

Record of Proceedings

Special Council Meeting

August 5, 2016

Presiding Officer, Council President Nick Molnar, Mayor Pro Tempore called the August 5th special meeting to order at 6:30pm

Present: Council members' Kevin Bilkie, David Engle, Sylvia Hanneken, Nicholas Molnar and Janet Tulley; Law Director y Mark Guidetti and Council Clerk Josephine Arceci.

Absent: Mayor Joseph Migliorini

LEGISLATION

RES. NO. 57 – 2016

AN EMERGENCY RESOLUTION AUTHORIZING THE MAYOR TO APPLY TO THE OHIO PUBLIC WORKS COMMISSION FOR A POTENTIAL GRANT AND/OR LOAN FOR THE FUNDING OF CAPITAL INFRASTRUCTURE IMPROVEMENT PROJECTS was **offered by Ms. Tulley** and moved Council waive the requirement that it be read by title on three different days, instructing the Clerk to read it by **title only for its second and third readings**. Second by Mr. Molnar

Relative to RES. NO. 57-2016, Mr. Engle asked Ms. Tulley to reconsider her motion and offer the resolution for its second reading only for the reason Mr. Engle continued that there has been not adequate dialogue about the terms of resolution Mr. Engle suggested that scheduling longer work sessions would provide Council more opportunity to speak and learn about legislation before being expected to act upon it.

Ms. Tulley stated that given the third reading of Resolution No. 57-2016 is forthcoming she honor Mr. Engle's bequest and **withdraw her motion for said resolution to be read for its second and third time**. Ms. Hanneken's second on Ms. Tulley's motion which carried unanimously on a voice vote.

Ms. Tulley subsequently **offered RES. NO. 57-2016 for its second reading by title only**. Second not required.

Prior to further dialogue about Resolution No. 57-2016 a brief discussion ensued about the Ohio Supreme Court recent ruling regarding emails as they pertain to the Ohio Open Meeting Act. Law Director Guidetti reiterated previous advice to Council, that Council is prohibited from discussing public business via email. Mr. Guidetti advised Council that procedural information can continue to circulate via email to all members of council i.e. notices of a meetings, dissemination of information. Discussion however, round-robin dialogue, chains of emails back and forth among and between the quorum is prohibited.

Regarding RES. NO. 57-2016, the "grant application" Councilor Engle asked Engineer Gigliotti when the grant is due to which Mr. Gigliotti answered that the grant was due at the end of July and for that reason the City submitted the application to the OPWC with the understanding that resolution would be forthcoming. Mr. Gigliotti explained the 50/50 grant is for two projects: sanitary sewers at the south end of Highland Road and a roundabout at Highland and Valley View Roads. Construction cost of the sewers is estimated at \$782,000 Mr. Gigliotti stated. The sewers would replace the septic systems of 20

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households. The project may entail assessing residents for all or part of the cost Mr. Gigliotti added and it is for this reason that the City included this project into the grant application to secure grant money in order to proceed with the project and to perhaps offset the cost assessed to the residents. The second grant application is for the roundabout Mr. Gigliotti stated estimated to cost \$746,000. The total then total the City is asking for \$750,000 in grant monies Mr. Gigliotti stated.

Councilor Tulley interjected Mr. Gigliotti provided Council several months ago detailed information about the safety and cost effectiveness of roundabouts compared to intersections.

Councilor Engle asked Mr. Gigliotti when Macedonia is obligated to provide its share of the funding if grants are approved to which Mr. Gigliotti answered not until 2017 or even thereafter, perhaps 18-24 months from now. Pursuant to OPWC guidelines construction cannot actually begin until July 1, 2017 Mr. Gigliotti stated. And if the City's were to receive the grants but does not proceed with the projects the grants would have to be returned Mr. Gigliotti added.

Councilor Engle explained his primary concern with Resolution 57-2016 are the additional references to loan application and financial assistance. Understanding that the legal jargon of the resolution is reflected in the areas of legislation designated as sections, Mr. Engle prefers that the words "loan" and "financial" be deleted within the title, the fourth Whereas clause and Sections 1 & 2. Mr. Engle cited a previous situation in which similar language was approved, that is the mayor was authorized to enter into all contracts and the result was engineering fees accrued to the tune of \$130,000.

Mr. Engle therefore moved, Ms. Hanneken seconded to amend Resolution No. 57-2016 as stated above.

Prior to roll call Council President Molnar asked Mr. Gigliotti if Mr. Engle's motion will affect the outcome the application to which Mr. Gigliotti said it should not. However given OPWC suggests sample language municipalities must follow Mr. Gigliotti would prefer before Council takes final action that he be allowed to review the template to ensure no detrimental effect.

Mr. Engle agreed and withdrew his motion. Ms. Hanneken seconded and motion carried unanimously on a voice vote. Mr. Engle added that addition to the procedural issue he just expounded upon he feels there are substantive issues regarding the projects themselves.

Councilor Bilkie asked Mr. Gigliotti to elaborate the benefit of applying and what are the City's chances of receiving the grants to which Mr. Gigliotti answered the obvious benefit is receiving the grants and at the very least the City gets on OPWC radar. Mr. Gigliotti explained that the City's application is scored and ranked and knowing that score and rank as well as the scores and ranks of the other municipalities will help Macedonia regarding future applications. Explaining further Mr. Gigliotti said the number of OPWC annual allocations/grants vary based on the total pot of money and how OPWC perceives the value and importance of the project(s).

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ORD. NO. 58-2016

AN EMERGENCY ORDINANCE AMENDING SECTIONS 182.01(B), 182.03 AND 182.04(A) OF THE CODIFIED ORDINANCES OF THE CITY OF MACEDONIA, OHIO, IN ORDER TO INCREASE THE CITY'S INCOME TAX RATE BY ONE-QUARTER PERCENT (1/4 %) STARTING ON JANUARY 1, 2017 AND CONTINUING THEREAFTER FOR ROAD IMPROVEMENTS AND STORM WATER PROJECTS; AND SUBMITTING SAME TO THE ELECTORS ON NOVEMBER 8, 2016 was **offered** by Mr. Molnar for its **first reading by title only**.

Relative to ORD. NOS. 58-60-2016 Councilor Engle asked for a synopsis of each to which Mr. Guidetti explained that Ordinance No. 58-2016 provides a continual quarter percent (1/4%) tax increase earmarked specifically for road improvements and storm water projects. Ord. No. 59-2016 provides for a twenty-year (20) quarter percent (1/4%) tax renewal to Recreation Center, for new construction and other projects. Ordinance No. 59-2016 includes language pertaining to the allocation of income tax dollars if Ord. No. 58-2016 is approved by the voters. Ord. No. 60-2016 is the same as Ordinance No. 59-2016, that is, it provides for a twenty-year (20) quarter percent (1/4%) tax renewal to Recreation Center, for new construction and other projects except that Ord. No. 60-2016 includes language pertaining to the allocation of income tax dollars if Ord. No. 58-2016 is not approved by the voters. The duplication of Ord. No. 59-2016 and Ord. No. 60-016 if for codification purposes only Mr. Guidetti added.

Councilor Engle asked Mr. Guidetti the differences between Ord. No. 58-2016 and tax levy that failed at the August 2nd special election to which Mr. Guidetti explained that the previous proposal increased the income tax rate by one-half percent (1/2%) for a period of five-years, then dropped to one-quarter percent (1/4%) for a continual period. If it had been approved the effective date of the increase would have been October, 2016. Ordinance 58-2016 provides for a continual quarter percent (1/4%) effective January 2017.

Councilor Bilkie interjected that the increase proposed by Ord. No. 58-2016 would generate \$7.5 million dollars. This amount would not provide the complete solution to Macedonia road needs Mr. Bilkie said but would at least provide the ability to repair those roads labeled very poor condition and poor condition. Mr. Bilkie suggested that he may move to amend the ordinance by reducing the length of years to five as limiting the years may make the levy more palatable to the voters.

Council President Molnar suggested that any further discussion about the levy ordinances be held during the work session scheduled for August 8th. Mr. Molnar opined that before Mr. Bilkie make any changes Council of the Whole should collaborate.

Councilor Engle reminded members of Council that the levy on the August 2nd ballot was resoundingly defeated and it was not too different than what is being proposed by Ord. No. 58-2016. Residents clearly indicated they are not willing to increase taxes Mr. Engle stated and from a political point-of-view he does not think it is not prudent to introduce the increase again. The August 2nd ballot issue was jammed through Mr. Engle stated and this time the process seems even quicker he added. Mr. Engle said that in the biblical story of Exodus every time Moses asked Pharaoh to let the Jews go something bad happened. Well Pharaoh never changed Mr. Engle stated, his heart was just hardened. And the hearts of

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Macedonia's residents are going to be hardened too Mr. Engle added by continually forcing a tax increase. Mr. Engle suggested Macedonia's officials respect the voice of the residents and not propose any increases at this time.

Councilor President Molnar reminded Mr. Engle that the end of that story of Exodus everything is destroyed. Continuing, Mr. Molnar said Macedonia roads need to be addressed now. By not addressing them, by continuing to ignore the reality of the situation, by acting like deteriorating roads do not exist creates more of a problem Mr. Molnar stated. The amount of the tax increase in August may have been why the levy failed Mr. Molnar added. The lesser percentage may be more palatable to the voters. Nonetheless something has to be done and it the responsibility of Macedonia's elected officials to act on Macedonia's failing infrastructure.

Councilor Engle did not disagree with Mr. Molnar that there is a need. However in Mr. Engle's opinion voters have said come back with a different or better solution. Mr. Engle feels the \$225,000 annual revenue stream NEORS D will be providing as the community's share money could fund storm water issues. The City could bond a larger portion and use the community share for the annual payment on the bond. That being the case about \$4M dollars worth of problems could be solved Mr. Engle stated. And while this would not be a total solution it is certainly would be partial one he added. Macedonia could then focus on three major storm water areas: Our Lady of Guadalupe retention basin, the Sioux Road culvert and the Bedford Ledge Roads corridor.

Councilor Tulley stated she has examined all the solutions one of which would be to do nothing in the hope that the economy improves and Macedonia tax receipts increase. There will be money when the City Center debt is paid. But that money is not available for road or storm water repairs because of its specific earmark Ms. Tulley added. Continuing with other options, Ms. Tulley stated increasing the income tax rate by ¼%, which is being proposed, reducing the tax credit, increasing property tax which Macedonia has not done since the sixties, assessing residents and eliminating other services. For the past several years there was a conscious effort by Council to stop borrowing money Ms. Tulley stated, to stop bonding projects. Council placed a temporary three-year ¼% tax increase on the ballot to help Macedonia get back on better financial footing after the recession and it helped But the reality is Ms. Tulley concluded is Macedonia has deteriorating roads and major storm water issues and just not enough money to fund resolution to either problem. The time is now to take action. The time is now to place the question on the ballot she said. Regarding the community share distribution by NEORS D Ms. Tulley stated Macedonia must get the agency's approval before the City can proceed with any project. Regarding the larger projects NEORS D has announced responsibility but the agency has also announced it must study the area which means Ms. Tulley added that there will be yet another study for the Bedford Ledge Roads corridor.

Councilor Engle agreed with Ms. Tulley in that Council made the decision to pay cash because of the long term history of only paying the interest on the Notes. Borrowing or bonding is permissible in his opinion Mr. Engle stated only as long as there is dedicated revenue source as will be the case with the annual distribution from NEORS D.

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Council President Molnar interjected that the City reliance on income tax revenue ebbs and flows and disastrous, expensive issues can hit a City at any time. The City came back from the recession but a similar event can happen again Mr. Molnar reminded Council. Macedonia has been living within its means but now help is needed. Twenty million dollars worth of road work cannot continue to be ignored. Macedonia's roads cannot or should not be allowed to deteriorate Mr. Molnar added.

Councilor Hanneken reminded Mr. Molnar that voters in a crushing manner overwhelmingly said no to the tax increase that the Mayor and the majority of the members of Council presented. Instead of listening to the voters and trying to address their concerns the increase is being placed on the ballot again. The question Ms. Hanneken said is not whether the roads need to be repaired. The roads need to be repaired; the residents know that and Council knows that. The question is why in four decades there has not been a long term plan to fix the roads Ms. Hanneken stated. Ms. Hanneken opined what should be done is that existing expenditures should be whittled so Council can focus on financing a road plan. Macedonia has spent \$1M annually for last 20-years to finance the Recreation Center and its accoutrements. Council must review its priorities consider that 12½ % of the tax dollar continues to be spent on parks and recreation when city roads are not being properly maintained. Macedonia most critical priority is the roads and therefore the City's priority should be focusing resources for repairs including the ¼% earmark for recreation that expires in 2017. In Ms. Hanneken's opinion the City's 2016 budget and \$37 million 5-year Capital Plan is an example of expenditure bloat minus proper priorities. Council should hone in on the real issues. This could be done if there were real work sessions and if all alternatives were examined. In Ms. Hanneken's opinion \$1M dollars currently spent annually on recreation should be reallocated to roads with perhaps just a portion of that revenue being allocated to recreation.

Councilor Tulley questioned Ms. Hanneken whether she's suggesting income dollars not help fund the Recreation Center to which Ms. Hanneken said, no, funding would continue, just not at the annual level of \$1 million dollars. There is no reason in Ms. Hanneken opined for 12 ½% of the income tax dollar to be allocated to recreation when road maintenance is a higher priority. Ms. Tulley questioned Ms. Hanneken how recreation would be funded without a higher level of distribution since recreation centers generally are not financially self supportive. The City was aware of that 20-years ago Ms. Tulley said and for that reason income tax dollars were earmarked for the purpose of recreation; construction of the Recreation Center and sustained operational support. Residents want future improvements, like a pool or a gym. Where then does the money come, Ms. Tulley questioned? Ms. Tulley opined income tax revenue should continue to be specifically earmarked for the Recreation Center, for its continued maintenance and growth as well there being an additional earmark for roads and storm water maintenance and repairs.

Councilor Hanneken reiterated she is not opposed to tax revenue supporting the Recreation Center, just not 12 ½% of the income tax dollar. Regarding storm water, NEORS will be providing an annual revenue stream of about \$225,000 which could be bonded to provide for a broader spectrum of repairs Ms. Hanneken stated. NEORS is taking responsibility for repairing Macedonia's larger problem areas Ms. Hanneken added.

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Councilor Tulley reminded Ms. Hanneken that NEORS D will be approving all of Macedonia projects before releasing funds. Ms. Tulley suggested an NEORS D official attend a meeting to explain the processes including potential credits in order to avoid any further confusion about how much money Macedonia will be receiving annually, the process relative to the accusation of those funds and the responsibility NEORS D is taking on relative to the larger projects.

Council President Molnar interjected that road and storm water repairs are not independent of each as the city engineer will affirm. Mr. Molnar mentioned there are 39 catch-basins which need to be fully repaired, each costing between \$3,000-\$6,000 dollars and 16 crossovers estimated to cost between \$10,000 and \$30,000. Much of the damage to roads correlates to the deteriorating condition of catch-basins and the crossovers. Water destroys road so consider them separately is ludicrous Mr. Molnar stated. The majority of Council Mr. Molnar told Ms. Hanneken does not agree with her ideas about funding road improvements and storm water repairs yet she continues to harp on the same proposal.

Councilor Hanneken told Mr. Molnar that the voters of Macedonia do not also agree with the majority of Council either.

Mr. Molnar criticized Ms. Hanneken for vocally opposing Macedonia's levy in August yet she encouraged Northfield Center Township residents to vote for the township's costly levy. Continuing,

Councilor Bilkie interjected except for him every member of Council is almost a lifelong resident of Macedonia. Mr. Bilkie was drawn to Macedonia in 2009 in part he said because of the Recreation Center and its potential for providing additional amenities. In fact, he added, a better Recreation Center and better roads were the reasons he ran for elected office and he let that be known. Mr. Bilkie supports the levies, supports a dedicated revenue stream for each because without an earmark he said, projects find their way to the back burner. Mr. Bilkie opined Macedonia elected officials needs to provide for good recreational services and programming as well as good road and therefore in his mind Council should be of the same mindset in this regard.

Councilor Hanneken reminded Mr. Bilkie that the voters had a different mindset by resounding crushing the levy on August 2.

Councilor Bilkie responded that the levy failed because Ms. Hanneken misled voters by posting that residents would be strapped by a 25% tax increase. In Mr. Bilkie's opinion, the August 8 work session should be the opportunity to brainstorm, to work together in order to determine what works best to better Macedonia, to negotiate on behalf of Macedonia residents for the continuation of improvements of the Recreation Center as well as improving the city roads. Mr. Bilkie questioned who will want to live in Macedonia, what will happen to the value of Macedonia's property if nothing is done in regards to Macedonia roads and Recreation Center.

ORD.NO. 59-2016

AN EMERGENCY ORDINANCE AMENDING SECTIONS 182.01(B), 182.03 AND 182.04(A) OF THE CODIFIED ORDINANCES OF THE CITY OF MACEDONIA, OHIO, RENEWING THE CURRENT ONE-QUARTER PERCENT (1/4%) INCOME TAX LEVY WHICH EXPIRES ON JUNE

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30, 2017 AND WHICH IS DESIGNATED EXCLUSIVELY FOR MAINTENANCE AND OPERATION OF THE CITY RECREATION CENTER INCLUDING ANY NEW CONSTRUCTION AND OTHER PARKS AND RECREATION PURPOSES, SAID RENEWAL TO CONTINUE FOR A TWENTY YEAR TERM EXPIRING ON JUNE 30, 2037; AND SUBMITTING SAME TO THE ELECTORS ON NOVEMBER 8, 2016 was **offered** by Mr. Molnar for **its first reading by title only**. Second not required.

ORD.NO. 60-2016

AN EMERGENCY ORDINANCE AMENDING SECTIONS 182.01(B), 182.03 AND 182.04(A) OF THE CODIFIED ORDINANCES OF THE CITY OF MACEDONIA, OHIO, RENEWING THE CURRENT ONE-QUARTER PERCENT (1/4%) INCOME TAX LEVY WHICH EXPIRES ON JUNE 30, 2017 AND WHICH IS DESIGNATED EXCLUSIVELY FOR MAINTENANCE AND OPERATION OF THE CITY RECREATION CENTER INCLUDING ANY NEW CONSTRUCTION AND OTHER PARKS AND RECREATION PURPOSES, SAID RENEWAL TO CONTINUE FOR A TWENTY YEAR TERM EXPIRING ON JUNE 30, 2037; AND SUBMITTING SAME TO THE ELECTORS ON NOVEMBER 8, 2016 was **offered** by Ms. Tulley for **its first reading by title only**. Second not required

Relative to ORD. NOS. 59 & 60-2016, Law Director Guidetti explained that each of the ordinances is the same that is, providing for the continuation of 1/4% income tax for the Recreation Center. The difference in the two ordinances pertains to language describing the allocation of the income dollars if voters pass the 1/4% income tax increase for road improvements and if the voters do not. The law director's intent is to file both ordinances with the Board of Elections. But only Ordinance No. 59-2016 will appear on the ballot. Ordinance No. 60-2016 provides only for clarifying language for the codifier of Macedonia's Codified Ordinances Mr. Guidetti stated.

Councilor Bilkie interjected that as chair of the Parks & Recreation Commission and as a member of the Redevelopment and Growth Committee the focus of each group over the last year respectively has been recreation, the parks and the roads because the three major areas of a community which attract people are the schools, the roads and recreation opportunities. Many Macedonia residents would be devastated Mr. Bilkie stated if the recreation levy did not continue. Council must consider making resolution to continue quality recreational opportunities in Macedonia as well as to repair its road and fix its storm water problems.

Councilor Molnar asked Mr. Bilkie to elaborate on the Recreation Commission's intent regarding recreational purposes to which Mr. Bilkie answered the focus by the P&RC has been less on the Phases 1 and 2 of the previous plan to newer concepts like an creating an outdoor amphi-theater, a splash park and enhancing the walking trails.

Councilor Tulley interjected that the Phases 1 and 2 of the previous plan was meant to be fluid. Phase 1 included an outdoor pool and the second phase included a gym. Today, a splash park may be a more viable concept than an outdoor pool and she understands therefore P&RC's considerations is this regard.

Councilor Hanneken opposes going forward regarding the Recreation Center because there are no costs attached to any of the concepts Mr. Bilkie has suggested. Ms. Hanneken opined 1/4% of the income tax dollar does not need to go to recreation. Ms. Hanneken suggested that current 1/4% income tax earmarked

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for the Recreation Center by renewed but that only a portion of it, 20% be allocated annually to recreation. Ms. Hanneken asked Mr. Guidetti to prepare legislation to this effect for special meeting to be held August 8th.

PUBLIC COMMENTS

At Councilor Engle's request and while not procedurally customary, Council President Molnar permitted several members of the public the opportunity to comment.

~**Tena Hannah of Sioux Lane** complained about what she described as wasteful spending. Ms. Hannah said she is not voting for either levy. Ms. Hannah added she cannot afford to go to the Recreation Center so she doesn't care about it or what happens to it. Ms. Hannah said the City could save money by not repairing the Sioux Lane culvert. Ms. Hannah suggested the Sioux Lane be closed permanently to traffic. She and her neighbors would prefer it that way she added.

~**Bobbi Paul of Thistleridge Drive** suggested to Council that they work together as a think tank to solve Macedonia's issues as nothing is getting accomplished by the continual fighting.

~**Karen Bartolozzi of Driftwood Lane** supports both levies and complained that if both levies fail there will be nothing for the roads or the Recreation Center.

There being no further business, the special meeting adjourned at 7:45pm.