

The Village of Walton Hills

Committee of the Whole Meeting

Date: March 6, 2018

Time: 6:00 p.m.

Location of Meeting: Council Chambers

Mayor Hurst called the meeting to order. The roll call was taken by Katie Iaconis, Fiscal Officer. Present: Councilpersons Gloria Terlosky, Mary Brenner-Miller, Jennifer Allen, Don Kolograf, Denny Linville, and Brian Spitznagel. Tonight we have Mr. Vic Nogalo sitting in for Katie Iaconis as she is on vacation. We also have Angela from the finance department in the audience as well who can answer questions.

Item C – Persons Having Business Before Council. Before we open the floor for anyone having business, Mayor Hurst points out that there is a new cabinet on the wall for all of the information, and each time between council meetings, all of the councilmembers memos are posted over there. He wants everyone to understand that the councilmembers get tons of information. All of the ethics books and everything that is shared with council is on that wall and the agenda is there. This is to make things more organized. He designed it and built it, and we put it together there this week.

At this time, the floor is opened for any residents who would have any business before council at tonight's meeting. They now have the opportunity to come forward and speak. None are seen. Mayor Hurst also states to the audience that we do give the opportunity to speak at every item on the agenda after the council has their opportunities.

Item D – Council Comments. Councilman Linville states that the only comment he has is that he appreciates this great weather.

Councilwoman Brenner-Miller has no comments tonight.

Councilwoman Allen states that recently the journal came out and at the top of page 3, it says in bold letters COUNCIL MEETING MINUTES ARE AVAILABLE IN THEIR ENTIRETY ON THE VILLAGE WEBSITE. The last 14 sets of meeting minutes are still not on there. One of them dating back to last March. Mayor Hurst says that we will look into that and get some answers. He says he knows there was an issue before, and we rectified it last year he believes. We will check these and see what the problem is. He says he knows the county does own our website and that is run through our county program. We will follow up tomorrow. Councilwoman Allen also says that she had several people call her and ask her about the vehicle doing the study. She explained to them what she knew and that they needed to contact the Village Hall. Mayor Hurst clarifies that this is the traffic camera count and no tickets are being issued. Councilwoman Allen says she knows this and she told them that. She says she heard that tickets were being issued, and someone was complaining that they got a ticket for 11 miles. She says absolutely not. It is only supposed to be counting the vehicles at this point. Mayor Hurst asked Councilwoman Allen if she got the facts on the drainage issue as well, and Councilwoman Allen says yes she did. He states then she should understand why we handled it that way. She says yes, she does.

Councilwoman Terlosky states that she was coming home today and she saw the thing on Egbert for the traffic cameras. The notices are up that we do have the traffic cameras. Mayor Hurst says we are starting the process, and we do have the signs posted. He thinks we are going to put two more up by the Metro Park entrance on Egbert Road. Then, we are more than efficient right now, and we have all of that. We also are putting together a map that shows the location of every camera and shows the location of all of the signage. It is 35 miles an hour and all the intersections, and that will be on our webpage as well. Councilwoman Terlosky also states that the 50 Plus Club, when they meet this month, the speakers will be

the Chief and Nancy from our department here. It will be about traffic cameras. She says that if there are any questions along the way at the meeting, they will be there.

Councilman Kolograf has no comments at this time.

Councilman Spitznagel has no comments at this time.

Item E – Discussion regarding rubbish removal. Mayor Hurst explains to he passed out a memo to the council regarding this discussion. He says that we passed in December to allow the village to start charging for rubbish removal for our residents. Then, there was a discussion about a fee amount. We needed to go to the utility companies to see if we could get the water company or the sewer district to take this. There was not enough money involved for any of them to want to take this task on because they would like a long-term contract, and that is another process. So, what we have decided to do is do it in-house through our tax department/through our finance department, and it comes out to \$14 per home in the Village of Walton Hills. He broke it down on the second page; actually Katie did this. There are 974 homes. The annual cost for 2017 was \$154 per home. It comes out to a monthly cost of \$12.87. Then, we added 5% for the stamps, envelopes, and invoice. We are only going to do it three times this year; quarterly; one in April. So, this will be retro back and the payment would be \$42 on April 1 to our residents. The residents who do not participate or want to pay, we will keep track, and then we will simply put it on their taxes for assessment next year. Then, we will turn it over in September for assessments like we do in the month of September for property delinquency and things like that for the county to collect taxes the following year.

Councilman Spitznagel asked if there is an avenue for a penalty. Mayor Hurst states that we never figured in a penalty or anything like that. Councilman Spitznagel states that he would imagine that if we would have to go through the trouble of filing it and putting it on someone's taxes, that there should be some sort of a penalty. Mayor Hurst says we can look and see what that would be or if we could offer that. We have draft legislation tonight in their packet that just says \$14 per address. Councilman Linville clarifies that the collection is starting in April, so it is going to be arrears a quarter. Mayor Hurst says we are going to retro to January because we passed everything in 2017. Councilwoman Allen asks if we had any option for a resident to opt out. Mayor Hurst says no. We went out for bids with six other communities and it is a consortium. This is the way it is. All of the other communities already charge. We are the only community who does not charge. The contract is still good for two more years. This is where this came from. When we talked about the income tax increase and we talked about the police levy and everything else, we tried to say that this is an option that we could use to save the village from the revenue, and this is where we have been. Now, we have talked about this all through 2017, and here we are in 2018, and this is council's option of what they wanted to do. We have agreed that we have done everything on our side to sell the police levy or sell the operation of the village. We are working with the same contract that we negotiated with the six communities.

Councilwoman Allen says that she can understand that, but she states that we have already taken away the sewer payments several years ago for the residents. Now, the residents are responsible for the storm and sanitary sewer maintenance. The village is no longer providing that service for the residents. She asks what about an empty home. The property taxes – they are having no garbage picked up whatsoever – so that empty home is going to be assessed the property taxes? Mayor Hurst asks Mr. Nogalo to address this. Mr. Nogalo states that basically the ordinance is written now that all residential properties will be assessed that. The truck goes down the street. Everyone has two cans. The service is provided whether or not you are a snowbird, or the house if vacant. If someone wants to opt out, they will probably take their trash somewhere else; maybe put it in their neighbor's trash; so this prevents this and is being consistent with many other cities who incorporate this refuse assessment. All residential properties are charged that assessment. Councilwoman Allen verifies that it will not matter if someone only uses their garbage can once a month compared to others, like an 89-year-old. Councilwoman Brenner-Miller says no, it does not. She states she only uses it once every two weeks because it usually only her. Mayor Hurst says this was

never bid out that way. They go by tonnage. That is where this price comes from and that is the way the whole process works. Everyone in Bedford gets the same price. He knows there are a lot of rental properties and senior homes and things in Bedford. They get the same firm process across the board. Theirs is \$20. Councilwoman Allen says that she does not agree that a home that is empty is going to be assessed. They have no garbage pickup. She says there are several homes in the village that she knows of that have been empty for over a year. They have had no garbage pickup whatsoever. Now, their property tax is going to be assessed a fee for something that has not been used for the past year and is not going to be used. Mayor Hurst says that he understands her feelings on that because she lives next to a vacant house. Mr. Nogalo states that they pay little property tax that goes to the city. They are paying for police and fire protection. So, the house is still empty, and they are still paying a property tax. So, again, the service is available to all residential properties. In other cities, where there are duplexes, somebody could articulate that one unit is lived in and the other unit is only for storing their furniture, so fine, maybe they could do a pass on that, but all properties that are residential will at least have one assessment to them. Councilwoman Allen verifies that the residential property that the village owns will be assessed this as well. Mayor Hurst asks what residential property do we own? Councilwoman Allen says that the building that is right next to the Community Center. Mayor Hurst says that we are going to sell that. Mayor Hurst says that if she would like us to pay the \$28 until we sell it, we can. Councilwoman Allen says she is asking because he is saying this is on every residential property. Councilman Spitznagel says yes, that would be assessed. Mayor Hurst states that we do not pay taxes on that property because we are not taxed.

Councilwoman Allen states this is a valid question because a resident asked her if this building going to have to pay the fee. The council agreed to sell it this year. Councilwoman Brenner-Miller says that it is \$40 or more in Macedonia. It is expensive for garbage pickup there, besides all of the other services they have, so we are on the low end. Councilwoman Allen says that this is \$42 a quarter. Councilwoman Brenner-Miller says she thinks it is going up to \$42 there because she had heard that it was going to go up. Councilman Spitznagel states that the Mayor mentioned the consortium that we were in and that we were able to get the cheapest rate because we were in that consortium. The option for letting people opt in and opt out and do their own thing is everybody has their own contract with their garbage collection fee, and we just wipe our hands of it altogether. He would be willing to bet that, on an individual basis, it would be double that. It is \$14 a month at least. We have to make decisions here based on the entire village, not on one, two, three, or four residential properties that may get caught up in all of this. He says he has a house in his family that is not lived in right now. Too bad, that is just the way it is. He understands the concern and he has thought about that, but he just cannot figure out a way of easily rectifying that situation. He does not know of any other community that assesses for garbage that allows a person to do it on an individual basis. It is either you pay it, or you pay it.

Councilman Kolograf states that when we talked about this earlier, he remembers Councilwoman Allen making a statement then, and we talked about being assessed according to how much garbage. He says that Councilwoman Allen said that if we do try to enter into an agreement that it is a lot more expensive for everyone to pay, because who is going to manage that? Who is going to drive around and manage how many bags are put out and how many you do not. That was maybe only one community in Cuyahoga County that do this, and all of the other residents gets passed on a lot. It is almost double to do that. When you enter into these consortiums, it is a straight fee and that is how it is. We certainly would not be able to afford that here with our service department. Our service department is down to barebones, and we are going to be looking at this budget. He says that he and Councilman Spitznagel talked today quite a bit and the message was told to us. Balance the budget with the means you have. That is what we are doing. Some of these things such as rubbish collection and sewer are some of those avenues to balance the budget. The sewer was a perk. He enjoyed it for 22 years and was very fortunate, but we could not maintain it. I think the only city in Cuyahoga County is Cuyahoga Heights because they have a sewer plant so what was told there was and what was told from the council to the residents was that they were getting compensated for the smell, and there is some truth to that. We took that away because we could not maintain it anymore.

We had to lower the budget and just could not do it. Our expenditures are exceeding our revenues. It is the bottom line.

We are going to continue as the Mayor and the Council has to continue to get some economic development, and he knows she has some good things to talk about. He cringes at paying this. He cringes at paying the water bill. He has to do what is right for the village. Councilwoman Terlosky comments on the garbage trucks. She states that there are communities where people do pick their contractor to pick up the garbage, but I don't think we want to see 5 garbage trucks driving through the village picking up for different people. Waiting behind the trucks now is a safety hazard, but when you have numerous ones riding around in the village, it does not work. She says that if they do not pay the trash and that, it will go on their property tax. A lot of people like to take that off, but Angela can say also that this is not legal. She says that if they don't pay it and it goes onto your assessment for your taxes, you cannot deduct that from your local tax, because this is not legal. Councilman Linville says that the sewer bills continued on after 1982. 1982 is when we got our sewers completely and fully installed. We paid sewer bills from that point up until 2008, he thinks, which would have made up about 26 years. That turned out to \$6 million over that period that the village paid out on behalf of residents. That could not be continued. That had to be changed. He says that he was one of the leaders, and he says that if she wants to blame someone for this, blame him. He led that charge to get the sewer bills paid by the residents. It was our bill. That is why that was done.

Mayor Hurst opens this up to the residents at this point. Sandy Fitzpatrick from 7490 Walton Road stands and approaches the microphone. She states she has not been a resident of this city for quite as long as some of the councilmembers, but she says she has lived her long enough to know that this is getting way out of line. She says it was always the fault of business. Everything is because Ford left and this company left. She says we should have seen that coming. She says okay fine, we will take on paying the sewer bills. We did not pass the levy because it was ridiculous. It did not get voted on. Get over it. Grow up. Work with the money you have. The council keeps taking away from the residents, you are not going to get any. She says they want to go after businesses – for what? She owns a business in this town. They do not make it easy on them. They already pay for their garbage. She says that her business sewer bills are ridiculous. We went from paying \$35 a quarter to over \$165 a quarter. This may be insignificant to some people, but it is not \$9 per household on a business. She says that you cannot keep coming to the people and coming to the business and trying to get people to come into this town if you are going to keep taking away. She said they spent all that money to buy that church and renovate it, and say it is going to support itself. She asks how much is it rented out? Is it even advertised that it is for rent? She says it is not even open most of the time. She says maybe four days a week maybe you could get someone to answer the phone. She does not think it is supporting itself.

Mayor Hurst says that yes, it is. He goes into detail by saying that this year, it cost us \$24,400 for the mortgage. We pay a woman \$1200 a month or \$14,000 a year to operate it, and then the utilities are \$11,000. So, this is about \$56,000 for the whole operation for one year. We have it rented out until the middle of 2019 and we made \$67,000 on that facility already. Sandy thinks this should be open knowledge to the village. Mayor Hurst says that we are just now doing the books. We have not been open one year yet. It opened in May. Sandy says that she does not drive by often, but she never sees anyone there, and the few times that she has tried to call, they do not answer the phone. Mayor Hurst says that we have no one employed there on Fridays, but we do have a person that answers the phone 24 hours a day. Her name is Sandy Green. He says that she can call the Village Hall and they will give her the contact. She has been there at 11 p.m. with police to show the hall. It has already leased out for 60 times in 2018. There are 52 weeks in a year. Sandy said well at least he did something.

Councilman Kolograf states that he understands her concern. He corrects her by saying that it was not THEIR levy. That was a very hard thing to put on there. It is a village levy. He is a resident just like her. He pays the same bills. He does not enjoy them either. It is just the way it is. He also understands the finances of the village. We have cut the budget. We continue to cut the budget, but at the same time, we

cannot cut it so bad that this village is not a nice place to live and is not desirable – for you, for me, for everybody in this room. We still want to maintain a viable village at the same time. It is for the wellbeing of all of us and it is for the wellbeing of the village. There is a balance there and it is very hard. It is like trying to keep the house going when your expenditures are exceeding your revenues. You try to cut back as much as you can, but if you have a hole in your roof, you have to fix it. There are certain things you have to do. That is where we are at. With the roads, we have no capital right now for the roads, but we know we just cannot continue to let the roads go because that steamrolls too. There are certain things you have to do. We have done some of those things, and that put us in a deficit, but we also know that we have to maintain the wellbeing of the village and we have to maintain the infrastructure. It is not an easy thing to do. This job is a lot harder than him going to work every day. He states he is accountable to everyone right here. Anyone in politics will tell you that the local politics are our toughest thing. He says that the things that were done were done in the best interest of all of us. He does not want to pay these bills any more than anyone else, but he thinks that for the wellbeing of the village, there are certain things we have to do.

Mr. Nogalo is going to give a presentation tonight, and he wants us to increase the inside millage. Councilman Kolograf has been adamant about that. He was the fiscal officer and knows the numbers very well. He has been telling us that. Mayor Hurst says that he would have no problem sitting down with any resident and Katie and Mr. Nogalo. It is all public. They will show them what they have done. He reminds Sandy that he went to her office when she had concerns, and he was trying to provide her with information at that time. Obviously, I did not convince her and she did not vote for the levy, and he understands and respects that, but he also said that, just like anything else, these are the options. We are down to 10 police officers. We had 16 at one time. We are down in a lot of things. We are down in our employment and still keeping everything going. We still got the roads plowed. The Dunham Road is going to be a major repair, probably in the millions. We are going to have to borrow it and pay an interest rate because we don't have that in our budget. It is going to go on the village as an assessment to the residents if we do not pay those bills. He says that he does not want to get into a debate with her, but he will take time to educate her enough so she can make an educated decision. That building is rented, and that building has benefitted our village. It was rented 60 times in 2018 and, from what he understands, he thinks they are into May 2019 for people with weddings, birthday parties, and things of that nature.

Councilman Linville states that he thinks that that building is one of the best investments that we have made. He asks for a refresher from the Mayor on how much money Ford and Arhaus was paying us. Mr. Nogalo states Ford, which used to give us, at one time, \$1.6 million dollars a year. If you go back to 2005 and 2004 when the 2% tax was in effect. He does not know how you replace that. That is why the village had 0.3 mills of income tax. They would not have rated us well because all of our eggs were in one basket and we were very vulnerable. They like to see that it is not based on one entity. This village is not based on one entity. We have a lot of other industry and things. Now, to go a bit further, with Arhaus. Arhaus brought in on payroll tax alone about \$500,000. Yes, Bedford Schools did tap into that a bit unfortunately, but there is \$500,000. Now, we have Mantua who is also six figures as far as payroll tax. The only reason we had 0.3 mills is because we had these large businesses. Now the residents have to pick up the slack in paying property tax. Not even to an average of what a municipality pays in Cuyahoga County. The average municipality assesses about 10 mills. We are still well below the average municipal property tax in Cuyahoga County if we were to go to 3.88 mills. No further questions or comments from Council. No further questions or comments from the audience. Mayor Hurst says we will put this on the agenda for next week if there are any other questions or comments. He states that Mr. Mason wanted to modify something and he turns the floor over to him. Mr. Mason says that he wanted to amend some of the language. One being in Section 1060.02 B.

Item F – Planning and Zoning Board of Appeals. Mayor Hurst states that Mr. Mason also made modifications. We do have a draft of that. That draft basically talks about fees to cover the cost for a planner to come in for overlay zoning, and also if we need legal counsel or if we need legal counsel for

Zoning Board of Appeals issue, we have leverage in this new ordinance to pass that on to the developer or pass that on to whoever is asking for the variance. We did not have that language in there before. Mayor Hurst says that this is what this is about. We discussed this when we passed the overlay zoning. Councilman Spitznagel has one question. He asks Mr. Mason about the last two items – the fee for filing an appeal and the fee for filing an application to the Planning Commission. They are both set at \$150. This is just for the businesses in the country home district. If you go for an appeal, the fee is \$150. If you have to call in the planner, then they will get charged another \$150, or does the original \$150 cover him or a planner. Mr. Mason says that for any application made to the village, there will be a \$150 fee to make the application for everyone other than the residents. So, the businesses would pay that. Then, if they are required to have a planner to come in and look over the plans and work through it, it would be \$150 an hour for that planner's time, and that would be on an as-needed basis. Mayor Hurst says that we wanted to be sure that we did not eat the cost. Councilwoman Allen asks what the fee was in the past, or was the fee always there. Mr. Mason states that first, for the Board of Zoning Appeal, it was \$75. He could not find a fee for the Planning Commission at all. None of the other councilmembers could either. Mr. Mason says that we have Chapter 208, which is the general fee schedule, and he did not see it in there. He also says that the fee for the architects or the planner pre-visit language is not clear in section 2. It says something to the effect that, at the time of filing an application, there is going to be an individual basis at a per-hour rate set by the building department. We have set a fee. Councilwoman Allen states that this completely covers Mr. Smerigan's cost and this is confirmed. No further questions or comments from the councilmembers. Mayor Hurst opens this up to the audience for comments and questions. He explains that since we addressed the overlay zoning for the Village of Walton Hills, we felt it was very accountable for us to make sure we change our ordinance to cover the fees for those planners, engineers, and architects so the village did not have to pay for those fees on the front end for those activities to take place. No questions or comments from the audience. Mayor Hurst says he will place this on next week's agenda as well in case there are any questions that come up over the week.

Item G – Proposed Draft Budget. Mayor Hurst says that each councilmember has a budget in front of them. It is a proposed draft budget. He highlighted them and he will read the highlighted budget points to show what we have in this budget in front of them. This proposed budget does include the sale of our old service garage on West Krick Road, which was accomplished through the CIC. There is a period for phase 1 and phase 2. That is all moving forward. With Cajin Trucking. That is a \$200,000 plus to our village toward the budget. The budget does not reflect any of the new businesses that are relocating in the village. We currently have three empty buildings in the Village of Walton Hills. We did have more. Of the three, two are under contract. The Arhaus Furniture larger building is right now under contract for discussion with investors and the other one that shows up on Jobs Ohio is the Todd Industries building at 7300 Northfield Road. That is under contract. In fact, that is the Mastec that came in there. Fred's Autobody, which is still in the court system about getting cleaned up. That is the one on the corner of Krick Road and Northfield Road. On Jobs Ohio, they do show the old Weathertype building, which is the old Norandex Building on Kirck Road. That facility is 72% occupied. It is all warehousing if everyone remembers. That was on Jobs Ohio for square footage. It is available for leasing. Those are the three building that we have on record. There are some private little buildings in the village that belong to people who do not want to sell them. We cannot force them to sell. There are some empty buildings over there by West Krick Road that Walton Plastics purchased. Someone could say it is empty, but it is not because Walton Plastics bought it to expand their building. It ties into Hannah Parkway, and it also runs into West Krick Road. We have future plans for that. If everyone remembers, we are planning to redo West Krick Road with a brand new boulevard there. That is one of our projections. The budget does not reflect any of the capital projects such as the roads, road repairs, nor does it reflect any equipment for 2018 such as police cars, service trucks, or any recreational buses. If we get the grant, then we will be obligated for 20%, which equates to approximately \$20,000. If you remember, we did talk about this. If we do get the grant, we can make a commitment to purchase our share of the bus or not. That is totally on council's behalf.

The budget does project Alexander and Northfield Road. That is in the budget for \$490,000. That is in the budget. That is for the traffic lights and the new turning lanes because are obligated with the grant money that we received for that with matching funds 50/50. Please remember that we did get \$250,000 for the county for Alexander Road from Northfield Road to Walton Road. This is to be rebuilt and resurfaced. We have also received notification of a low interest rate if we do decide to go forward. This is not reflected in the budget because we do not have those numbers. We have also estimated collection on the traffic cameras of only \$100,000. We were very conservative with that number. We are very confident that it will be higher than that, but we wanted to be conservative on numbers. This is reflected in the budget. We do have in the budget reflected for the rubbish removal for the residents. We need to take into consideration reducing the lake contract percentage. In 2017, we paid \$20,000 for our Lake Club contract for our Parker programs and recreation programs. We have kept the same rate since 2010 - \$20,000. He gave examples of what 20%, 15%, and 10% would look like. This is a draft with notes and suggestions to help you reflect the different options for 2018. Mayor Hurst has also requested that our village engineer attend the next COW meeting at 6 p.m. to talk about the capital projects and the cost. He would like to have all questions asked next week when the Fiscal Officer is back from vacation. At that meeting, we should have more projections and better details with the fiscal officer to answer at that meeting. This is just a projection. He asks them to review it for a week and then next week we can go over it in more detail, and if we have to have more meetings, we will have more meetings. This is a balanced budget that is going to them right now. No further questions or comments.

Mayor Hurst says we have a Planning Commission meeting from the CIC meeting last week. Dakar Studios, LLC, a production company for entertainment business, is building a new building on Northfield Road right beside NPK. There is no address for that property. That is the property that we got from FirstEnergy – the 2-1/2 acres. They are scheduled for Thursday at 6 p.m. for Planning Commission. They do have some elevations. Mary has a copy of it. She is on Planning Commission. The engineers have already reviewed it, so there are a lot of notes with it.

On Wednesday, March 7, is the Women's Club Soups On event at the Community Building. It starts at 4 p.m. and goes to 7 p.m. They are taking donations. Please come and enjoy and support the Women's Club.

On next Monday, the 12th, at 7 p.m. in Council Chambers, I will be hosting Coffee with the Mayor Hurst at 7 p.m. We had about 10 people at the last meeting. We will probably have the same group. He does not know. Everyone is welcome. It is in the journal.

On March 13 at 6 p.m., we will be having our second COW meeting of the month.

Senior lunch is on the 26th in the Community Center.

On Tuesday the 27th, we will be talking about the State of the Village. That is in the Community Center at 6 p.m. If we have to have special meetings for the budget, he would like to keep the 27th open as that is the last Tuesday of the month, for the State of the Village.

Mayor Hurst says that he put out a memo yesterday to the council. He met with Mr. Mason and legal counsel from other legal teams and talked to several other communities. He signed the village on for an opiate lawsuit for them to do the case. There is no cost to the village. All of the communities are getting together about the opiate and the drug thing – similar of what was done with the tobacco lawsuit where the pharmaceuticals have to start giving some kind of money to our police department or our safety forces because we are getting overwhelmed. Walton Hills has had some cases in the village with residents and simply drive-by people that have been overwhelmed with opiates. Councilman Kolograf asks if we are still receiving the Narcan. Mayor Hurst says we are not paying for them yet, but he knows that Cleveland is paying for them and Garfield is paying for them, and it is substantial. It is around \$25,000. We are not paying for ours because they gave us a bunch of samples and a bunch of free things. We have had seven

cases that he knows of in 2017 where they did use the Narcan. Then, in 2018, we have been told that there were 3 so far. It is getting bad because they are parking in our industrial area and overdosing. There are residents in this village that struggle with their children and there are issues where we have had to revive children. So, there are a lot of things going on that we cannot control. Councilwoman Brenner-Miller states that she had lunch with a correction officer today, and we were talking about opiates and things. She states that one OxyContin on the street is \$50 for one pill. Heroin is \$10. Heroin is so cheap. It is easy to get and easy to pay for, and it is killing our children and adults. Mayor Hurst says it is sad.

Mayor Hurst also wants council to remember that he gave the budget for overview of the water department that came across his desk last Friday, and he gave it out to everyone.

Mayor Hurst wants to follow up with the CIC. We have created more jobs with both agreements – 20 new jobs with Cajin Trucking, LLC, and possibly 10 with Dakar, LLC. We are also starting the process of putting the gateways up for our community with the CIC. We are able to bring investors to start construction as well as more employment. We provided an opportunity to allow our investors to consider growth with the softening of the industrial area where concrete was being crushed. Everyone knows the story. Everyone knows everything. He clarifies for the audience that we negotiated a contract to sell our service garage on West Krick Road and 7 acres, and in that process, we also negotiated with the concrete company located on Northfield Road to move all of their rock crushing and their wall by the Wards Bridge back to Krick Road, and then turn that into green space and plant trees. We have a development agreement. This has been talked about since 2013, if everyone remembers that. Bedford has a landfill back there that is 19 acres. We were trying to find a way to use that 19 acres unsuccessfully at this time, but we are still working on trying to redevelop that and bring in more revenue there. He says that if anyone is familiar with West Krick Road, it is a rough, abandoned industrial area that has never been maintained. What our attempt is to dedicate it and then assess all the property owners and rebuild that road back to an industrial grade and make it so the fire trucks can turn around at the cul-de-sac. That is what our goal is. The council is fully aware of this. We have been talking about it since late 2016 and all of 2017. We could not do it without the Council's cooperation. All of them gave him a 6-0 vote, and he greatly appreciates this. No further questions or comments. Mayor Hurst says that all the things he has given them will be on next week's agenda as well, and we will have the engineer's first to talk about the road program.

Mayor Hurst says that we did apply for a grant for recycling. We received \$2,700 for this. He thinks it was a \$5,000 grant and they gave us \$2,700. Most of that will be used for our Walton Hills journal for advertising and recycling, and the rest will be used for the shredding program.

We will not know until July about the senior bus, and we have not heard yet or received notification about the state grants that we applied for for the recreation department.

Item H – Discussion on Millage. Mr. Nogalo passes out three handouts and states that he wants to update council on the property tax environment in Walton Hills. The first thing he passed out is that he had Lisa go to the county internet and all 59 communities in Cuyahoga County, what they received in property taxes over the last two years for all cities and it is all the villages and then the two townships at the bottom. The property taxes that were not enough for these cities and villages, they also have to have special assessments. Just to pick a city, if you go to Parma, we will see special assessments for \$5,272,000. I am sort of responsible for that one. About \$4 million of that is for refuse collection. Also, in Parma Heights directly below this, \$800,000 is for refuse. Olmsted Falls, \$1.8 million special assessment with about \$600,000 for refuse. They also have an assessment for a shade tree and an assessment for a street light. Street lighting is also in Parma for \$700,000 or \$800,000. That has been since the 80s. This has all of the communities and their property tax and special assessments, and then the total. They are hitting every property owner. In some cases, it is not every property owner. It could be a street improvement where the assessment is. If they say they are going to pave the street, they will assess only those property owners. That in total is what is on the property tax bill. It is only coming to the city. This does not include the

school and what the school is receiving, the county, metro parks, and all of that. This is just the city. On the right-hand side, that is the prior year for 2016 collection. If you look at Walton Hills down below, you will see our \$41,000 in property taxes. Last year, we actually did have an assessment for \$1,730 for the grass cutting. When we notice high grass unkempt, we will send them a notice. They can cut their grass or they can ignore us, and then we will send someone to cut it. We will send them a bill, and if they do not pay it, it will go on their property tax bill as an assessment. There were no assessments in 2016.

The bottom line of this is how little property tax we receive. In addition, all cities have an income tax with the exception of Hunting Valley, which is the only city or village in the county that can incorporate an income tax but does not. Councilman Kolograf states that he mentions the above communities, but those communities are large cities that do not really compare. He wants to point this out. He wants us to talk about Valley View who is one of the closer communities to us, it is right next to us, plus the demographics and lot size. This would mirror us closer than the three communities mentioned. He would like Mr. Nogalo to go through how they compare to us. Mr. Nogalo states that the property tax value is almost \$1.1 million. Councilman Kolograf verifies that this is what they collect from their residents and businesses. Mr. Nogalo states that there is also a third one that are the public utilities. Councilman Kolograf verifies that they are collecting \$1 million and we are collecting \$41,000. He asks for us to go through this line and finish Valley View. He asks us what the \$137,000 is. Mr. Nogalo states that is an assessment. Councilman Kolograf verifies that they have \$137,000 as an assessment. He asks what this is. Mr. Nogalo states that he would have to look at specifically what Valley View's assessments are. Councilman Kolograf states that we had that \$1,700 that we assessed those properties that did not cut their grass. Mr. Nogalo says this is rare. He says that if we do incorporate and we are not incorporating the assessment for refuse, in future years, that is where it would appear. The refuse assessment would be in that column. Councilman Kolograf just wanted to make sure we are comparing apples to apples. Mr. Nogalo states that he wishes that he had made many more copies so the audience could see. He can make copies after the meeting for anyone who is interested.

Bedford and Bedford Heights – their city millage is over 20 mills. Ours is 0.3. There is 60 times more in their property tax rates than we are. Bedford is getting 4.6 to 4.7. Bedford Heights 4.7. In addition, Bedford is assessing \$1,185,000 and Bedford Heights on the assessment is \$28,000. Those two neighboring communities – same school district. Councilman Kolograf asks if, in this, we are including the residential property tax. Mr. Nogalo confirms this and says as well as the businesses. Councilman Kolograf confirms that when he is saying we are collecting \$41,000 in property tax, this is including our businesses too. Mr. Nogalo says everybody. Councilman Kolograf states that when you take a community like Valley View, which has businesses and residents similar to ours, and they are collecting \$1.8 million dollars, it is hard to say that we are definitely not business friendly to our businesses, because our property tax, which they pay and is a bill for them, is the lowest in Cuyahoga County. Mr. Nogalo states not only in Cuyahoga County. He would like to go all throughout Ohio. Councilman Kolograf says that the only thing we assess is property tax, besides payroll tax, which employees would pay. His point is that when it comes to property tax, we are the friendliest community to a business. He just wanted to make that point.

Mr. Nogalo next points out where we sit on the evaluations. He squeezed in all 59 communities. He says that something just happened with Walton Hills that he just noticed. He walks us through this. As Councilman Kolograf mentioned, Mr. Nogalo mentions that there are three columns and the first column is Agricultural Residential. Those are the residential property values. When looking at Walton Hills, we have \$64 million dollars of assessed valuation. That is 35% of the value of our homes is \$64 million. Our businesses are valued with a 35% valuation as \$35 million. Our public utilities are \$31 million. He passes out who our public utilities are. Councilwoman Brenner-Miller asks the Mayor to expound on this while the papers are passing out on if the levy would have failed, how much we would have collected from the utilities. Mr. Nogalo says we will get to that. Mayor Hurst says that the utility values have gone up tremendously. Mr. Nogalo says that what they just went through on the last sheet was the value back in 2015 to 2016. The county updates their values every three years. There is actually a TRUE update every

six years. It is called a sexennial appraisal. In between the six years, they do an update. Every three years, they update the value. The last one that they did on the 2015 tax year/collection year 2016, a lot of the communities decreased. Property value went down, especially the inner ring suburbs. Even Walton Hills went down in value by 3%, which is not substantial for our village, but in other cities like Euclid with a 20% decrease in their values, Highland Hills with 15%, Maple Heights with 11%, Garfield 16%, Newburgh Heights 14%. That was probably the last update that had a decrease. The next one is next year. It will be for tax year 2018/collection year 2019. Basically, we feel there is an upswing in the sale of homes. You will not see decreases. We will see an increase. He states that in the middle column in this last update this last year, there was a significant increase in the public utilities. It went from \$31 million to \$56 million. This was almost an 80% increase in value. As Councilwoman Terlosky said, as we were pushing the property tax modes last year, and we said it would generate "\$500,000," we basically said that probably \$180,000 to \$200,000 would be paid by these five public utilities seen here. When their value was only \$31 million. Now, we see them jump up to \$56 million. This would be an increase of how much more property tax we would receive just by incorporating the inside millage on that. His whole point on this is that if we had a property tax, about 1/3 of this would be paid by the public utilities, as far as income tax, hardly pay us anything.

The public utilities file centrally with the state and then the state disperses us some money. We get a few thousand bucks from the public utilities. If anyone knows Walton Hills, public utilities dominate this community. The second last column on the end basically shows how much of the public utility value is part of the whole value for Walton Hills. Right now, 36% of the value in Walton Hills is public utility. The only other highest one is Cuyahoga Heights. They are enjoying it here in Walton Hills because they hardly pay us any income tax, and our property tax they barely pay us anything. Actually, of the approximately \$40,000 that we saw on the earlier sheet that they pay us combined with businesses, residents, public utilities, out of that \$40,000, it is about \$12,400 of that \$40,000. If we were to go from 0.3 mills to 3.88 this does not have to go to the vote of the people. He states he heard some arguments last year when we proposed that people pass the 5 mills, they asked why we should pass the 5 mills. We will pass them, but the village can still incorporate the 3.88. A few smart residents stated that.

Councilman Kolograf stated that the council stated it too. Mr. Nogalo states that we should be incorporating in our powers before we put it out to the public as every other city and village in this county has used their inside millage. We have not because we had Ford and we had all of these companies here and why tax people when we have all this money coming in from these businesses. Those days are gone. All we are asking, if we incorporate our inside millage, is going from 0.3 to 3.88. We are not even half of the average municipal millage in Cuyahoga County. If we went from 0.3 to 3.88 mills, based on the prior evaluation of the public utilities, we would have went from the \$41,000 that we collect now to \$542,000. It would have been an increase in \$500,000 going from 0.3 to 3.88. The residents would pay about \$230, the commercial about \$121, and the public utilities would have an increase of \$148. That would be the breakdown of the \$500,000. Based on this new valuation of the public utilities, going from the \$31 million to the \$56 million, the public utilities would increase to \$200,000. We would generate \$550,000 additional monies. So, it would be an additional \$50,000 to \$55,000 based on their new valuation that would be incorporated.

Yes, next year, there will be a new valuation and it will be a marginal increase if we still have the 0.3 mills, but if we do go to 3.88, that will also enhance the property tax income to the village wherever they increase. If it were a 10% increase, that would also increase by 10% with collections on top of that. We are staring at the possibility of at least \$550,000 additional monies that we would begin receiving in 2019. If council is a bit leery about incorporating it in this village, as the Mayor said earlier, we have no capital budget. We are very limited on issuing out debt. Can we pay that mortgage down the road? It is tougher and tougher. We are approaching \$2 million in debt. We can restrict this money only for street improvements. We have nothing feeding into our capital projects fund for vehicles, roads, etc. He thinks that the residents would be open to the council's decision on increasing the inside millage if it is restricted

for capital assets. They can actually see these improvements. The council can do whatever they want with the money. He thinks it is time, though.

Mayor Hurst asks Mr. Nogalo how that happened. He states that he was the fiscal officer at the time, he knows the facts, and he knows what we went down there and testified, and he knows all the details. He asks Mr. Nogalo to elaborate on the racetrack because there is a lot of confusion with that. He says we have people who said they did not know why we were not getting money from the racetrack even after we have said it since 2013. He asks if Mr. Nogalo would clarify right now why we are not getting money from the racetrack. Mr. Nogalo states that basically, before the Rocksino was constructed, there are seven racetracks in Ohio, and the state was tired after they allowed the fourth casino to be built. They were tired of those small sweepstake parlors being set up all over the place. So, the casinos are complaining about that. The casinos gave the state \$220 million; each casino gave \$55 million to the state; and said wipe out these sweepstake parlors. They are hurting their business. They also could not allow the seven racetracks to establish Rocksino's and only allow them to have machines, no table game yet, because they still want to make a profit on that. Every racetrack had the ability to allow a Rocksino to be built. Out of that \$220 million, each casino gave \$55 million, and of that, they were going to give each community who had a racetrack and that had a Rocksino built in their town \$2 million of that \$220 million, associated with the racetrack. So, out of that \$220 million, they put aside \$14 million to be sent to the cities who had a racetrack.

There are gambling taxes on the four casinos in Cincinnati, Cleveland, Toledo, and Columbus, and those are always coming to the cities and the county. All of the Rocksino's gambling tax goes to the schools, just like the lottery. None of those cities or counties receive any of the money. It all goes to the schools. They did not know that two of the racetracks are in two communities, so there are actually nine communities. Walton Hills shares a track with Northfield, as everyone knows, and part of Thistledown is in Warrensville Heights and North Randall. They then said that instead of \$14 million, we will give up \$18 million. We will give \$2 million to Walton Hills and \$2 million to Northfield. In the 2014 budget, they snuck in at the last minute that if the track is 50% or more in the community, they get the entire \$2 million. Our legislator allowed this. She wanted to be sure so she called our city engineer a few days before the vote and asked what percentage of the track is in Walton Hills and it was 33% or 35%. Low and behold, on the last day, they inserted the language that, again, if the track is more than 50% in that community, they get the whole \$2 million. We got completely shut out of that. We still get something from the Horseman's Association every year, not much, but that has been since 1984. Mr. Nogalo states that we get \$30,000 and Northfield gets \$30,000, split down the middle and shared 50/50. The reason for this is because of all of the traffic headaches and all of the general governmental services. He says that our police respond to the Rocksino sometimes more than the Northfield police. It did not happen to us on the Rocksino. He also thinks that after the \$2 million, the state also had additional distributions that again 100% went to Northfield. Mayor Hurst says we lost nothing – thank you state legislators. We went down and testified and we wrote letters. We have had an open invitation to our state legislators for eight years now. He has not seen them yet.

Vic states that Northfield Park is partially in Walton Hills, so they do pay a portion. When they prepare their federal tax return, the way they spit it between Walton Hills and Northfield; and part of it is in Macedonia; they will look at all of their payroll and they allocate between the payroll, the sales, and the land. So, that is why we get maybe less than 2% or 3% of their net profit that they would pay us based on those three factors. Mayor Hurst asks the council if they have any questions on any of this. He says that he does not want them to make a decision on the inside millage, but he wants them to have the information. Councilwoman Allen asks Vic that with all of this with the public utilities and seeing that Cleveland Electric Illuminating Company is the largest one, how do all of these numbers change with the potential of that 87 acres being sold. Mr. Nogalo states that this value is not on the land, it is strictly on the lines and above the land. The public utility is tangible. The State of Ohio assesses this value. Mayor Hurst states that he would estimate that with the 87 acres, they may give us \$1800 a year.

Councilman Spitznagel states that he understands and we have talked about this for years. Councilman Kolograf and he talked today and they talked about that a little bit, just talking between themselves. He states that he would not hesitate to raise the inside millage tomorrow if it meant keeping us out of bankruptcy. He is not going to be the guy who sat there and let the village go bankrupt. He is not going to do that. However, last year, we had what he considered a clear mandate from the residents, whom we also have to balance our decision making with who we represent to do what we can with the money we already have coming in. They did not want us raising their taxes. Therefore, we all have a lot of digest this week with what was presented to us and everything. We do not have money for roads and for capital projects and things. There are still things he considers in this budget that he needs to go over with a fine-tooth comb. He will say we need to balance this budget, but he is going to come up with ideas also. If balancing the budget means getting rid of employees, that is where our biggest bang is going to be. There is still some fluff. There are things that a lot of residents do not use. Some do use religiously such as the rides and bus trips and things like that, but all of that costs us money. As far as he is concerned, the people who put us here told us to do this without raising the taxes. He is going to try to do this without raising the taxes, and he is going to try to do this as much to give us some cushion where we can do some capital projects. The road out in front of the Marathon station is literally falling apart, and we already talked about Dunham. We need money for that. If it means taking the service department down to 3 people or 2 people just to do basic stuff, office staff, unfortunately, that is where we are going to get our biggest bang for the buck. That is what the people wanted. He is hoping he is going to see some magic in this that is given out tonight starting tomorrow when I start looking at this. Again, he will vote tomorrow to raise inside millage to save the village from going bankrupt. He would much rather have people yell at me for doing that than yell at me for sitting here and doing nothing and letting this millage go bankrupt.

Councilman Kolograf comments to Mr. Nogalo and the inside millage. Besides the cost of the residents, which none of us want to pay any more money. We all know that. The concern of this council every time we talk about inside millage is trying to keep Walton Hills attracted to businesses because if that is the answer, we can cut staff. We can do that, but if the village becomes not a viable place to live, it spirals down. We all know this. It is just the way it is. He asks Mr. Nogalo what the impact would be if we were to go with the inside millage? He thinks we also should talk to Mr. Smerigan as well who does our economic development and represents quite a few communities and has done a great job with Beachwood. We could see how it would affect our economic development. He thinks this is part of the big decision. He knows this is something we always discuss because we had a business owner tonight make a statement. If there is some truth to the fact that businesses are not coming, we certainly do not want to make it any worse. We know they are paying the lowest property tax in the county, so we know we cannot do anything else there. The impact to our businesses would be a big part of that discussion besides the impact to the residents and what that would do as far as attracting more businesses. The bottom line is we have to get Ford developed, and that is not up to us. It is up to Ford to put it on the market and us just give them the tools. We don't have control over anything with Ford except to give them the tools and tell them that if they get a buyer, we will work with them. We do not own the property. They can sit on that property forever. They took no government bailout so the government has less leverage. The bottom line is that we have to continue to get businesses here. That is what pays the bills. The important part to him is the economic development part and how that would affect our businesses.

Mr. Nogalo states that the fact that the city is starting to crumble does not make it more attractive. He says that sometimes you have to spend money to make money. Councilman Kolograf states that the Mayor talked about Northfield Road and the area around Carr Brothers where we are really focusing on the cleanup. A lot of businesses have told us that we may put in an office building, but it has to be a little more attractive. Councilwoman Terlosky asks Mayor Hurst how many vacant buildings we have in the village. Mayor Hurst says we have three on record and two are under contract. There are probably a total of 5 that he knows of. The one at the end of Krick Road where it turns into Bedford has been condemned and the county is in a foreclosure on that one. Valtris is wanting to purchase that particular building. It is contaminated. That building has not produced for our village in almost 18 years. There were many

makeshift jobs out of there. It is a family-owned trust fund type of building. There is an old Akron Battery on West Krick Road. It is a blue metal building and is about 1,200 to 1,500 square feet. It has an acre lot with it almost; he thinks it is 7/8 of an acre. Walton Plastics negotiated and purchased that. When we redo that road, they would like to use that for access onto their property. Walton Plastics has already filled up the old metal stamping building that was out there on Northfield Road. They went to the Zoning Board of Appeals and tied the two buildings together to have two separate addresses, one on Northfield and one on Hanna Parkway. They have now expanded into Twinsburg. We were negotiating a deal with Mantua Manufacturing. The owner of those buildings and the Mayor worked very closely during the Christmas months and Mantua is just not built for it. They have to have FDA approval because of food products and medication products. They make belt lines and need a lot of floor space because it is done on a conveyor belt type of system. Mantua is still off the table for them, so they bought a building in Twinsburg. They are just creating new jobs. They are not taking jobs from Walton Hills. They are running 7 days a week and 3 shifts. When he became Mayor, they were making a little over \$85,000 a year in income tax to our village. They are almost at \$212,000. These are growths that we talk about all the time. Mantua is under Jobs Ohio. They will not be out of here until the end of May/possibly June. Right now, people are talking about their facility, but it is very difficult to get in there and do anything. You have to understand the square footage and how much per square footage, and the column spacing, and if a manufacturing company comes in, they need room for beams and they need room for overhead joists and things of that nature. The building is built for a lot of warehousing but not so much for manufacturing. It can be modified, and there is room there to grow that. We proved that with Mantua when we were offering them the 85% abatement.

Intigral Windows is looking at a very large expansion. They have put a very nice heating oven in there and they are talking about taking that whole 17 acres between the two lots and tying them together under one consolidation. That is supposed to come to my Planning Commission in September or October. They made a substantial investment, almost \$14 million, in a special furnace that tempers the glass. That is the company that gave us the mini-blinds in between all the glass. They are the only mini-blinds in the United States of America. They have a patent on that. The smaller building from Arhaus Furniture is now being occupied and run by Berger Trucking company. They are a subsidiary of Arhaus and they do the transportation for Arhaus, but it is under a different tax ID for tax reasons. The larger building from Arhaus Furniture is empty and is under consideration of a contract. He has talked to the owner. He has talked to the real estate agents, and he has talked to the potential purchaser of that building. Councilman Spitznagel knows some of the language, but this cannot be spoken of publicly with how many employees or anything like that, but this is a 277,000 square foot building. He recently had a conversation with Michael Brandt, the CEO of Smith and Oby. He is very pleased to let us know that he is looking at expansion. Theoretically, on Jobs Ohio and Cleveland Partners, we have three empty buildings in the Village of Walton Hills, two are under contract.

For some reason, we hear there are 40 buildings empty. For some reason, we hear this misinformation. He says he will drive everyone around the village in a bus and showing them each business and telling them who the owner is and what their operation is. Councilwoman Brenner-Miller says that the jobs are the lifeblood of our community. There are not that many places we can put someone. They are already filled. Mayor Hurst says that he is very confident that this is going to start conversations here in less than three months. It will take a year to get utilities back there and cut roads, but that is all a process. He can tell you that the Gospel House has been appraised, all 20 acres. The Hungarian Church has been appraised, the 19.7 acres. All of these businesses are ready to go – we just need the right dancing partners. Councilwoman Brenner-Miller said that the \$550,000 with the 3.88 millage is a drop in the bucket. Dunham Road hill is \$1 million. There are so many other things that need to be done. As far as recreation goes and taking out of recreation for the rides and the trips and things, that is a minimal amount. That is not going to make any difference for the amount of money we need. We have to find some way. Selling the service garage and things like that are only going to let us float for a while again. If we did not have the JEDD and \$400,000, we would be so far down, we might as well join up with Valley View and not be Walton Hills anymore. We can only do so much. We have cut back and cut back. Right now, we are only

saying things that all of the other communities do like with the trash and things like that. It is not something that we just dreamed up. The other communities are already doing these things. Walton Hills is a beautiful place to live, and that is the way we should keep it, a beautiful place. If we want to entice businesses, we need to do that and cleaning up Northfield Road, when you do not see the cement all of the streets and things like that, then that is going to help in that area over there, but it is a small price to pay.

Councilman Spitznagel asks if there is a way that we can have a different format such as maybe a business round table with companies. We could just invite them in and have a beat-us-up type of session with what we are doing right, what we are doing wrong, what can we do better, and how. Maybe there is something that we are missing somewhere. Maybe there is something we are not, but they may come up with an idea that might spark something. This could get conversation going. He also states that the rec is very minimal and he understands that. He just has to reconcile in his mind that how would he tell a resident that he voted to increase your taxes, but we still have these things. All while tempering that we still have to be a viable, living community that offers things. This is a working session so he is just speaking his thoughts. Councilman Kolograf states that we had a business round table in the past, and the last one we had across the street. Some have been well attended and some have not. Mayor Hurst says that we have had four. He says he is working with Kimble who does our trash removal, and he is seeing if we could host a meeting with all of the businesses in the summer to have Kimble take care of all of their trash removal. That would save them substantially because we have the truck in town that would be eventually beneficial to the businesses. If that is a relationship that we could make happen, then they could save money and we could actually ask them to redirect some of that money to beautification of the village. That is his goal. Mastec came in and they called him and said they have a lot of plastics that just get thrown away, and they wanted to recycle them. He called Kimble and they had a truck there the next day with one of those boxes. That relationship is already started. He works with Don Johnson from Kimble, and they are negotiating right now with trying to get everybody to come up with a number and hardcore numbers. Some companies do it twice a week and some companies do it once a week. That could save them an additional \$10,000 to \$20,000. We do not know. Councilwoman Terlosky said that on the 27th we are going to have the town hall meeting, maybe we could send a letter to the businesses in town letting them know that we are having this town hall meeting, and let them see the figures as well to see what is going on here and maybe they will get a realistic view of what is going on. They have tunnel vision. They only know their own business. They do not know the big scope of everything.

No other questions or comments.

Item K – Adjournment. Mayor Hurst asks for a motion for adjournment. Councilman Kolograf makes a motion to adjourn the COW meeting of March 6, 2018, seconded by Councilwoman Terlosky, at 7:39 p.m. Six ayes approved.

Katie Iaconis, Fiscal Officer