

Village of Gates Mills
MINUTES OF A REGULAR MEETING OF COUNCIL
February 10, 2015

A regular meeting of the Council of the Village of Gates Mills, Ohio was held on Tuesday, February 10, 2015 at 6:30 p.m. in the Village Hall.

Councilmembers present: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.

Councilmembers absent: Welsh.

It was moved by Councilmember Reynolds, seconded by Councilmember Sogg, that Councilmember Welsh be excused from the meeting.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
 Nays: None.
 Motion carried.

President pro tem Schneider presided.

President pro tem announced the appointment of Thomas Lombardo as Part-time Police Officer. Police Chief Minichello provided some highlights of Mr. Lombardo's law enforcement career including his graduation among the top of his class from the Police Academy as well as positions formally held with Kirtland Hills and Chardon Police Departments as well as the Geauga County Sheriff's Office. Chief Minichello also shared that Mr. Lombardo is married with four daughters.

It was moved by Councilmember Turner, seconded by Councilmember Sogg, that the appointment of Thomas Lombardo as Part-time Police Officer be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
 Nays: None.
 Motion carried.

President pro tem Schneider administered the Oath of Office to Patrolman Lombardo.

Councilmember Turner read the names of additional volunteers for appointment to the Regional Commission to Study and Address Oil and Gas Well Drilling and Exploration.

It was moved by Councilmember Frankel, seconded by Councilmember Reynolds, to approve the appointments to the Regional Commission to Study and Address Oil and Gas Well Drilling and Exploration.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
 Nays: None.
 Motion carried.

The minutes of the January 13, 2015 Council meeting were presented by the Clerk. It was moved by Councilmember Sogg, seconded by Councilmember Frankel, that the minutes be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

The minutes of the special meeting held on January 10, 2015 were presented by the Clerk. It was moved by Councilmember Sogg, seconded by Councilmember Frankel, that the minutes be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner.
Abstain: Whitney.
Nays: None.
Motion carried.

Pay Ordinance #1174 in the amount of \$674,072.79 was presented by the Clerk. Councilmember Frankel questioned why there were three different entries for electricity. Service Director Biggert explained that each building: Town Hall, the Service Department building and the rear garage has its own meter.

It was moved by Councilmember Sogg, seconded by Councilmember Reynolds, that Pay Ordinance #1174 be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

The financial statement for the period ending January 31, 2015 was presented by Treasurer Reynolds. He noted this is the first year the financial statements will not include Inheritance Tax. He summarized the following:

- Revenues are up in January relative to last year by \$130,000.
- Operating expenses are down by \$18,000.
- Operating Surplus is approximately \$271,000.
- Expense reduction occurred in all departments except administration due to increased general insurance premium, office expenses, and increased income tax expense. Finance Administrator Lechman noted it is the Auditor's expense rather than income tax expense that increased.
- General Fund is up approximately \$475,000.
- Taking into account the decline in all the other funds results in a decline from January 2014 to January 2015 in the amount of \$390,000.

The clerk had nothing to report.

Finance Administrator Lechman shared that the Mayfield City Schools is having a free production of *Grease* on Thursday, March 5 for senior adults. Councilmember Turner agreed to distribute flyers regarding the event at an upcoming luncheon.

Finance Administrator Lechman stated that Councilmember Welsh, in advance of his absence, requested she report to Council that there are only three (3) cemetery lots left and his concern for more space. Councilmember Reynolds inquired whether there has been any discussions regarding this year's band concert. Finance Administrator Lechman responded that there has not but advised that the Band Concert is always held on the third Sunday in July. With respect to the Cemetery Committee, Finance Administrator Lechman commented that Tom Quintrell indicated to Councilmember Welsh that he would reach out to Resident Glynos. Councilmember Frankel questioned if it is essential the Village provides another cemetery. Discussion among Councilmembers included identifying alternative areas; encouraging the Cemetery Committee to investigate additional options; the need for guidance from Council to the Cemetery Committee; the idea of possibility polling Villagers as to the importance of such amenity; exploring cost increase in an effort to become a self-sustaining program and whether plots owned and not spoken for could be reclaimed.

Councilmember Turner requested the correction be made to add Jenni McMaster to the list of Committee members for the Mayfield School System Liaison Committee and to add Karen Schneider to the Regional Commission list of members.

Councilmember Turner reported on behalf of the Regional Commission that the first meeting was held on January 20 with 34 people in attendance. Bylaws were approved but noted that revisions to the Bylaws would be proposed in February including revisions regarding conflicts of interest issues and quorum voting. She further reported that as part of that meeting, members broke into five committees: Legal and Legislative; Safety; Science and Technology; Political Outreach; and Communications. She advised that most of the Committees are scheduled to meet in the interim and will provide reports at the next Regional Commission meeting.

Police Chief Minichello provided a written report. Councilmember Frankel questioned why fines for 2014 were lower but with the similar number of incidents compared to 2013. Police Chief Minichello explained the disparity is due to fines from the prior year being carried over and paid in January.

A written report was provided by Service Director Biggert. Councilmember Frankel asked about the construction value of \$3.5M and how that relates to total income for the Village's Budget for increased taxes. Service Director Biggert explained re-evaluations could potentially raise it. Finance Administrator Lechman shared that the Village receives a certain percentage based on value that has been added. President pro tem Schneider added unless it is a new home. Councilmember Reynolds indicated with the two new major home constructions, there should be a noticeable benefit with regard to real estate tax revenue. Service Director Biggert stated that all permits are sent to the Auditor's office and they track those values.

Fire Chief Robinson provided a written report and an overview of both fire and EMS responses for the previous three (3) years noting an increase for EMS calls. Chief Robinson

informed Council that the first CPR class was held on February 3, 2015 and everyone in that class passed. He advised that the next class is scheduled for February 24 and encouraged participation. Councilmember Reynolds commented that the CPR classes were a direct result from outreach efforts at the Community Awareness Day event in May. She recommends other Awareness Days every 2-3 years.

Treasurer Reynolds provided an overview of the Heritage Home program. He stated a presentation was given at the last Council meeting. He opined as to the tremendous benefit for residents who have interest in fixing up their homes. He highlighted the availability of free advice, assistance in finding contractors and choosing between contractor proposals as well as the availability of low interest loans. He stated the cost to the Village is \$1,400 a year. He further stated that the Village has over 500 homes that qualify explaining that the requirement is a house must be at least 50 years old. Treasurer Reynolds added that virtually all of the surrounding communities take part in this program. President pro tem Schneider commented that the Historical Committee is in favor of this program. Councilmember Reynolds asked where the cost would fall in the Budget. Finance Administrator Lechman answered under Professional fees.

It was moved by Councilmember Turner, seconded by Councilmember Frankel, to approve the Village joining the Heritage Home program.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
 Nays: None.
 Motion carried.

Ordinance No. 2015-03 “Annual Appropriation Ordinance Village Of Gates Mills An Ordinance To Make Appropriations For Current Expenses And Other Expenditures Of The Village Of Gates Mills, State Of Ohio, During The Fiscal Year Ending December 31, 2015” was introduced by Treasurer Reynolds. Treasurer Reynolds reported that the Budget and Finance Committee recently met and worked toward a realistic and conservative proposed Budget. He stated that the Budget does not gloss over difficulties within the financial structure. He provided an overview of the proposed Budget noting as follows:

- Tax Revenues projections are flat with a notable absence of Inheritance Tax.
- Year-end General Fund balance takes into account Operating Expenses with a projected increase of \$121,000, due to decreases in Operating Budget. He noted this is a smaller surplus than experienced in past few years.
- Lumping together other funds which are generally capital-related improvements, those funds declined by a little more than \$1M.
- Total surplus for all funds/reserves decline by \$890,000.
- General Fund increase of \$121,000 offset against \$1.15M decrease.
- Other sources projecting down \$66,000 mostly due to decrease in building and liquor permits and licenses.
- General Fund revenues are down by approximately \$300,000.
- Budgets of Departments are generally flat citing good cost control with only increases where necessary for personnel expenses.

- Other funds \$1M to \$470,000. He added that the draw down on reserves is mostly due to capital expenditures.

Over the past several years, Treasurer Reynolds opined the Service Department has worked hard to get big projects taken care of. He stated that there are no current substantial projects and the Village is not putting off any big projects. In terms of infrastructure, there are a number of projects but none are substantial. Councilmember Reynolds questioned with regard to cash flow if a short term projection over the next five years could be provided. Treasurer Reynolds replied that the Budget and Finance Committee created the Financial Strategy Committee. He explained that committee is tasked to (1) work to develop options; and (2) focus on ways to communicate to residents. Councilmember Sogg shared that the Budget and Finance Committee has already begun to review possible scenarios. Councilmember Reynolds emphasized the need for Council and residents to be educated. Treasurer Reynolds said it is critical the Village do something, however, he expressed his view the Village is in a better position than many other municipalities and noted its sound operating budget.

It was moved by Councilmember Sogg, seconded by Councilmember Reynolds, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2015-03 be placed upon its final passage.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

It was moved by Councilmember Sogg, seconded by Councilmember Reynolds, that Ordinance No. 2015-03 be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

Resolution No. 2015-04 “A Resolution Accepting The Bid Of Nick Mayer’s Marshall Ford For The Purchase Of Two 2015 Ford Explorer AWD Police Vehicles” was presented by Councilmember Reynolds. Councilmember Reynolds communicated that these vehicles would be more fuel efficient and explained the need for SUVs is attributed to flooding that can occur in the area. She further reported that an existing police vehicle would be used as a trade-in and another vehicle transferred to the Fire Department. She further shared that the purchase of both vehicles is included in the Budget.

It was moved by Councilmember Reynolds, seconded by Councilmember Turner, that the rules requiring ordinances to be read on three different days be suspended and that Resolution #2015-04 be placed upon its final passage.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

It was moved by Councilmember Reynolds, seconded by Councilmember Turner, that the purchase of two vehicles for the Police Department be approved.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
Nays: None.
Motion carried.

Second reading was held for Resolution No. 2015-02 “An Ordinance Authorizing The Mayor To Purchase A Minimum Of 80 Percent Up To A Maximum Of 120 Percent Of The Estimated Salt Tonnage Requirements Of The Village For The 2015-2015 Winter Season Through The State Of Ohio Department Of Transportation’s Contract For Sodium Chloride; Waiving Competitive Bidding And Declaring An Emergency” was introduced by Sogg.

Second reading was held for Ordinance No. 2014-28 “An Ordinance Enacting New Chapter 1321 Of The Codified Ordinances Of The Village Of Gates Mills, “Certificate Of Authorized Occupancy,” To Be Applied To All Residential Rental Dwelling Units In The Village” by President pro tem Schneider. She stated that a revised draft and the original draft have been distributed with changes highlighted. Councilmember Turner expressed concern with the language “anticipated to occupy.” Law Director Cannon provided an example for such language as someone having a signed lease but the move-in process taking place two weeks later. Councilmember Frankel opined “imprisoned” as a penalty was too harsh. Discussions took place wherein explanation was provided that is how all fines for first degree misdemeanors are worded. Law Director Cannon expressed her belief that it would be very unlikely for a judge, in the case of a first offense, to send someone to jail.

Councilmember Sogg provided a report on aggregation noting that she does not yet have a proposed ordinance available. Councilmember Sogg explained that two consultants have started bidding on aggregation in addition to NOPEC. One group is Navigate who represents Constellation Energy. The other group is Aspen who represents Integrys. She noted that Aspen just recently offered to bid. Councilmember Sogg provided examples of communities that have used each respective company. She advised that she has reached out to PUCO to assist in this process. Councilmember Sogg explained that if the Village does not go with NOPEC, it has to become its own aggregator and apply for a license. Otherwise, she explained that NOPEC applies for a license on our behalf. She advised that bids are significantly lower than the current NOPEC bid. Councilmember Sogg shared the need to pursue further in order to offer residents the best result for their vote on aggregation. She further stated the need to determine if it is too difficult or expensive for the Village to be its own aggregator. She added that the Mayor is concerned the Village may be too small. Councilmember Sogg advised that each is offering grants: Aspen, with a three-year commitment offers \$3,000 in grant money yearly; and Navigate offers a \$5,000 grant similar to NOPEC. Once all of the information is available, Councilmember Sogg intends to put together a side-by-side comparison. In response to Councilmember Turner’s question, Councilmember Sogg said the Village can use one company for both gas and electric or two different companies, respectively. She commented that the Village could always go with NOPEC if the administrative part is too much. Councilmember Reynolds shared her concerns on not just the administrative dollar-value but also the non-dollar cost related to dealing with two different organizations and the management of the same. President pro tem Schneider inquired if there is a fee associated with obtaining a license.

Councilmember Sogg answered she did not believe so. Finance Administrator Lechman added there could be some legal expenses incurred. Law Director Cannon summarized that NOPEC is a council of governments. If the Village joined NOPEC, it would be joining a council of governments with NOPEC as the aggregator doing all of the negotiations, bidding, notices to residents, etc. She further explained that the alternative model of the Village becoming the aggregator means it would apply for a license and negotiate contracts with Integris or Constellation. The Village would develop a plan of aggregation. Further clarification was given that the issue is between two choices: to go with NOPEC as aggregator or determine if it is a sufficient benefit to the Village to be the aggregator. President pro tem Schneider queried about reaching out to another community to find out exactly what they did in becoming its own aggregator. Councilmember Sogg stated she has a call into PUCO. Councilmember Turner questioned if there was a consultant fee. Councilmember Sogg confirmed that there is no fee payable by the Village to the consultant as they are paid by the energy company. Finance Administrator Lechman mentioned she has received some calls from residents inquiring on the status. President pro tem Schneider recommended the Mayor communicate via his *Pink Sheet* submission that the Village is working on pursuing the best price options.

Business from the audience: None.

There being no further business, it was moved by Councilmember Reynolds, seconded by Councilmember Turner, and unanimously carried, that the council meeting be adjourned.

Roll call: Ayes: Frankel, Reynolds, Schneider, Sogg, Turner, Whitney.
 Nays: None.
 Motion carried.

Respectfully submitted,

Beth DeCapite, Clerk

Approved:

Shawn M. Riley, Mayor