipment that goes on the ambulances. So, we found a happy medium by cooperation. The way that we were able to reach that was that they were not happy paying that 2.5% to the village, which regardless of where you work, you have to pay your income tax. So, the Mayor felt that taking it out of the argument and instead of making that an issue, let's use that money for funding something that benefits. So, now we have no shared cost of equipment.

There was a time in the 1990s when Walton Hills had an agreement with Bedford, and we shared in the equipment. Somehow, that went south and the relationship broke up and the village ended up having to sue the City of Bedford to get back their shared costs of the equipment. It was a long, drawn-out fight. In that process, we have forged a long-term tear in the fabric of relationships. That is why we have so many problems we try to go to Bedford for any kind of issue. He is confident that is why we got jammed \$800,000 for the fire contract that one year to get back something from the past. He states this is only his opinion. The estimate for the year is actually less because we did the absolute worst-case scenario, which includes CPI or 2%, whichever was greater, not to exceed a 5% increase. So, for the 2017 budget, we did show it at a worst-case scenario of 5% increase. Next year going in, it is just the 2%. Mayor Hurst says that the contract says 2% or 5%, whichever is highest, for the CPI. We have been very blessed to only go 2%. With inflation the way it is, we could probably get away with another couple of years of 2%. He wanted to make sure we had a ceiling on there so if we go with a ten-year contract, we sure do not want to go to a 5% year after year. So, we do have language in there that if it does get absorbed, we can back out at any time. We have 180 days to do that. This has always been in the contract and we did not change anything. The Mayor just wanted to clarify what was in there.

Katie now moves on to the bottom under Court Fines. This is where we have the additional revenue from the traffic cameras and also from the increased court costs that were implemented towards the end of 2017. Councilman Linville states that this is going to grow. Katie says yes, but this is dependent upon traffic cameras being successful. Mayor Hurst states that we are very conservative of this number. This could be a real success for our village. Every community, without going public of what they have been successful at finding for their safety operations, this is a very low number.

We did send an RFP out to them. They will come in here and explain it. What we understand from the companies who do it is that they have laid out a process, and they give us a draft of their legislation that they passed that the council is going to have to pass and approve. The companies would give you a proposal of how much they would take from each ticket. He says he thinks the standard is \$33 for every ticket. Right now it is standard for a \$150 a ticket. Some communities are \$200 a ticket. Of that \$150, \$33 comes off the top to the camera company to pay for the maintenance and operation, but they also provide you with computer documentation and they help you with all of the setup and operation to explain everything. He will have someone come in and explain it to them. There have been lobbyists hired, and there is strong support in the state to continue in the process that we are in with home rule, which is something they have tried to stop with the Supreme Court. The Supreme Court took the side of the municipalities. Now, there is other legislation being proposed, as we have all talked about in private on how it is going to change.

Katie then goes to the second page. She points out that there is no other revenue sources in here that are unfamiliar. The amounts are pretty stable to what we have always expected. She does point out that with the SCMR and also with the police pension and also with capital, you will see these large amounts of money and transfers coming in, but these are all transfers coming from our general fund. Our general fund is subsidizing all of these other departments because they don't have the revenue to sustain themselves. This is taking away from our general fund balance pretty substantially because we also don't have the revenue into the general fund that we need to in order to keep a balanced budget or have a surplus.

Katie asks if there are any other revenue questions. Mayor Hurst states that the JEDD is reflected in the revenue section. Councilman Kolograf states that he sees that we budgeted \$800,000 like last year. Katie says yes. Coming into the JEDD fund, she thinks we may see a slight increase next year. They have gone to a different type of payroll agency. She says a lot of people are going to a group management system where these employees are not actually employees of the hospital. They technically get a W2 from these group management systems, but it makes it easier for us to collect their payroll tax because they are all coming out of one entity rather than things like, "This doctor is a private contractor and this doctor is such and such..." So, she thinks we may see some increases next year. Sticking with the \$800,000, we will see it come into the JEDD account and then on the expenditure side, we will see all \$800,000 go back out, half to Sagamore and the other half back into our General Fund plus our administrative fee that we collect for the tax collection, which is 3%.

Councilman Linville asks where that money is that we put in the general fund on the revenue side. Katie says that on the revenue side, we see it come into the general fund as a transfer in toward the bottom, but then it is on the very last page in the 9904, which is the JEDD account. Councilman Kolograf asks if that \$635,000 is what we collected this year. Mayor Hurst says so far, but we have another payment coming. Katie says that we do collect monthly. We receive our payroll tax monthly like just about everybody. She says this is through the end of October. Mayor Hurst says we do not have November or December in here. Councilman Kolograf clarifies that it will be closer to our projected number. Mayor Hurst and Katie confirm this. Mayor Hurst states that he thinks it is about \$90,000 a month. The Mayor states that he ran out of ink in his printer, but we did get the audit in from the JEDD. We got a clean bill of health. He was trying to print it and the ink ran out. He says there is a cover letter and everything and he will put it in their mailboxes so they have it for next week. Mayor Hurst says they did have their JEDD meeting and everybody approved. Each year there needs to be a meeting with the Board of Directors, which is a trustee, a representative from the hospital, a representative from legal counsel, and the Mayor. The Mayor is the secretary. Tom Jordan is the treasurer. We have to report that we had our meeting. Everybody voted to continue to collect taxes. They have 41 acres over there that they have made available for more economic development. That is in our JEDD. They tore down all the hospitals. Mayor Hurst has talked to the officials and asked if them if he had permission to act as their economic director or their economic person to try and push that material. He gathered all the information and put it into a booklet form. They said that some people at the state don't like the Mayor pushing our property for development, but the Mayor said that it benefits everyone.

Katie also brings up that she did not include in this budget the potential sale of the service garage. We are not sure if it is going to hit this year or it may hit next year. So, that could be a timing issue, which is either good for this year or next year. There also may be other village property that will sell next year, which is not included in here. There are some assets that are perhaps in the plans to sell, which may bring in some revenue, but because it is not final, it is not part of the budget.

Mayor Hurst says that because we passed the overlay zoning, he has been approached by two different entities. One for [Joan Wheels] is 23 acres on Dunham Road for Memory Care and Assisted Living. They are going to get their ducks in a row and try and meet with me before the end of the year. In the second week of December, the Mayor has a meeting with the Hungarian Church. He has already done everything

with the engineers with the site plan and the largest facility that they could build on the land and all the variables. He is meeting with the Board of Directors in the second week of December about a potential of assisted living for the Hungarian Church. It is not unusual. It is very popular in town. They are talking about maybe a 150-bed facility. Just to give an idea, Walton Manor is about a 220-bed facility so it would be close to the size of that facility. They can do that with the overlay zoning because they have 19 acres, and we have an acre right beside them that the village owns inherited, which would be a buffer between the residents on Knotting Hill. There is a long strip that we got through back taxes that the village owns.

Mayor Hurst also says that he has a meeting on Monday with Dave Joyce, congressman. Mayor Hurst says that he has resources at the White House that have notified him about upcoming bills and projections for 2018. There is an infrastructure bill after this tax thing gets solved and we go on their winter break that is going to be huge, in the billions. Mr. Trump is pushing it. Mayor Hurst wants Dave Joyce, our representative on the federal level, to make sure they put Walton Hills at the top of the list because we are ahead of a lot of communities that do not know this is going to happen. The Mayor wants to try and capture whatever free money he can get for infrastructure as far as cutting a road back to the First Energy property or fixing anything else. One of the things we have on our side is the problem with Ford leaving and it leaving such an impact on our community, we may be able to get on a lot of this free funding. We may. No promises. He is simply letting everyone know that this is on his radar screen, and we are probably six weeks ahead of what is going to be public.

Councilwoman Brenner-Miller states that she thinks the residents should get a copy of the special assessment analysis because it is a little easier to understand. Not the millage. This could be with a quick cover letter that says, "We have heard there are concerns that now we are going to lay in all of these special assessments. We have had multiple meetings stating that if the police levy failed, there would be some assessments. Now you can see how we compare with the rest of the communities in Cuyahoga County and see that we are nothing compared to..." This way, once again, we have tried to educate and enlighten the residents that they got a good deal. She said it is just a thought. She knows it is an expense. She says that it would probably cost close to \$1000 and would probably be well worth it especially if we had a professional do it because this is us and we are doing the best we can do. Mayor Hurst agrees that he thinks that if we put out a couple of pages of this kind of information, maybe 30% might grasp it, but that is 30% that at least understands. He is not trying to discount his residents, but there are people who came to those Town Hall meetings and still did not know. Josephine Wardell said that she did not know until August what her taxes were, and she came to every one of the Town Hall meetings. She said she did not realize what she paid the village until August. Councilwoman Terlosky said that she agrees with Councilwoman Brenner-Miller. She does not think this is so bad to have the professionals do it. This is quite enough. She states that the Mayor had mentioned coming in the evening in January and doing the Meetings with the Mayor. She states that you could make 50 of these and then give it out at the Mornings with the Mayor and Evenings with the Mayor, and have it at the council meetings. She thinks that will be enough that it would get out. This is agreed that handing it out and this would cut the cost of the postage. This would explain that this is the way it is. We are not trying to stick it to anyone, but this is what it is. Mayor Hurst says we will work on it and give it out at the COW next Tuesday. That gives him about a week to work on it. Councilwoman says that she looked at this and it was very easy to understand, even more than the millage that would probably confuse people with the decimal points and things like that. This is very informative. Councilwoman Brenner-Miller said that she has a business luncheon in Cincinnati the day of the next COW meeting. She will be here, but she will probably not be here until about 7 p.m.

Katie moves on to the expenditures. She prefaces by saying that there is a 15% contribution by employees for their healthcare included in the numbers. There are also no pay increases across the board except for a few exceptions of people who may be taking on different roles next year. There is no road program. There is no extra equipment except for a police vehicle in capital. So, starting with the police department, we are down pretty substantially because we had one full-time officer leave halfway through this year, but we are also down another full employee. Overtime is pretty high through this year because of the layoff of the

part-time officers, but because they are back filling in those gaps, I expect overtime to get back down next year. Dispatch, the full-time salary is down because we are down one full-time dispatcher that is not being replaced at this time. Mayor Hurst says we did not replace the one that left us. We did a budget crunch. That is one of the administration that was downsized when someone made the false statement of firing people and hiring people. We lost the gentleman in finance that was full time; we never replaced him. We replaced him with a part-time person. We never replaced the dispatch person. We lost an employee in the service department, and we did not replace that employee.

Katie says that if you look down, the original approved amount was \$90,000 for part-time police where, through the end of October, we are at almost \$70,000. Next year, she is hoping to be around \$63,000. We have four part-time officers right now, each working limited hours because most of them do have other jobs in other communities. Our auxiliary has done a pretty good job of keeping this number down. She puts it at \$24,000 hoping they can stay at that number. Part-time dispatch, we have been optimistic the past few years that we would stay around \$100,000 because we were down several full-time people. It is at \$132,000. You will see we finished at \$172,000 for 2016. She is hoping that we will be able to come in at around \$100,000 next year because of the little bit of a change in the structure on how they are scheduling. Longevity, that stays the same. The weapons allowance was taken out of the contract for this last year so no officer is receiving the \$450 weapon allowance. If the contract is agreed upon, that will be back in the contract for next year. Again, we do not budget for sick time or anything below. Those are all zeros. Those are already accounted for in the full amount of their pay. Those are just added in as they occur. Of course, the part-time police and all the dispatchers are on the Ohio Public Employee Pension. The village pays 14% as a contribution for all employees who are under OPERS. Then, we have several who are both dispatch and most police officers are on our medical plan. This reflects a 12% increase in our medical coverage year after year, but also that the employees are now paying 15% rather than 10%, and this is the village's cost. Our worker's comp rates are going to stay roughly the same. We have had a good track record there. Hopefully, that continues.

Katie goes into dues and fees. The clothing allowance is down a bit, but that is still included for the police department. The dues and fees are part of the South East Area Law Enforcement team. There is also police chief's union so they do pay for these dues out of this account toward the bottom. We have included \$20,000 for any operating supplies and materials that were needed throughout the year and \$15,000 for any repairs of motor vehicles. Then, on the very last line, they will see that for computers and supplies. Unfortunately, we did have it budgeted in 2016 for them to replace their server. However, it did not make it in the 2016 budget so it was ordered and paid for this year. Next year, it is at \$7000 because they want to spend roughly \$5000 to replace some of the terminals at the dispatch center because they are on 24/7, 365. So, the equipment does have to be updated.

Then, on our fire contract, when she was saying earlier that we had budgeted worst case scenario for 2017, which was the \$564,000, but it ended up just being the 2% increase, which would put us at the \$557,347 for next year.

Then, Katie goes to recreation. She notes that there was a request, and she did put it in here, for a small pay increase. That is included in this amount. That is up to council to approve because her pay scale will have to be changed by ordinance. The seasonal is normally right on. Then, we have the transportation and their employee pension contributions. She states that the only notable changes through here are that we have \$15,000 in the budget for special events. This is for when Carol does our Christmas parties, our Halloween parties, etc. Those funds are used for all of those different events. She spent less than \$9000 this year for the Parker program. We are leaving \$12,000 for a little wiggle room for her, but then she does take in some money on the flip side there. On Community Day, we dropped from \$25,000 to \$20,000. Most years, we were able to do it for \$20,000. It was just in the last couple of years that we spent a little bit extra. So, she thinks \$20,000 is doable, and Carol agreed. We also still have, under contractual

agreements, \$20,000 for the lake, and that contract is up for discussion so the council has that ability to continue or do whatever they would like.

This salary, the \$62,000, is made up of just Karleen and Carol. Both work 30 hours or less per week, they are part-time employees, and there was some discussion. Katie said that it was budgeted in there. Mayor Hurst says that we put it in the budget, but we are not committed to anything because of the contract we voted on in February. That is why we put it in there. So, we could make a decision or not make a decision. It is not something that has to be in the budget. He only said, "Carol, when your contract comes up, I will talk with the council in Executive Session and go from there." He does state that we did pay \$30/hour to the former Director. Katie verifies that seasonal would be all of our counselors, etc. Mayor Hurst says this is all the summer help at the lake and with the Parker programs. The transportation salary would be our drivers. He said that last year, we budgeted \$20,000, but we only used \$11,000 or \$12,000, so we rolled it back to \$15,000. We took money out of there. Katie says that we are down to just two drivers. We have two great employees who work a lot of hours and enjoy it, so we have not had to hire anyone additional.

Katie then moves on to the building department. The \$14,000 is the stipend that the building inspector receives. Then, there is the small contribution to OPERS and to Medicare on his behalf. We have budgeted \$25,000, which is what we paid to SAFEbuilt to do any commercial inspections that our building inspector is not certified to perform. This has drastically decreased over the past couple of years since we have our new contract in place. We budgeted \$30,000 for this year. We are at \$21,000. So, we are going to try for \$25,000 next year, which I think is quite feasible. Our engineering salary; this is for Don Sheehy. This is the same amount that he received for 2017. Pretty straightforward. For utilities, we are doing pretty well. We negotiated a few new contracts, which have saved us on our gas bill. We found a really good outside company that does independent studies to show you which companies could save you money. We have been doing well on that. Here is where you will see the trash for \$135,000. It was actually \$141,000 last year, so it does fluctuate.

Katie then moves on to the service department. Here we have the salaries included for our mechanic and for the person who is currently our Assistant Street Commissioner. She points out that there is an increase in the amount of salary because of the intention of our Assistant Street Commissioner to be promoted to Street Commissioner in February. So, this has one month of his salary as assistant and 11 months as his salary of Street Commissioner. No increase for the mechanic. She states that here we keep about \$50,000 for repairs and maintenance of building and land that is pretty standard. One thing of note to point out toward the bottom is the repairs and maintenance of sanitary sewers. In this one line item, which is strictly for this, we had only budgeted for \$25,000. We have already spent \$46,000 for this year. There is \$0 budgeted for 2018, which would only occur if the agreement goes into place with Cuyahoga County to take over the sewer maintenance.

Katie goes on to the Mayor Hurst. Same salary of \$61,650. No increase there. We do have his medical coverage. She put in about \$3,000 for meals because he does a lot of networking and many meetings with economic development, and it is a necessary function of the position of the Mayor. There are also several dues and fees that the Mayor subscribes to such as Chamber of Commerce, Mayor and City Managers, etc. Then, there is a small amount for office supplies. Councilman Linville states that he got into a discussion with someone and they still think you make well over \$100,000 a year. If you try to explain it to them, they do not want to hear anything about it. They are unreasonable when they make that point. Councilwoman Brenner-Miller asks that on the Mayor's housing and meals, housing is when he goes to Washington or one of these trips, right? That would include any hotels or places he stays.

Katie moves on to salaries for council. She states that by ordinance, they do receive a 2% increase. If anyone should want to not take that, please send me an email for your records and I will be sure to not include an increase for you next year.

Katie moves on to Mayor's Court. The \$24,000 is for John Montello as Prosecutor. Mayor Hurst says he has a two-year contract that we signed. He is not up this year. He believes it is January 2019. He said we saved money in that area. Katie says we dropped this \$6,000. She says this is the budgeted amount of magistrate if we were to have court, 48 sessions. Then, the salary for our Clerk of Court at \$42,000. The associated pension, Medicare, and medical associated with this section, the only person whose benefits are counted for under Mayor's court is our Clerk of Court. There are a small amount of dues and fees here, and then office supplies that are used for Mayor's court.

The Boards and Commissions are planning and zoning board. This is pretty straightforward. They are each paid \$40 per month and then \$30 per meeting. It is hard to estimate exactly how many meetings they will have per year, but we try to do maybe one a month.

Katie goes into next year when we will be having our 2-year audit for 2016 and 2017. So, those fees are in there of about \$15,000. Hopefully we will stay around that for the audit.

Under Solicitor, \$60,000 is Bill's contractual amount. He is paid through Accounts Payable. He does not receive pension contributions or Medicare from us. Then, there is an additional \$15,000 for any ancillary legal issues that come up during the year. Mayor Hurst states that we had a discussion in private, and Bill's contract expires in January of next year. It was a two-year contract. I asked him if there were any increases and Mr. Mason said, "I want to be here for \$60,000 as long as you are Mayor." So, no increase. He would advise to do another two-year contract critical next year. We already have a fixed rate. Katie points out under the 2017 actual, his salary has been posting under this 1750 - 349, which is why it looks like there is more under professional and technical rather than under the line item for Solicitor.

Income tax. Katie explains that we keep a minimal amount of postage because we do send out quite a bit. We have software maintenance and then tax refunds. Speaking with Mr. Nogalo, he felt we may only have about \$30,000 of refunds next year. We do have one potentially quite large refund we have to do at the end of this year. She will keep the council informed about that.

Katie moves on to Administrative and Finance. Here we have the salaries for myself, Vic, Lisa, and also Angela who does our Accounts Payable and also some tax auditing, our contributions. Three of us out of the four receive health benefits. No increases for anybody across the board. We do have a minimal amount in here if we were to do any meals out or any travel, but we don't do much in our department. We do utilize postage. Administrative and Finance has become kind of a catchall for a lot of expenses that do not have another place to go. We do have some professional and technical services for \$100,000. For instance, we have Tom Jordan who helps us with some economic development. He is paid contractually through that account. We also have Sandy who is the banquet coordinator. She is paid contractually through that account. Anyone else we hire throughout the year who does something administratively.

Councilwoman Brenner-Miller asks about Sandy with recreation at the church. She states she is making up Walton Hills cups and putting candy in them and putting business cards in for businesses around here, inviting them to the senior lunch in December. This way they will get to see the facility and maybe they want to rent it for their Christmas party or their kids getting married. She thinks this is a good marketing tool because it will be all decorated for Christmas. She said that yesterday she was decorating across the hall and some people came in and they wanted to rent the hall for a funeral. It is getting out there and we are picking up rentals. Katie points out that Sandy makes \$300/week so it is roughly \$16,000 a year. We do have over 20 events booked already for next year through the end of the year, and she personally feels it has been very successful so far. Councilman Spitznagel asks if there is any feeling of eventually maybe giving those duties over to Carol and maybe giving her a little bit of a raise. He knows that it is only \$16,000 a year, but it is still \$16,000 a year. Katie states that in her opinion, what she has noticed so far about this position, Sandy purchased a cell phone on her own dime just for this position and takes calls all hours of the day, she meets people at any hour day or night and on weekends, she attends all the events and

helps them set up. She does not see how Carol could feasibly fit it in in only a 30-hour workweek to come in on weekends and evenings and be there for parties.

Mayor Hurst states that he did express to the council about a RFQ (Request for Quote) and find out what kind of banquet hall operators or restaurants might be interested in taking over the responsibility and giving us some kind of retainer fee each month and then being responsible for everything. We have all the database, but we still have not gone out. We are going to try and do this in January. As I mentioned, the Dolphin Restaurant was very interested. Mayor Hurst mentions that Mr. Mason told him that we should do an RFQ to all the restaurants and businesses who have a similar operation and see if they are interested to give us a retainer. Our operations down there for utilities is roughly around \$11,000 a year. That is air conditioning, heating, electric, gas, water, sewer, and the whole nine yards. That is what we estimated for that. So, we have a good grip on it now because we have been in operation almost a year, so we know what it is per month if you multiply it. Our goal is to get enough retainer to cover all utilities and operational costs and then try and make enough money to put towards the bottom line of the mortgage. That is what his goal is and he thinks he can get 80% of it covered. It is just a matter of finding the right partner who wants to do what we want, because we still want to leave the flexibility of our residents to use it and the flexibility of the senior lunch and the flexibility of certain activities that we may have at that facility. He knows that the multipurpose room he would think that we would maybe want to consider raising those rates to generate more money because the multipurpose room has been booked twice every weekend on Saturday and Sunday. Before, we only did one event for the whole weekend. Now that we have the cleaning guy and we have the process in place, we are able to rent it on Saturday night. So, our staff has to go in there on Sunday morning before the event and make sure everything is ready to go and things. We do keep people's deposits because they put tape on the wall and they pulled it off and pulled some of the tape off the molding. It is a learning process. It has been positive. He cannot say it has been negative. He thinks it is a gem that will benefit us.

Katie takes us to Insurance and Bonding. Our liability coverage. No changes from the rate we paid last year. That is good.

Dues and fees. We are a little bit over here. We are generally about \$10,000. There are some extras for office supplies.

Transfers out. Katie mentioned before that we are sending \$115,000 to police and fire pension, \$400,000 to SCMR, and \$545,000 to capital, which we will get into why we are sending that shortly. As it is seen in the SCMR, all of the other service department employees are included in this amount. It is down from the budgeted amount and down quite a bit from the 2016 actual, nearly \$120,000 less, as we have now lost three employees that we have not replaced. Dan is in here, but it is only one month of his salary that is part of this. Then, there are five including Dan. Dan's contract is up in January and his last day is January 31. Then, we have overtime. We have been right around \$20,000 most years, depending on snow. That is up in the air. Their pension and medical, there are some professional and technical services that they use as well; contractors for things we cannot do in house, which is not much. We are keeping the operating supplies at \$45,000. Fuel. And then \$75,000 is in here for salt, which I do not anticipate that we will spend. We have a pretty sizeable reserve at the moment because we have had a few very light winters. There is a minimum amount we do have to purchase, but it will not hit that amount. I did not include, under the state highway, I did not give them the additional \$13,000. We did not spend it in 2016, Katie does not anticipate spending it in 2017, and she does not think we will need it in 2018 either.

Law enforcement trust. They buy very few supplies out of this fund. It is pretty basic at \$4000 total. We expect to pay out, in the police pension fund, approximately \$160,000 in contributions. The village is required to contribute 19.5% for each full-time police officer. Their contribution is 12.25%. Then, there is a small property collection fee.

Mayor's Court Computer Fund. This is for any new computer supplies. We do collect a portion from each ticket that goes toward the Mayor's Court Computer Fund, which essentially covers the cost for any replacement computers, printers, etc.

Councilman Spitznagel asks Katie about the pension fund. The Ohio Police and Fire Pension Fund, we contribute 19.5% of their salary to that. Katie says yes. They contribute 12.25% just like public employees pay toward their Ohio Public Employee Pension, and then the village makes a 19.5% contribution. Councilman Spitznagel asks about where it says the OPERS police on page 1. Katie says that this is for part-time police. They get a life insurance policy and a uniform allowance. They get their gun allowance and bullets.

Bond retirement. Katie states that yesterday, we closed on our note sale. Fidelity and McNealy Investments bought our debt. Fidelity also bought it last year. We only paid down \$10,000 because of our financial situation. Budgeting next year to reissue \$1.64 million, so that would be paying down \$50,000. That is up for debate. We are nearing the limit of when we are going to have to pay off some of our vehicles. They cannot issue debt long-term on police vehicles and on our service vehicles. We are nearing the date that we have to pay those off. Councilman Spitznagel asks how much that is. Katie says she can get the exact breakdown, but she thinks it is \$35,000 on one and \$15,000 on another. We still have a few years before we cannot reissue on that debt, so we are still in a good position.

Katie moves on to Capital. Professional services has \$150,000. The bulk of this is engineering costs. That is unavoidable. All projects involve engineering to some extent. Also included is \$41,000 for a police vehicle, as the Mayor mentioned. Then, there is \$490,000 in there, which is for the Northfield/Alexander intersection project. She tells the council that they can reference the memo that was from Don Sheehy that goes back to 2013 when we talked about all of these details. Mayor Hurst states that if we eliminated this project, we could actually be subject to First Energy making us pay for all the work they have already done and projected to do. He says the only way he sees us paying for this next year; hopefully it will be done and completed next year; is for us to probably reissue debt because we don't have \$490,000 to throw at this. That is why we are in the jackpot we are in; because we got Sagamore Road fixed. We have free money, but we had to reissue debt. That is how we got all of these other projects done. We all know where we are with the situation.

Katie says that pretty much wraps it up. She says we have a few expenses with Veterans Memorial and then at the very bottom is our JEDD where the distributions are made back to both subdivisions.

On the very last page, it shows our revenues versus expenditures and the amount that is attributed to payroll. Out of our budgeted \$9 million of expenditures, \$3 million of that is strictly related to payroll.

Based on Katie's estimations, we are still looking at an approximately \$270,000 deficit. That is even making the small changes that the council is considering. In the packet that was put together, for their information to consider, on the second page, it shows that if they enacted inside millage, it would bring in an additional roughly \$500,000 if they were to go to 3.88 mils, which is the max. Again, if this is something the council should choose to do, it cannot be enacted until our tax budget in July. We would not be able to start collecting until 2019. There are several options, either having a tax anticipation note, and the county does also provide advances. We have never requested an advance because we receive such a small amount. There would not have to be an ordinance enacted if we should choose to have an advance. That is down the line, of course.

Mayor Hurst asks to have another budget meeting so we are not here all night. We have been here two hours. He does have some fairly decent projections. He has always been very conservative with his projections. There is a new business called Bishop Brothers. The one who bought the Dean Penix property. We probably won't recover a lot of payroll from them until close to the end of the year because it

takes time to build a building and a process, but that will see growth on Route 8. If the negotiations of our service garage come to pass, which he is very confident will come to pass, that is another \$200,000 would could put into our coffers that would offset some of this deficit. The \$35,000 that he got from the dispatching increase does offset some of the operations toward the fire. We are surviving, but the water is at our chin level. That is why he thinks that trash is something that everyone needs to strongly consider. He thinks we need to look at every option. He thinks we could hold off on the inside millage through at least the first quarter because it will not be collected anyway until July of next year or January of 2019. What he is saying is that we maybe have a success with the cameras to help offset our police operations that we could use that may be a success. He does not want to get anyone's hopes up too high.

Mayor Hurst points out a couple of things on the memos that have been handed out to the councilmembers. The one is next week, there is a proposal. The gentleman sent me more details. He has a lot more graphics. He was going to put them on the agenda next week to talk about the corner of Alexander and Northfield Road about the possibility of a lease agreement to erect a sign. Maybe we don't want a sign. Maybe it is something everybody should look at and see. It is \$21,000 or more a year. So, it is something to think about. He knows it is not a lot of money, but it is something to offset some of our operations and costs. He gave everyone a memo about possible grant funding. He wants the council to take a look at it and it is just documented. It is what they call an electronic thread of emails. He wants the council to see the email that the Mayor received yesterday about possible funding in the state budget for 2018. The items he wants to point out at this time is the same information that was passed on to his office on October 26, 2017, by our State Senator, Mr. Matt Dolan. Then, this same information was sent yesterday, 30 days later, by our State Representative. I already did homework and there are emails in here to show that in October, we had professionals look at it and they told me that we did not qualify for the funding. He did give the information out, though, so the council can understand what the possibly funding is. The deadline is January 8 for next year's budget. He just wants the council to read into.

The next issue that the Mayor wants to address is that he have the final proposals for the first proposal for the police contract, and then the final cleaned up one so all the grammar is correct. This is from Clay Morris. The council has a copy of his email. The Mayor did this double sided so the council could save a bit of paper there, but his email is on the back of the Mayor's memo so they know exactly what transpired. This was from yesterday at 8:54 p.m. This is what was agreed to. The first copy is basically what the police contract did say, but it has a lot of lines through it and shows where we have changed the language. The clean copy is all cleaned up. He would like to discuss it publicly at the next COW and the fire contract at the next COW, and just be ahead of that so we can pass them at the end of the month of December.

Mayor Hurst would like to have another finance committee like this to devote just to finance and answer any other questions that they would have. He wants them to look at their schedule for one day next week to try and go over the budget again and answer any questions.

Mayor Hurst asks for some questions or comments. Councilman Spitznagel states that as far as the new council for next year, he would like to gauge the council's support or non-support for this idea. We don't have to decide anything this evening. Obviously, we know there is going to be a new councilperson next year. He was thinking about the possibility of passing a quarter budget to hold us over for that first quarter. That way, we can work as an entire council at the beginning of the year. So, we all have skin in the game as an entire council for that 2018 budget. He said there is no decision that needs made tonight, but he wanted to throw it out publicly for consideration. Councilman Kolograf comments and states that he does not know if we needed to pass a quarter budget. He said it may work out better if we do not pass the budget until we get into 2018 because then we will see some more real numbers on how we end up at the end of 2017. He talked to the Mayor and he does not think we could ever have enough meetings on this budget. He knows it starts to become redundant, but instead of passing a quarter, maybe just take it into 2018. He says it is not like we have to pass the budget in 2017. The deadline is the end of March. Mayor Hurst says that the deadline is March 2018, but he needs money to operate January, February, and March so

they need to pass something by December 31 or I cannot make payroll on the first week in January. Under his operation as the Mayor, they have been very successful with talking these things through and getting passed and we live within that budget. If something unforeseen comes up, we always visited the budget. We have shared everything. We have been open and honest. That is the way it should always operate.

He does not care if he wants to pass a temporary budget because that is their call as leaders. He wants the council to understand that he has no reason to change this budget. He has cut it to the bare bones. He thinks that everyone here as already recognized. He says that if they want to do that to receive input from one person, he does not think it is going to change the dynamics because right now, no one seems to be too aggressive in changing anything that is there. He says that if they want to do this, that is fine and that is their respected privilege, and he understands that. He does not know where else he can cut or reduce. Any reductions will not happen until the next election.

Councilwoman Brenner-Miller says that she thinks that when you vote on something, you have to answer to the residents as to why you voted on it. You have to understand what you voted on. She thinks that what Councilman Spitznagel was trying to present is that it is not about what you have done here in this budget. They are doing a great job with finding pennies and nickels and everything we can. She thinks it is just a matter of making our new councilperson feel a little responsible for being a councilperson and taking the responsibility of when residents approach them. Councilman Spitznagel confirms that the Mayor and Katie have done a great job on this proposal. He wants the council to do the dirty work. Council, by law, has the purse-strings. This is the Mayor and Katie's suggestion to us. We are the final say. So, we are going to be the bad guys in here, not the Mayor or Katie. So, if we have a deficit budget next year, it is because of our vote. He wants the council to take the heat.

Councilman Kolograf states that we can all communicate about this, but he thinks the council puts a lot of time into the budget and we would start earlier. This year, we had a lot going on with election and everything else. We are looking at assessments on the residents for garbage, rubbish removal, and sewers. He thinks we need to look at it even more. He would have no problem to do a temporary budget or whatever we would need to keep us operating until we get into next year. Councilwoman Brenner-Miller asked if the Mayor sent Ms. Allen stating that the office was open for her to come in and look at the budget and we could go through it line-by-line if she had any questions about the budget. She asks if she has answered the letter. Mayor Hurst states that Katie wrote the letter. Councilman Linville asks if she knew about the budget discussions tonight. Councilman Spitznagel said that he texted her last night. He told her that he would text her. He texted her and she replied with "Thank you. I will try to make it." Councilwoman Brenner-Miller said that she was here last week and she heard when we were talking about when we were going to have this meeting, Mayor said "Mary will not be back until Tuesday night so that is why we decided to have it on Wednesday." Councilman Kolograf states that his decision is not based solely on that. He understands that one vote does not do it. He wants to spend more time with the budget than just one more meeting. They all think this is a good first meeting. This information is wonderful. Councilman Spitznagel states that with a \$270,000 deficit, he wants a balanced budget. He does not know how we are going to do it, but he needs to go home and sharpen his pencil and figure something out.

Mayor Hurst clarifies that this is with us doing the taxes and with the sewers, etc. There is also a conservative number for the traffic cameras. The 3 mills is not in there because we will not collect it regardless. This is why he suggested that we not do this right away and let's look at all the options. He is hoping that with some of the development and other things, and like he said, with the meeting with Dave Joyce about the infrastructure and getting our name on a list and everything else, he does not want matching funds. He wants as much free money as possible, because matching funds means we go into more debt and he does not want to do that.

Katie says that if they have any questions throughout that they can call her and if they want any additional information they can call or email her and she will get them whatever they need. Between now and Friday,

Mayor Hurst wants them to let him know what their availability is next week so we can get an agenda out so we have another meeting dedicated to the budget. For the COW, we will have the county and the engineer in here to talk about that. He was going to let this gentleman talk about his proposal. The council does not need to make a decision at that meeting, only listen to what he has to say. Then, he wants to make sure that we talk publicly about the fire and police contract. He would like to have those because he knows the fire contract expires at the end of December. He would like to get those forward. Mayor Hurst says he would like to see everyone Monday night at 6 p.m. They all agree they can do that and are penciling it in for a meeting on Monday night, December 4, 2017, at 6 p.m. Then the COW will be Tuesday. Mayor Hurst says they will send the new councilperson another hard copy of official notification. Councilman Linville asks that we make sure she gets a copy of the budget as well. Mayor Hurst says yes he will.

Item K – Adjournment. Mayor Hurst asks for a motion for adjournment. Councilman Linville makes a motion to adjourn the COW meeting of November 29, 2017, seconded by Councilwoman Brenner-Miller. Six ayes approved. The meeting adjourned at 8:15 p.m.

Katie Iaconis, Fiscal Officer