

Village of Gates Mills
MINUTES OF A REGULAR MEETING OF COUNCIL
February 9, 2021

A regular meeting of the Council of the Village of Gates Mills, Ohio was held on Tuesday, February 9, 2021 at 6:00 p.m. with Mayor Schneider presiding in a remote, virtual meeting that was livestreamed to the internet.

Councilmembers present: Frankel, Reynolds, Sogg, Welsh, Whitney.

Also present were Chief Minichello, Chief Robinson, Service Director Biggert, Finance Administrator Mulh, Clerk DeCapite, Treasurer Reynolds, Village Engineer Courtney, Law Director Hunt, Jean Misch, Chris Burke (Burke Brothers), and resident Patra Duangjak.

Councilmember Frankel moved to excuse Councilmembers AuWerter and Turner. Councilmember Reynolds seconded the motion.

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

The minutes of the January 12, 2021 Council meeting were presented by the Clerk. Councilmember Sogg moved to approve the January 12, 2021 minutes as presented. Councilmember Whitney seconded the motion.

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

Pay Ordinance #1246 in the amount of \$506,996.39 was presented by the Clerk. It was moved by Councilmember Welsh to approve Pay Ordinance #1246. Councilmember Frankel asked if the Heritage Home program is being utilized by residents. Mayor Schneider answered that the program is being used and she has a report from the Cleveland Restoration Society that she will share. Councilmember Sogg seconded the motion to approve Pay Ordinance #1246.

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

Treasurer Reynolds read his report for the month of January, which is attached. The 2021 budget column represents amounts approved in the temporary appropriation ordinance passed at the December 2020 regular council meeting. The Budget Committee reviewed the budget in January and the final budget is in council's packets for tonight's meeting. Overall revenue is projected to be \$1,137,441 higher than last year. Deferred expenses from 2020, insurance costs, the master plan, income tax administrative fees, the EMS contract and service vehicles represent the General Fund main increases. Transfers to other funds are expected to be \$1,130,000, with other fund expenditures projected to be \$1,400,000. Capital improvements are

over \$900,000. The Wastewater Fund accounts for AKE Environmental along with the County's work from 2020. Treasurer Reynolds will work with Councilmembers Whitney and AuWerter and Finance Administrator Mulh to update the Long Range Plan with a focus on better understanding capital needs going forward. Councilmember Welsh moved to approve the 2021 budget, with Councilmember Sogg seconding the motion.

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

Mayor Schneider noted she is working on the State of the Village letter, which will summarize 2020 and provide an outlook for 2021. The mailing will include a flier about the electric utility. First Energy will be using a helicopter to inspect our lines and a Gates Mills Connect will be sent to inform residents about the process.

Clerk DeCapite did not have a report.

Councilmember Reynolds asked if the Village should plan on having the summer band concert. Mayor Schneider stated it is too early to say yes or no. Hopefully we will know more by April. Councilmember Sogg noted she, along with Chief Minichello, Chief Robinson and Mayor Schneider, had a productive and helpful meeting with Nick DiCicco from Chagrin Valley Dispatch. Mr. DiCicco will report to Council at its March 9 regular council meeting.

Chief Minichello provided his report. He noted a home burglary from two weeks ago this Saturday. Several communities have experienced this activity and leads are being pursued. Hunting Valley's flock cameras are being utilized and our cameras will be installed by the March Council meeting. He mentioned a car accident on Mayfield Road where a mother tried to cover for her adult son. Mayor Schneider stated she liked the Lexipol policies he had provided in the packet.

Service Director Biggert provided his written report and there were no questions.

Chief Robinson provided his report. He noted January was a light month. There were no questions.

Councilmembers Turner and AuWerter joined the meeting at 6:23 p.m. and 6:24 p.m. respectively.

Ordinance No. 2021-4 "An Ordinance Providing Appropriations for Expenditures for the Village of Gates Mills, Ohio, for Fiscal Year Ending December 31, 2021, Repealing Certain Ordinances and Declaring an Emergency" was read by Councilmember Whitney.

Councilmember Whitney moved that the rules requiring ordinances to be read on three different days be suspended and that Ordinance No. 2021-4 be placed upon its final passage. Councilmember Sogg seconded the motion to suspend the rules.

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

It was moved by Councilmember Whitney, seconded by Councilmember Frankel, that Ordinance No. 2021-4 be approved.

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

Resolution No. 2021-5 "A Resolution Authorizing and Directing the Transfer of Certain Sums from the General Fund to the Capital Improvement Fund, Wastewater Fund and Police Pension Fund" was introduced by Councilmember Whitney.

Councilmember Whitney moved that the rules requiring ordinances to be read on three different days be suspended and that Resolution No. 2021-5 be placed upon its final passage. Councilmember Welsh seconded the motion to suspend the rules.

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

It was moved by Councilmember Whitney that Resolution No. 2021-5 be approved. Councilmember Welsh seconded the motion.

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

Ordinance No. 2021-6 "An Ordinance to Approve Current Replacement Pages to the Gates Mills Codified Ordinances" was read by Councilmember Reynolds.

Councilmember Reynolds moved that the rules requiring ordinances to be read on three different days be suspended and that Ordinance No. 2021-6 be placed on its final passage. Councilmember Turner seconded the motion.

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

It was moved by Councilmember Reynolds, seconded by Councilmember Welsh, that Ordinance No. 2021-6 be approved.

Roll call: Ayes: AuWerter, Frankel, Reynolds, Sogg, Turner, Welsh, Whitney.
Nays: None.

Motion carried.

Resolution No. 2021-7 “A Resolution Authorizing the Purchase of a 2021 Kubota Diesel 4x4 Tractor from Middlefield Farm and Garden” was read by Councilmember AuWerter. Service Director Biggert noted the tractor is being purchased under state bid pricing. Councilmember AuWerter noted the tractor being replaced is a 2001 model, which is 20 years old. Council discussed how to know when to replace equipment. Councilmember AuWerter said he is in favor of proceeding with the purchase using the judgement of management. Mayor Schneider asked if the old tractor will be sold. Service Director Biggert noted it will be traded-in for approximately \$4,000.

Councilmember AuWerter moved that the rules requiring ordinances to be read on three different days be suspended and that Resolution No. 2021-7 be placed on its final passage. Councilmember Sogg seconded the motion.

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

It was moved by Councilmember AuWerter, seconded by Councilmember Turner, that Resolution No. 2021-7 be approved.

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

Resolution No. 2021-8 “A Resolution Authorizing the Purchase of a Dump Truck Body and Plow Equipment from Judco Truck Equipment” was read by Councilmember AuWerter. Councilmember AuWerter noted this will replace the oldest plow truck, which is a 2006 Ford 550 with over 70,000 miles.

Councilmember AuWerter moved that the rules requiring ordinances to be read on three different days be suspended and that Resolution No. 2021-8 be placed on its final passage. Councilmember Welsh seconded the motion. Councilmember AuWerter added that this purchase was deferred from last year.

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

It was moved by Councilmember AuWerter, seconded by Councilmember Welsh, that Resolution No. 2021-8 be approved.

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

Resolution No. 2021-9 “A Resolution Authorizing the Purchase of a 2021 Ford F550 Chassis from Nick Mayer Ford Lincoln” was read by Councilmember AuWerter.

Councilmember AuWerter moved that the rules requiring ordinances to be read on three different days be suspended and that Resolution No. 2021-9 be placed on its final passage. Councilmember Frankel seconded the motion.

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

It was moved by Councilmember AuWerter, seconded by Councilmember Welsh, that Resolution No. 2021-9 be approved.

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

There were no questions from the audience. Chief Robinson reported there were six people viewing the meeting on YouTube.

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

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

Respectfully submitted,



Beth DeCapite, Clerk

Approved:



Karen E. Schneider, Mayor

Village of Gates Mills

Treasurer's Report

Month Ended 1/31/2021

Our first month of 2021 is largely on track with where we were at this time last year. Expenses before transfers were slightly over last year but revenues were also slightly over 2020, resulting in a small surplus in our general fund. Please note that the 2021 budget column on the financial report, marked "Temporary" was based only on appropriations and does not reflect the actual work of the budget committee. This will be corrected going forward.

2021 Budget

The Budget committee reviewed and revised the proposed budgets of our operating departments and for the various funds and completed it's work in January. Included in your packet is the final work product for the 2021 budget. I'd like to draw your attention to several items:

- **Municipal Income Tax Revenues** are budgeted to be \$1,205,760 more than 2020. This is due to the recent and unexpected tax payment discussed in prior meetings.
- **Overall, 2021 revenues** are projected to be \$1,137,441 higher than last year, with real estate taxes forecast to be down 3% (as projected by the county)
- **General fund operating expenses** are projected to be up 24%, or \$1,142,546 higher. Major items causing the increase (apart from normal salary and benefits increases):
 - **Admin** (up 23%) Increased RITA Fees (because of higher collections) Increased insurance costs, the Master Plan
 - **Police** (up 10%): No Vehicle purchased this year, Largely HR related increases.
 - **Fire** (up 39%): New EMS Contract and Deferred Expenses from last year
 - **Service:** (up 23%) Deferred expenses, new vehicles
- **Transfers to Other Funds:** 2021 transfers are projected at \$1,130,000 which is \$335,000 higher than last year. Overall, our Net Expenditures from other funds (which include drawdowns of money currently in each fund but is before reimbursements from the county for capital projects) are projected to be \$1,427,896. Major areas of expense are:
 - **Capital Improvement:** \$972,500 vs. \$442,759 in 2020. Major projects are listed on the last page of the budget handout.
 - **Wastewater:** \$189,240 vs \$164,493 in 2021. Represents costs of using an independent contractor and receiving the invoice for 2020 County services in 2021.
- **Overall, our reserves** are projected to increase \$502,721 in 2021. The unexpected Muni tax payment allowed us to catch up on deferred expenses and significantly accelerate our capital improvement programs, most notably in streets and roads, while still producing a surplus.

Long Range Planning Projection

The years 2020 and 2021 are, to say the least, extremely unusual. The combination of pandemic impacts and higher than expected Municipal Income tax receipts made forecasting extremely difficult. It is too soon to know if the change in receipts is temporary or structural and the pandemic is not yet over. As such, determining what is "steady state" for the village finances and whether our financial structure is sustainable as it stands has been difficult. Over the next few weeks, I will be working with Janet, Chip and Ann to review and revise our LRP projection to incorporate the 2020 actuals, the 2021 budget and analyze various scenarios with respect to the out years.

In addition, it seems clear that we need to better understand our capital improvement needs going forward. 2021's increased expenditures are all necessary, but we have questions about their impact on future needs. What is our likely average spend on streets and culverts in the future? What is the schedule for equipment replacement and major repairs each year? It is our capital needs that largely determine whether the Village operates in surplus or deficit. Given the projections in the LRP last year and the significantly larger budgeted expenditures in 2021, it seems clear that we need to get a better handle on our ongoing needs.

The budget is submitted to the Council for action.