

REGULAR COUNCIL MEETING
April 11, 2018
MINUTES

The Regular Council Meeting of the Village of Moreland Hills was called to order by Mayor Renda at 7:02pm, in the Village Council Chambers.

PRESENT AT ROLL CALL: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

Also Present: Aimee Lane, Law Director, Jeff Filarski, Village Engineer, Ted DeWater, Service Director, Chief Wyant, Prashant Shah, Treasurer, Sherri Arrietta, Clerk of Council

Mayor Renda asked if anyone had any additions or corrections to last month's meeting minutes. Mr. Richman stated that on page 3, in the second to last paragraph "50% of the revenue" should actually be "25% of the revenue," and on page 4, the third line in the last paragraph "he his" should be "he is."

Mr. Buczek made a motion seconded by Mr. Stanard to approve the minutes of the Special Council Meeting of March 27, 2018, as amended.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Resident Comments

Mr. Fred Taylor, resident on Giles Road, stated that he wanted to discuss the potential tax increase. He stated that in the newsletter, Mayor Renda wrote that Moreland Hills has a much lower income tax rate (at 1%) when other communities have 2% rate. He feels that this statement is misleading because there are not a lot of people who make their income in Moreland Hills. When you take into account the credit factor and tax rate that other communities have, he would be paying zero in Aurora, zero in Beachwood, .75% in Bentleyville, .50% in Chagrin Falls, zero in Mayfield Village, 1.1% in Orange, .50% in Pepper Pike, zero in Solon, .50% in Gates Mills, and .31% in So. Russell. Most of these are lower than Moreland Hills, if he were to live in these other communities. Because he, like most residents, works outside of Moreland Hills, he is already paying 2% in the community in which he works, and he pays an additional 1% to Moreland Hills because there is no credit given, so he is actually paying 3% as a resident of Moreland Hills. He stated that he just wanted to point out that we are not that low after all.

Mayor Renda stated that she appreciated Mr. Taylor's comments and stated that the reason we cannot afford to give a percentage break is that almost no one works in Moreland Hills. We have almost no commercial, so effectively that would be giving everyone a .50% tax break. The residents have clearly spoken that they do not want any more commercial and so the cost of that is having the residents bear all the burden of the tax. She stated that she understands that because she too bears that burden as a resident. Mayor Renda stated that she would try to be more precise with the language in the future.

Public Hearing

Mayor Renda stated that there would be a public hearing for two ordinances tonight:

Ordinance 2018-03 an ordinance amending Sections 1151.07, "Setback Requirements," of the Planning and Zoning Code of the Village of Moreland Hills regarding corner lots and declaring an emergency.

Ordinance 2018-10 an ordinance enacting new Section 521.15, "Nuisances In Connection With Trees," of the General Offenses Code and amending Section 1173.05 and Chapter 1353, both titled "Cutting Of Trees" of the Codified Ordinances of the Village of Moreland Hills, Ohio.

At this time, Mayor Renda asked Mr. Stanard to explain the history of each ordinance up to this point.

Ordinance 2018-03 -

Mr. Stanard stated that this ordinance originally came out of committee and was put on first reading and referred to the Planning Commission on February 14 by Council. The Planning Commission then held a Public Hearing on March 5 and recommended it back to Council for the second reading and tonight Council will be putting it on third reading, at which time it will be voted on. Revisions were made to the Planning and Zoning Code several years ago which included this current section. Corner lots in other communities have a strict setback for the side yard such that it does not put a house too close to the roadway and/or does not become a massing issue. Moreland Hills is unique in that our corner lots are not like others, because our streets are winding and curvy. Having this restriction for a magnified setback on the corner lot, which is the same as the front setback, is very restrictive and makes it difficult for the owner to properly position a home within that lot. There were no comments on this ordinance at the Planning Commission Public Hearing. The Village Engineer and Law Director have reviewed this ordinance a number of times and there is no resistance to it because it makes sense. Most of our corner lots, especially on SOM, do not comply with the ordinance as written. We want to eliminate the requirements for the side yard setbacks for corner lots and make it consistent with the side yard setbacks for all other lots in the Village.

Ordinance 2018-10 -

Mr. Stanard stated this ordinance was placed on first reading and referred to Planning Commission at the February Council meeting. The Planning Commission held a Public Hearing on March 5 where there were residents in attendance who were both for and against it. The Planning Commission recommended it back to Council, with some minor modifications for the second reading and now tonight it is before Council for the third reading, at which time it will be voted on.

This ordinance came out of committee and it was recommended that it be adopted by both the Building Commissioner and the Service Director. Council began discussing this at the December 6, 2017 Committee of the Whole meeting, however this has been talked about off and on for a few years. This ordinance has two major aspects to it. The first one is about nuisance trees and it will add new Section 521.15 "Nuisances in Connection With Trees," to the Code. This came about because of the hazardous tree program that the Village has done for years, marking the trees that can potentially cause damage to power lines, property, traffic, or trees that could be doing damage to roads or sidewalks.

The Village Engineer writes specs, puts the package out to bid, takes the bids and hires a contractor to remove the trees. Since the Village has less money to work with than we have had over the last several years, it is a prudent way to cut costs to make the residents responsible for their trees. There is no language in the Code now for the Building Commissioner or Service Director to make a resident cut down a tree that is a nuisance. This ordinance will allow the Village to require the homeowner to remove the nuisance tree. The Village will offer an estimate with the notice that the tree has to come down, which will give them the option to pay the Village to do it or hire a private contractor. The tree will need to be removed within 30 days of the notice or the homeowner will have to provide proof that they are serious about having it removed. There are further actions the administration can take if residents ignore the request. He stated that he does not think that the Village is particularly interested in that, however, the staff needs to have the ability to enforce the ordinance.

The second portion of the ordinance just changes what has been on the books for some time now, without the Village having ever received any complaints about it. Currently, a homeowner can cut up to 4 trees, 24 inches in diameter, without getting a permit. The Village was noticing that people were taking down 4 trees that were 24 inches in diameter which was actually impacting the look of some of these neighborhoods. Mr. Kowlaczyk researched ordinances in other communities and found that allowing the cutting of 4 trees was fine, but that we should restrict the size of those trees to 8 inches in diameter. If any more need to come down over that size, the Village is just asking for them to please come and get a permit for it. This will help monitor the removal of large trees, because very often the Building Department receives complaints about tree cutting.

Mr. Stanard stated that he did not feel that many of the people at the Planning Commission Public Hearing were aware that this ordinance has existed and that we are only modifying it. He stated that the Village is not in any way interested in walking properties to determine trees that need to come down. The only things we are concerned with are trees that are a danger and preventing clear cutting on properties. In addition, since it was brought up at the last Council Meeting, if a resident did want to put up a playground, baseball field, etc., in their own yard, which would require removal of trees, they can apply to do so and come before the Planning Commission for approval.

Mayor Renda declared the Public Hearing open at 7:19pm.

At this time, Mrs. Lane administered the oath to those present wishing to speak.

Mr. Rob Kochis, resident on Giles Road, was unable to attend the meeting. He has submitted his comments regarding Ordinance 2018-10, via email that he would like to have entered into the record. His comments are as follows:

The ordinance provides unclear guidelines (residents need to know how to comply):

1. Define time period. Cutting of trees within one day? In a month? In 90 days? What if resident cuts 20 trees over a Summer (no more than 3 a weekend)?
2. Define “undesirable species” and “desired stocking and species composition.” What if landowner and city disagree on what is desirable?
3. Define “wooded area” to be inventoried by arborist? Is this one Permanent Parcel? Nearby parts of neighboring Parcels? Within 10 feet of cutting? Within 50 feet of cutting?

4. Define “adequate assurance.” What will satisfy building inspector for clean-up? A verbal promise?
5. Define conditions for denial. The only criteria listed are (i) “interference with natural water supply” and (ii) risk of “undue erosion.” To deny for “how it looks” is arbitrary and not legally permissible
6. Clarify “offenses” for Penalty. Removal of “a tree” without a permit versus 4 or more?
7. Permit fee is not specified.

The ordinance is unrealistic and onerous for a landowner:

1. Arborist—who pays?
2. Report by Cuyahoga Soil and Water Conservation District—who enlists? Who pays?
3. Comprehensive list or inventory of trees
4. Performance bond
5. Required clean-up—cutting up, chipping and removing any cut tree can be cost prohibitive, especially in a wooded hillside area like ours
6. Permit fee
7. \$1,000 PER DAY fine and CRIMINAL penalty of first-degree misdemeanor for enjoying your own property?
8. Cost and time requirements appear designed to discourage, rather than reasonably regulate. Proper way to “conserve” is to pay landowners for a conservation easement.

Mr. Fred Taylor, resident, stated that he appreciated being able to comment at the last meeting. He stated that the ordinance classifies a “nuisance” as “any tree, plant, shrub, wherever located within the Village, infected with any parasite, insect, fungus, or pest which may be communicated to any other tree, plant, or shrub,” and “any trees which have fallen.” Probably a million different trees, plants, or shrubs would fit that description. It is as broad as it gets. Mr. Taylor stated that his guess would be that every single property in Moreland Hills, including properties that the Village owns, would qualify for this. Section 521.15 (b) states that “No person shall maintain any of the nuisances described in subsection (a) hereof.” Mr. Taylor stated that the Village is basically making criminals out of everyone in this community by setting up this trap. He stated that is what the Soviet Union did by creating a bunch of rules that everyone was in violation of all the time, so that the government can enforce it on anyone whenever they wanted to.

Mr. Taylor stated that the ordinance also enforces an abatement, which is a personal cost to one’s real estate and classifies the nuisance as a third or fourth degree misdemeanor which could be punishable by 30 to 60 days in jail. The criminal penalty for the cutting of trees is a first-degree misdemeanor, which is punishable by up to 180 days in jail. The ordinance also states that “a separate offense shall be deemed committed each day during or on which a violation occurs or continues,” which seems to be draconian. Obviously, the Village is not going to do it, but this is being set up in such a way that someone could enforce it. Mr. Taylor stated that he continues to believe that this is overkill. He stated that some of the reasons why you are doing this that Mr. Stanard pointed out, make sense, but it is not what is written. This is not in keeping with the semi-rural, small government role of Moreland Hills.

Mr. John Pendergrast, resident at 39155 So. Woodland was present at the meeting but did not have any comments.

Mayor Renda stated that as they did with Moreland Commons, she would suggest that Council take one more month to consider all comments. She stated that since there were comments submitted that not all of Council has had the chance to read yet as well as the concerns presented by Mr. Taylor, she feels that Council should compile a concise list of concerns that they feel should be dealt with. Mayor Renda will have Mrs. Lane come up with a revised ordinance and consider that one at the next meeting.

There being no one else wishing to speak regarding these ordinances, Mayor Renda declared the Public Hearing closed at 7:25pm.

Ordinance 2018-03 (Third Reading)-Introduced by Mr. Stanard

AN ORDINANCE AMENDING SECTIONS 1151.07, "SETBACK REQUIREMENTS," OF THE PLANNING AND ZONING CODE OF THE VILLAGE OF MORELAND HILLS REGARDING CORNER LOTS AND DECLARING AN EMERGENCY.

Mr. Stanard made a motion seconded by Mr. Buczek to place Ordinance 2018-03 on Third Reading and for passage.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2018-10 (Second Reading)-Introduced by Mr. Stanard

AN ORDINANCE ENACTING NEW SECTION 521.15, "NUISANCES IN CONNECTION WITH TREES," OF THE GENERAL OFFENSES CODE AND AMENDING SECTION 1173.05 AND CHAPTER 1353, BOTH TITLED "CUTTING OF TREES" OF THE CODIFIED ORDINANCES OF THE VILLAGE OF MORELAND HILLS, OHIO.

Mr. Stanard made a motion seconded by Mr. Buczek to place Ordinance 2018-10 on second reading.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Reports from the Mayor and Other Municipal Officials

Finance

Mr. Shah did not have a report.

Police

Chief Wyant reported that Lt. Dietzel along with Officer Bennett from Pepper Pike is speaking to the PTA at the school to share with them what they are teaching the kids regarding the ALICE training.

The Community Kids Fishing Day is June 16 at Potts Pier.

Mayor Renda reported that she is working with Lt. Dietzel to put together the Memorial Day program at

Veterans Park on Memorial Day. Lt. Dietzel's father-in-law, who is a veteran, will be speaking. She stated that it will be an interesting program and she would urge everyone to come if they are available.

Engineering

Mr. Filarski did not have a report.

Service

Mr. DeWater did not have a report.

Law

Mrs. Lane reported that the hours put on the retainer in February were 46.6, giving us a total of 84.36 hours.

Reports of Committees

Roads & Safety Committee

Mr. Fritz reported that the Roads and Safety Committee met on April 3, 2018. Chief Wyant requested the replacement of one of the Police vehicles. He also discussed contracting with Cuyahoga County for jail usage; both items are ordinances on the agenda tonight. Mr. Filarski presented the road program, for which a motion will be made tonight. The Service Department continues to work with administration to save money wherever possible, an example of which is that three repairs needed to be made on service trucks and all of them were done in house for a total of \$900, which was probably half of what it would have cost to be done elsewhere. He stated that he commends them for their continued efforts to keep costs down. The next regularly scheduled meeting is May 1 at 7:30am.

Mr. Fritz made a motion seconded by Ms. Sturgis to allow the Village Engineer to develop specifications and advertise for bids for 2018 Asphalt Road Maintenance Program.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Fritz stated that every year the Village donates to both the Orange and Chagrin Falls After-Proms. He stated that last year, we did so in honor of Grant Wilson, who was tragically killed by a drunk driver during his senior year of high school. In the spirit of Grant's memory and his desire to always have fun and for his love of music, he would ask that these donations be made in his honor again this year.

Mr. Fritz made a motion seconded by Mr. Richman to make a \$500 donation to the Orange After-Prom and a \$500 donation to the Chagrin Falls After-Prom, in memory of Grant Wilson.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Facilities Committee

Mr. Richman reported that the Facilities Committee met on April 3, 2018. Mr. Richman provided copies of revised Facilities Committee Minutes and explained what changes were made. He reported that the controllers for both pump stations have been received and installed. The 2017 Sewer Cleaning/Inspection program is wrapping up. The storm sewer pipe at Deep Creek and SOM may need to be dug out and replaced because of concrete in the pipe. The I & I testing at the pump stations continues. The Engineer will be addressing the first dye tests for the five laterals at Winterberry. The third phase of the Greentree Pump Station I & I testing will involve dye testing of the remaining 9 out of 14 properties that drain to the wastewater treatment plant from the south. The Historical Society is expecting a good year with many extra visits, including the Boston Rhodes Scholars group, Ohio History Channel, and Mahoning Valley History Center. The Historical Society is always looking for new members and docents. The next regularly scheduled meeting is May 1, 2018.

Ms. Sturgis made a motion seconded by Mr. Fritz to allow the Village Engineer to develop specifications and advertise for bids for the reconstruction of Twin Acre Court.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Emerman made a motion Seconded by Mr. Buczek to allow the Village Engineer to develop specifications and advertise for bids for 2018 Drainage and Culvert Program.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

BZA

Mr. Stanard reported that the BZA met on April 9, 2018. The Lyons residence at 55 Riverstone Drive requested a 2'10" variance for a wall in the front/side yard. The Board felt that the application lacked proof in terms of hardship. The matter was continued to the following month. The Hayden residence at 25 Winterberry Lane requested a front yard setback variance. The back yard is steep downhill and they wanted to make some enhancements to the property. They have a porch and garage in the front yard just barely extending into the required 70' setback, so they were requesting a variance of 4.5', which was granted. The next meeting will be on May 7, 2018.

Planning Commission

Mr. Stanard reported that the Planning Commission met on April 9, 2018, immediately following the BZA Meeting. The addition at 20 North Strawberry Lane, which was continued from the March meeting was tabled again because no one was present at the meeting. The Hayden Residence at 25 Winterberry Lane presented their addition, which they had just received a variance for at BZA. It was a positive enhancement to that residence, and was approved. An application for a new residence 3929 Ellendale was approved. The Rasmussen residence at 50 Farwood Drive had been before the board twice before for approval for additions and so as they were constructing things, they made some modifications, which needed Planning approval, which was granted. The Mancini residence, at 36020 Chagrin Blvd., requested

to build a new home, which approval was granted for. The next meeting will be on May 7, 2018.

Mr. Stanard stated that Mr. DeWater and Lt. Dietzel reported on the building repair needs throughout the Village Hall campus. This has been discussed numerous times for at least 18 months. Council is responsible to protect and maintain the facilities that the Village owns. The Police Department is in bad condition because it was built 22 years ago and essentially has not had any major repairs or renovations since then. The largest problem is the roof, which has been an issue for at least 5 years. The total cost for all repairs is about \$200,000.

Mr. Stanard made a motion Seconded by Mr. Fritz to allow the Mayor to solicit an RFP for professional services to provide for architectural design services for roof replacement on the police facility, plus various improvement and repair projects on Village buildings.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Stanard made a motion Seconded by Mr. Buczek to allow the Mayor to solicit an RFP for professional services to provide for construction management services for various improvement and repair projects on Village buildings.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

ORDINANCES AND RESOLUTIONS

Ordinance 2018-14 - Introduced by Ms. Sturgis

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO THE FIRST AMENDMENT TO THE CREEKSIDE PUMP STATION AND FORCE MAIN JOINT MUNICIPAL IMPROVEMENT AGREEMENT WITH THE CITY OF PEPPER PIKE AND DECLARING AN EMERGENCY.

Ms. Sturgis stated that Council passed Ordinance 2009-71, in August 2009 where NEORS D agreed to accept and treat wastewater flow from the users of the Creekside Waste Water Treatment Plant located between SOM and Creekside Drive in Pepper Pike, if the plant was replaced with a wastewater pump station and force main. Moreland Hills pumps its effluent to Creekside which ultimately goes to NEORS D for treatment. This ordinance is to amend the agreement to include the new tap in cost after the improvements have been made. Also included are the cost splits for operation and maintenance as well as the cost for new tap-ins and the amount of reserve capacity available for future connections.

Ms. Sturgis made a motion seconded by Mr. Stanard to suspend the rules for Ordinance 2018-14.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Ms. Sturgis made a motion seconded by Mr. Buczek for passage of Ordinance 2018-14.

ROLL CALL:
AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Ordinance 2018-15 - Introduced by Mr. Fritz

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE ELECTORS OF THE VILLAGE OF MORELAND HILLS OF A PROPOSED AMENDMENT TO ARTICLE IX, SECTION 4 OF THE CHARTER OF THE VILLAGE OF MORELAND HILLS, AND DECLARING AN EMERGENCY.

Mr. Fritz stated that this ordinance will be placed on first reading tonight. In November 1999, the electors approved a 2 mill levy to fund safety services for 5 years. In 2004, the electors approved another 1 mill for an additional 5 years. In 2009, the electors approved a continuation of that same 3 mill levy for an additional 5 years. In November of 2013 Council made the argument that the safety services are not going to disappear, so we decided to make the levy permanent, instead of renewing it every 5 years.

We have been discussing the dwindling funds over the last 2 years so now we find ourselves in a position to be proactive and think about the future of the Village's finances. The local fund is down 25% of what it used to be. The estate taxes were taken away altogether, which resulted in a significant reduction to our revenue stream. We need to talk about how to remedy that.

The original intent of the Safety levy was to cover the cost of our safety services (Police, Fire, EMS and Dispatch), which totals 2.2 million per year. We have had several efficiency improvements headed up by Mayor Renda, specifically CVD, but there are also issues with increased benefits and wages. Currently, with the 3 mill levy, we only bring in \$747,000 of the 2.2 million needed. A 1 mill increase in the levy will equal \$250,000, which would cost \$35 per 100,000 valuation, per year for the residents. The Income tax levy was determined not to be the way to proceed. We have a known deficit with the safety fund, which is where we want to concentrate our efforts.

At this point, Mr. Fritz stated that they need to discuss how many mills to send to the voters. He would suggest that their goal is to stop the deficit spending and if possible, to begin to have residual funding to get us back to that 25% which is considered prudent financial practices for a municipality.

Mayor Renda reminded Council that they decided to increase the safety levy amount at the Committee of the Whole Meeting; however, the millage amount was what was left open. At this time, she asked Council to weigh in on the amount they feel the levy should be increased by.

Mr. Stanard stated that this has been on their table for a long time and they have looked at it carefully. He stated that we know that the revenues were shrinking and we did everything we could to shrink expenditures including some of the professional staff and department heads not taking a raise from year

to year.

We have cut costs where we can, including making the removal of trees the responsibility of the homeowners with an ordinance we are proposing. He thanked Mr. Shah for his thorough budget presentation at the last meeting. Mr. Stanard stated that the Police Department requires a transfer from the general fund from on a monthly basis for the operation of our safety forces. In conversations that he has had with everyone in the Village, they truly appreciate the safety services that are provided to them and he has never heard anything negative about them. We have an opportunity, through the safety levy, to put more responsibility on that levy so that we are not making such big transfers from the general fund.

The only way to cut costs at this point would be to cut services, which is not what the residents want. Mr. Stanard stated that he would love to advocate for more than 2 mills, and would think that 3 mills would be good because he does not see this situation getting better. He stated that he would rather ask for the bigger amount so that we are not going back to the electors in a few years. He stated that he also thinks that there is possibility in the future for some increase in our revenues from Moreland Commons and Chagrin Bluffs. Currently, our real estate values are up as well. He stated that he feels that a 2 mill increase is just barely enough, but feels that is the amount he would advocate for. They Village can continue to do what they can to control costs and look for some additional revenues wherever it can be found. Mr. Stanard stated that he also wants to thank Mr. Filarski and Mr. DeWater for always finding grants from agencies for our needs. It is those types of things that can continue help us control costs.

Mr. Fritz stated that he feels that Mr. Stanard brought up some excellent points, but he would like to ask for 3 mills. Based on the information from Mr. Shah, that amount would potentially stop the deficit spending and could potentially add more into the positive in terms of ending deficit spending.

Mr. Fritz asked if Mr. Shah would be comfortable making a recommendation on the amount of millage the safety levy should be increased by. Mr. Shah stated that it is difficult without knowing what the revenue will be from the developments. He stated that if you ask for 3 mills it will be doubling what we currently have and that will give you the ability to assess how the revenue streams are in the next 3 or 4 years, and you can also continue to tighten the belt a little more. Mr. Shah stated that every year is different. The Village has done a lot of infrastructure spending in last several years, and it was all done without incurring any debt, therefore all that money came from the general revenue stream. Four years ago we had a better situation, because we had a good income tax revenue stream coming in and were able to put some in reserves. We are at 25% right now in our reserve, but if you include the safety levy, we are only at 18%. He stated that he would recommend getting the reserves back to the 25%.

Mayor Renda stated that she is having a hard time with the comment “tighten the belt” because none of the professional staff or the department heads got a raise this year. She stated that when Mr. Shah presented the budget, he stated that there was no “fluff,” so she honestly does not know where we can tighten the belt anymore.

Mr. Shah stated that there are different ways to do that, such as not filling every position that is vacated, or if you do, paying them a lower rate. He stated that he was referring to those types of things. We can also keep shopping for health care and try to reduce workers comp, for example.

Mr. Richman stated that he has been on Council 14 years and every year he has said that the last thing he wants to do is increase taxes, but there is no question that this has to be done. He is thinking that increasing the safety levy 2 mills is a good option. Since it is a continuing levy, the new total amount will always remain. He stated that it was discussed that they will be expecting an increase in revenues, however, we cannot quantify the expected increase right now. He feels that an increase in the safety levy, getting a loan, and making small incremental changes will develop more revenue. With a 2 mill increase, we will have \$500,000 coming in, with the average shortfall being \$392,000. That is still an extra \$100,000 above the average shortfall. Then hopefully revenues will kick in as we slowly build up the reserve.

Mr. Richman stated that he feels that the residents would appreciate us coming back to them if there is no other way, rather than going for the higher amount right away. He stated that he thinks that they would appreciate us first trying to go for what we absolutely need, and then look at extra revenue when it comes in to see where we are. It's easy to say that it is only \$35 per 100,000 valuation, but if you look at the average home as being \$500,000, a 2 mill increase would be an extra \$350.00 versus an extra \$425.00 a year for a 3 mill increase. He feels that 1 mill is too low and 3 is too high, unless 2.5 is an option.

Mr. Fritz said that Mr. Richman made some good points but where they differ is that he thinks that the electors look upon Council to think proactively. Is our goal to only try to get our nose above water and then potentially have to come back and ask for more? He feels that would be bad and is still in favor of a 3 mill increase in order to be proactive.

Mr. Emerman stated that he tried to approach this as he would be just a resident, before he became part of Council. He stated that the things they should look at are the changes in circumstance in the last few years, the first being something completely out of the Village's control which was the decrease in revenue of the state. Based on the budget presentation, over a 10 year period our revenue from the state has decreased by an average of \$350,000 per year. He thinks that needs to be made up in some way.

The second thing somewhat out of the Village's control was capital costs. The upcoming capital costs for the building repairs are going to cost around \$200,000 and the repairs to the slide at South Woodland and 87, is a major expense that needs to be done for safety reasons. It will increase our capital expenses substantially more than what we are used to. If that were to be funded with a 5-year note, he thinks that we should increase the levy to an amount that will make up for the decrease in revenue from the state and which will be able to cover the capital costs (at least over one million dollars). He stated that he would think that we would want to pay off the note as quickly as possible, in no more than 5 years. If we sought a 3 mill increase, it would free up transfers from the general fund to the safety levy enough so that it should make up for the decrease in revenue from the state and will cover capital expenses over a 5 year period. Mr. Emerman stated that 3 mills would take us above the water, but only slightly. He feels that is where the Village should be. The Village should not be losing money at all, but he also feels that they should not be very much in the positive either.

Mr. Emerman stated that if a 2.5 mill increase were a possibility, he would support that. If it comes down to either 2 mills or 3 mills, he would be in favor of 3 mills. Mr. Shah informed Council that the levy can be increased by half mills and a 2.5 mill increase would bring in \$625,000 a year.

Mr. Emerman stated that he feels that the Village needs at least \$600,000 a year to cover capital costs over a 5-year period, spread out the 5-year note, and make up for the reduction in revenue from the state. He

stated that he would be in support of either a 2.5 mill or 3 mill increase.

Mr. Shah stated that those are all excellent thoughts. He stated that one thing that they need to remember is that the capital costs are annual. If you have a one-time capital expense then it makes sense, but a 5-year note does not make sense if it is annual.

Mr. Emerman asked if he is correct that our budget is enough to cover that one million dollar capital expense every year, even if we have a slight deficit. What is different this year is an extra one million dollars, because of the slide on South Woodland and the Village building repairs. He stated that he would imagine that it would be that "extra" million dollars that would require the note, not the normal annual capital expenditures. Mr. Fritz stated that Mr. Filarski is looking into getting some funding for the slide repair project on South Woodland to help reduce the cost.

Ms. Sturgis said that she has been processing all the things that have said. She stated that Council has looked at the budget on a regular basis to make appropriations and decreases in the operating expenses to make sure that they are being efficient for the residents. On the other side, she stated that she thinks about the things that the residents have told us that they value, such as their safety, and what that costs and will continue to cost especially with the lack of funding from the state. How do we balance that all and message it with fair input from the residents around what they continue to value, what they are willing to continue to pay for, and what the Village can continue to offer.

Ms. Sturgis stated that if they sit here as Council and decide what the best thing is, they need to talk to the residents and get a recommendation. The money is just not there even though Council did the best that they could do. She stated that she is definitely in support of having that conversation, and potentially getting their vote or consideration. She suggested balancing the message out with the potential revenue that could be coming from the two new developments, and making sure that we do appropriate forecasting for the residents to understand. She agrees that we should have a surplus, but she does not think it is fair to have it too large.

Mr. Buczek stated that he is in support of a 3 mill increase. He agrees with the reasoning that has been put out there tonight. He feels that we will need to explain to the residents how it all came about, with the loss of the estate taxes and the state funding. Many Ohio communities had this problem years ago because they did not have the reserves that we had developed over the years, but we are now facing that same problem that was delayed because of our reserves.

Mr. Buczek stated that being on Council for years, he has watched everyone working on the budget and he feels that Mayor Renda's leadership, with Mr. Shah's help, has helped the Village move along the way in a good direction. He stated that the changes that both Mr. Filarski and Mr. DeWater have made to reduce spending has been admirable over the years. The concern that he sees by everyone involved is of wanting to do the right thing. He stated that he feels by increasing it by 3 mills now will help them to be able to increase the reserve funding rather than just running at "water level."

Mayor Renda stated that while we have applauded the Service Department efforts to save money, she wanted to point out that last year the Police Department, along with the Service Department, was asked to cut their budgets by 10% which they both did, as well as cutting them even more later on. It has been a joint effort here between the professional staff, directors, treasurer; everyone has pitched in. Now is the

time to say that we cannot do anymore without cutting services.

Mr. Fritz stated that Mr. Buczek brought up excellent point. The City of Bedford Heights felt the effect of the recession right away. Another city laid off firemen and policeman a few years after the recession, as he continued to see Moreland Hills stay vibrant and healthy. It should be a consideration for this Council as we are weighing our options as to the increase in mills that these changes in the economy do not go away and never return. They may return to a lesser degree, but Council should posture themselves to be ready should something like this happen again. He stated that he feels that it should at least be a factor in their decision.

Mayor Renda stated that she has heard 2 mills, 2.5 mills and 3 mills; a decision needs to be made. Mrs. Lane informed Council that since this is on three readings, they will have the ability to modify the amount of mills should they come across additional information and choose to lessen the amount. The deadline to submit to the Board of Elections is September 7, 2018, which gives them plenty of time. There is nothing in the charter that states that there has to be a public hearing.

Mayor Renda suggested perhaps having a public meeting an inviting all residents so Council can listen to their input since we have some time to get it to the Board of Elections. She stated that she does not think they are asking for an excessive amount, but perhaps after talking with the residents and getting their input, we can lessen it some. However, we cannot know when Moreland Commons will be done or what the property valuation will be, but we can hope for the best. The same thing is true with Chagrin Bluffs. Mr. Shah informed Council that usually the selling price is what the County uses as the valuation in the beginning.

Mayor Renda stated that having it on three readings will give Council the chance to collect more information and hear from the residents, and actually to make their case to the residents too. She stated that she feels that most residents probably do not know how the Village has struggled to make ends meet, to be fiscally responsible and not spend the reserves beyond a reasonable level.

Council all agreed that it was better to start with an increase of 3 mills, with the possibility to lessen the amount after gathering more information.

Mr. Buczek made a motion seconded by Mr. Fritz to increase the safety levy by 3 mills.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Fritz made a motion seconded by Mr. Buczek to place Ordinance 2018-15 on first reading.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2018-16 - Introduced by Mr. Emerman

AN ORDINANCE PROVIDING ADDITIONAL APPROPRIATIONS, TRANSFERRING ITEMS ALREADY APPROPRIATED AND DECLARING AN EMERGENCY.

Mr. Emerman stated that the safety levy only provides for 30% of our safety related expenditures, so as such we regularly make transfers from the general fund to the police levy fund and the police pension fund. The two transfers are \$10,000 to the police pension fund and \$350,000 to the police levy fund, from the general fund.

Mr. Emerman made a motion seconded by Mr. Fritz to suspend the rules for Ordinance 2018-16.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Emerman made a motion seconded by Mr. Stanard for passage of Ordinance 2018-16.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2018-17 - Introduced by Mr. Fritz

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH CUYAHOGA COUNTY FOR JAIL SERVICES FOR VILLAGE PRISONERS AT COUNTY JAIL FACILITIES AND DECLARING AN EMERGENCY.

Mr. Fritz stated that this is a one-year contract to house Moreland Hills prisoners in the new county run jail in Bedford Heights. This will replace our current practice of bringing prisoners to Solon. Chief Wyant suggested that we keep the agreement with Solon open in case the county jail is full. The cost is \$99 per day, per prisoner which includes everything, whereas our current contract with Solon is \$85 per day, however, there are additional costs incurred (\$55 for OVI test, \$35 for a video link with Bedford Court, etc.), which makes it more expensive.

Mr. Emerman asked if this contract requires the Village to send our prisoners there. Mr. Fritz stated that it is not required and there is no minimum payment on the contract, we will only pay what we use on an as-needed basis. Mr. Emerman asked who decides to which facility the prisoners will go. Chief Wyant stated that the officers would choose Bedford Heights because of the cost savings and because of its close proximity, unless it is full. He stated that they also have an agreement with Geauga that is \$75 a day, but it does not include video hearings and would require the officer to have to drive out there, pick up the prisoner and bring him to court. With Bedford Heights, we will not have to tie up the officers transporting them back and forth.

Mr. Fritz made a motion seconded by Mr. Buczek to suspend the rules for Ordinance 2018-17.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Mr. Fritz made a motion seconded by Mr. Buczek for passage of Ordinance 2018-17.

ROLL CALL:
AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Ordinance 2018-18 - Introduced by Mr. Fritz

AN ORDINANCE AUTHORIZING THE MAYOR TO PURCHASE A 2018 FORD EXPLORER VEHICLE FOR THE POLICE DEPARTMENT FROM LEBANON FORD THROUGH THE STATE OF OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES COOPERATIVE PURCHASING PROGRAM; WAIVING COMPETITIVE BIDDING AND DECLARING AN EMERGENCY.

Mr. Fritz stated that this was discussed at and approved by the Roads & Safety Committee and is reflected in those minutes which have been provided to Council. The Police Department will be replacing a car with over 100,000 miles on it. The new vehicle cost will not exceed \$27,373. The requirement to bid has been removed because it was already bid by the state.

Mr. Fritz made a motion seconded by Mr. Buczek to suspend the rules for Ordinance 2018-18.

ROLL CALL:
AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Mr. Fritz made a motion seconded by Mr. Buczek for passage of Ordinance 2018-18.

ROLL CALL:
AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis
NAYS: None
MOTION CARRIED

Miscellaneous

Mr. Buczek stated that concerning the residents that were here tonight and at the last meeting to speak out about the tree ordinance, he said that this is the first time that he has seen this type of feedback from the residents to Council. The comments were very detailed and civil.

Mr. Fred Taylor stated that he appreciates the conversation on the levy and stated that it sounds well thought out. He stated that he feels it is a good thing that the state does not supply as much funding to the local governments because they are pushing that responsibility down to the local government who is actually providing that service and will have to justify that to the taxpayers. He is surprised that Council

is pushing something through without having financial models; a business would not do it that way. Mr. Taylor asked Council to think about residents that have not gotten raises either and are on a fixed income. Other costs for taxpayers are always going up too, so he does not think Council should minimize it.

Mr. Fritz stated that he does not think they are minimizing it and told Mr. Taylor that if he does like the state cuts, then he would have to like the tax increases. Mr. Taylor stated that he thinks that Moreland Hills is different from other towns because we have a small government so that also means small taxes. A few years ago, the Village had so much money that they built the Service Department building without asking the taxpayers. Mayor Renda explained that the Village had a surplus and the Service building was inspected and was deemed a hazard to the people that worked there.

Mr. Taylor stated that the point is that the Village had a surplus because they over taxed. Mr. Fritz informed Mr. Taylor that they did not overtax. The Village was getting the estate tax from the state, at that time.

Ms. Sturgis stated that the state has chosen to cut local funding. That surplus we had allowed us to build the service building and make other improvements. A lot of other municipalities did not have that surplus years ago and were raising taxes and cutting spending which we did not have to do at the time, however, since the reserve fund has dwindled, we are now in that same position.

Mr. Richman explained to Mr. Taylor that the state limits the amount of surplus/reserve funds that municipalities are allowed to have, so the thought in using that for the service building was to prevent the need to incur. Mr. Shah stated that it was not a one-year surplus that was used to build the service building but instead what the Village had done was set aside funds over a number of years, so that we would not have to assume a debt. He explained that municipalities are only allowed to set aside 5% of the previous year's revenue.

Mr. Fritz informed Mr. Taylor that Council has looked at plenty of models and trends. He stated that they looked at an income tax increase, but decided that was not the way to go. He feels it is unfair of him to say that they have not done the work.

Mayor Renda stated that what is outstanding is what we cannot know right now, which is how much those developments will generate or what next years tax valuation will bring. She suggested that maybe they can talk to the developers over the next couple months to see if they can get more information from them about when they think they will start the project, when they think they will sell out, and what they think their price points will be, etc.

Mr. Emerman wanted to clarify on his comment about state reductions and that he was just stating fact, not whether he thought it was a good or bad thing.

Mr. Stanard wanted to point out that when the service department building was built, it was done about 10 years too late; it was a death trap. Mr. Taylor reiterated that it was a major expense and they did not ask the taxpayers.

Mr. Stanard stated that he respects that but he thinks Council has a general sense that the taxpayers have elected Council to do the appropriate thing and take care of what we own. That building was dangerous with wires hanging down to the point that all the trucks were being parked outside in the winter. It seemed

to Council that it needed to be replaced, ten or fifteen years previous to that. Mr. Taylor said that if the Village is going to spend a large sum of money, they probably should ask the citizens. Mr. Stanard said that he is sure that the Mayor was communicating on a regular basis and there is really is not a mechanism to ask, unless you put it to a vote. Council assumes that the citizens would want them to take care of their assets. It is almost negligent if they do not make repairs because it becomes more of a cost down the road if you put it off. He stated that Mr. Taylor's point is well taken and agreed that it was a big expenditure. He stated that he appreciates the fact that Mr. Taylor is here, because many people do not pay attention to what is going on. Council had a lot of deliberation and discussion about the service building, at the time, because it was a big project.

Mr. Buczek stated that Mr. Shah made a suggestion, which Council agreed to, that any money from the estate tax would go into a capital improvement fund, and not into the fund for the day-to-day expenditures. He stated that other communities put there estate tax toward their day to day spending. He stated that was prudent leadership from the Mayor and all involved.

Mr. Buczek made a motion seconded by Mr. Emerman to adjourn the Regular Council Meeting at 8:58pm.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Mr. Stanard, Ms. Sturgis

NAYS: None

MOTION CARRIED

The meeting was adjourned at 8:58pm.

Attest:

Sherri Arrietta, Clerk of Council

Dan Fritz, Council President