

Village of Gates Mills
MINUTES OF A REGULAR MEETING OF COUNCIL
September 13, 2011

A regular meeting of the Council of the Village of Gates Mills, Ohio was held on Tuesday, September 13, 2011 at 6:30 P.M. in the Village Hall.

Councilmembers present: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.

Councilmembers absent: Schneider.

Mayor White presided.

It was moved by Councilmember Reynolds, seconded by Councilmember Bletcher, that Councilmember Schneider be excused from the meeting.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

The minutes of the meeting of August 9, 2011 were presented by the Clerk. It was moved by Councilmember Bletcher, seconded by Councilmember Nemastil, that the minutes be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Riley.
Nays: None.
Abstain: Reynolds, Welsh.
Motion carried.

Councilmember Reynolds stated that the minutes reported that Councilmember Bletcher was going to attempt to bring his banker to the September council meeting to make a proposal, but she did not see that item listed on the agenda. Councilmember Bletcher said he never said he was; it would be inappropriate for his banker who is in private banking to make a presentation to Council. His hope was that his banker could work with the Public Sector banker to reduce the Village's service charges which he continues to believe are excessive. He said Treasurer Reitman in what Councilmember Bletcher interpreted as an emotional posture said that maybe Councilmember Bletcher would like to have his banker make a presentation. Councilmember Bletcher knew it was an impossibility so his response was sarcastic or over-emotional. Councilmember Riley said his interpretation of what took place at the last meeting was that Councilmember Bletcher had someone who could give a better price. Councilmember Bletcher said he wanted his banker to meet with the Village's banker at Key Bank so that between them they could come up with a method to reduce the Village's service charges. Councilmember Riley asked if they met. Councilmember Bletcher did not know. Councilmember Reynolds said he would have had to initiate the meeting. Councilmember Bletcher said that the meeting would have to be initiated by the Village. Under bank rules no banker could meet with him; they could only meet with those who are authorized to sign checks.

Councilmember Barnes asked why Councilmember Bletcher's banker brought up to him the topic of the Village's relationship if she didn't have access to the Village's relationship. Councilmember Bletcher had no idea but was willing to supply contact information for his banker. His banker knew the Village's banker attended a meeting with Village officials and somehow his name came up. He questioned Finance Administrator Lechman if she knew anything about it. Finance Administrator Lechman explained that in her meeting with the Village's banker she said that Minyon had indicated she could help lower service charges. When they responded that Minyon could not because they were different sectors, Finance Administrator Lechman said maybe they could explain the situation to Minyon.

Councilmember Bletcher asked what the point of this conversation was. Councilmember Barnes responded that it put Finance Administrator Lechman in an awkward position. Other people talking to Key Bank insinuated we are not happy with the relationship. The only people authorized to talk to Key Bank are the authorized signers. We called the bank the day after the last council meeting to make sure they knew we were happy with our relationship.

Councilmember Bletcher said he did not call Key Bank. He did nothing and would never do anything to put our relationship with Key Bank in an awkward position. He learned from Finance Administrator Lechman that the Village's service charge averaged \$300 per month. He felt that was high since his business has about the same bank balance and uses about the same number of checks. He has no service charge.

Councilmember Reynolds said last month's minutes indicated Councilmember Bletcher wanted to have his banker make a formal proposal. Councilmember Bletcher said that Treasurer Reitman asked him to ask his banker for a formal proposal. Councilmember Bletcher asked Treasurer Reitman if he could remember the context. Treasurer Reitman responded that Councilmember Bletcher represented the cost could be reduced.

Councilmember Riley asked if the banker was going to make a proposal at this meeting. Councilmember Bletcher responded "of course not".

Councilmember Bletcher said he resents Councilmember Barnes implication that he did anything to lessen the Village's relationship with Key Bank. Councilmember Barnes said Finance Administrator Lechman is the conduit with the bank.

Councilmember Bletcher said we are in the middle of an election cycle and we are so sensitive when anyone tries to find ways to reduce our costs. Both Councilmember Barnes and Riley said they appreciated any input.

Councilmember Bletcher asked if any other bank is going to be looked at. Councilmember Barnes asked Finance Administrator Lechman what the service charge was for August. She responded \$27.18. Councilmember asked if Key Bank handles our loans. Finance Administrator responded "yes". Councilmember Bletcher said he thought the charge was \$300 per month. Finance Administrator Lechman said changes were made. Councilmember Barnes explained that the earnings credit given by Key Bank was higher than interest income percentage so we moved money from STAR Ohio to Key Bank. He added that this was explained last month.

Councilmember Bletcher said at the last meeting it was stated that the service charge could be reduced by 50%. Councilmember Riley read the excerpt from the August minutes that the service charges would be reduced to the extent that is practical.

Councilmember Bletcher thanked Treasurer Reitman for helping reduce the service charge, pointing out that there will be a \$4000 per year savings. Finance Administrator Lechman explained that interest income would be lost. After calculating interest rates and charges Councilmember Bletcher again extended his compliment for the cost reduction.

Pay Ordinance #1133 in the amount of \$281,543.13 was presented by the Clerk. It was moved by Councilmember Bletcher, seconded by Councilmember Riley, that Pay Ordinance #1133 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

The financial statement for the period ending August 31, 2011 was presented by the Clerk. Councilmember Barnes said that the Village's debt peaked in 2005 at \$4.8 million. Today the unfunded debt is \$1.3 million. He is going to recommend paying off the \$450,000 debt in the spring of 2012. The balance of unfunded debt is interest free. He feels everyone involved in servicing the debt should be congratulated on lowering it. Councilmember Bletcher asked what the minimum payment amount was on the unfunded interest-free debt. Councilmember Barnes said \$102,292 annually.

Councilmember Welsh asked if anyone has recently paid a Water connection charge. Finance Administrator Lechman said Old Livery just connected.

Councilmember Welsh questioned the Library Debt asking if it could be paid off with an expansion of the library. Councilmember Reynolds explained that fund raising paid for most of the library. The debt is really downtown debt. Finance Administrator Lechman agreed it was for infrastructure. Councilmember Welsh felt that expansion should be considered. Councilmember Barnes said that a circulating commentary is that the Village does not have a strategy plan to deal with the pending loss of Inheritance Tax income. He rejects that notion in that the Finance and Budget Committees are in total unanimity to get high liquidity, including getting the unfunded debt down so that when culverts etc. come up we will have the liquidity and ability to get a bank loan. Therefore, he would not advocate spending money on a facility that exists and is in good condition.

Chief Szeredy presented a written report for the Police Department for the preceding period. He said there is an increase amount of theft and house burglaries in the communities around Gates Mills. He encourages the residents to use their alarm systems and to report suspicious activities. Saturday, October 29, 2011 between 10:00 a.m. and 2:00 p.m. there will be a pharmaceutical collection at the Police Department.

Service Director Biggert presented a written report for his department for the preceding period.

Tuesday September 20, 2011 there will be a household hazardous waste collection from 7:30 a.m. to 12:30 p.m. and flu shots between 1:00 and 3:00 p.m., both at the Community Building. Councilmember Bletcher commended the “beyond the call of duty” action by two Service Department employees “*who assisted in a car accident*”. Village Engineer Courtney reported that Glenwood and Beverly road construction will begin tomorrow. There will be brief traffic delays.

Mayor White presented Chief Robinson’s written report for the Fire Department for the preceding period.

Resolution #2011-21 entitled “A Resolution Approving The Sale Of A Used Police Vehicle,” was introduced by Councilmember Riley and read by the Clerk. It was moved by Councilmember Riley, seconded by Councilmember Welsh, that the rules requiring ordinances to be read on three different days be suspended and that Resolution #2011-21 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Riley, seconded by Councilmember Nemastil, that Resolution #2011-21 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Resolution #2011-22 entitled “A Resolution Authorizing The Purchase Of A Service Department Vehicle Through The State Of Ohio, Department Of Transportation Purchasing Program,” was introduced by Councilmember Barnes and read by the Clerk. Councilmember Barnes pointed out that this purchase was for the cab and chassis; the equipment for the truck will be purchased next year. Councilmember Nemastil asked if the replaced vehicle was going to be traded in or sold. Service Director Biggert said there was no room to store it, so it will be traded in. To save money there will not be a bed installed on this truck and we are using a salt spreader from another truck. It was moved by Councilmember Barnes, seconded by Councilmember Reynolds, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2011-22 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Barnes, seconded by Councilmember Reynolds, that Ordinance #2011-22 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Resolution #2011-23 entitled “A Resolution Accepting The Bid Of Cargill Salt For Purchase Of Road Salt For The 2011-2012 Winter Season,” was introduced by Councilmember Barnes and read by the Clerk. Councilmember Barnes said that the State’s salt contract goes out in January. We did not receive notice this year, but Service Director Biggert has requested a notification next year. Councilmember Welsh suggested we accept Morton’s bid, also. Service Director Biggert explained no company wants to be secondary. Always when they learn they are secondary we receive a letter stating that the bid is withdrawn. It was moved by Councilmember Barnes, seconded by Councilmember Welsh, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2011-23 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Barnes, seconded by Councilmember Welsh, that Ordinance #2011-23 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Resolution #2011-24 entitled “A Resolution Authorizing The Clerk To Accept Payment Of The Principal Amount Of The Remaining Installments Of Certain Special Assessments Which Are Currently Scheduled To Be Paid After This Year,” was introduced by Councilmember Barnes and read by the Clerk. Finance Administrator Lechman explained that this assessment was for the Mayfield School Board “triangle” property. When the property was for sale the Village paid for a portion of it. The owners of the contiguous properties are being assessed for that payment; they are reimbursing the Village over a 20 year period. It was moved by Councilmember Barnes, seconded by Councilmember Welsh, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2011-24 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Barnes, seconded by Councilmember Welsh, that Ordinance #2011-24 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Resolution #2011-25 entitled “A Resolution Accepting The Amounts And Rates As Determined By The Budget Commission And Authorizing The Necessary Tax Levies And Certifying Them To The County Fiscal Officer,” was introduced by Councilmember Barnes and read by the Clerk.

Finance Administrator Lechman explained this approves the tax rates if the levies are not passed. If either or both levies are passed there will be a replacement Resolution. It was moved by Councilmember Barnes, seconded by Councilmember Reynolds, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2011-25 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Barnes, seconded by Councilmember Reynolds, that Ordinance #2011-25 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Resolution #2011-26 entitled "A Resolution Requesting The County Auditor To Advance Taxes From The Proceeds Of Tax Levies Pursuant To Ohio Revised Code Section 321.34," was introduced by Councilmember Barnes and read by the Clerk. It was moved by Councilmember Barnes, seconded by Councilmember Welsh, that the rules requiring ordinances to be read on three different days be suspended and that Ordinance #2011-26 be placed upon its final passage.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

It was then moved by Councilmember Barnes, seconded by Councilmember Welsh, that Ordinance #2011-26 be approved.

Roll call: Ayes: Barnes, Bletcher, Nemastil, Reynolds, Riley, Welsh.
Nays: None.
Motion carried.

Business from the audience:

Katherine Malmquist from the Gates Mills Library reported on recent programs and announced upcoming programs.

Councilmember Reynolds asked if anyone wanted to change the date of the November council meeting since it falls on Election Day. It was decided to leave the council meeting date as Tuesday, November 8, 2011.

Councilmember Welsh reminded council that Candidates' night is October 6, 2011 at 7:00 p.m.

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

Respectfully submitted,

Beth DeCapite, Clerk

Approved:

Connie White, Mayor

Red italic shows following month's amendment.