

Record of Proceedings

Special Council Meeting

August 8, 2016

Presiding Officer, Council President Nick Molnar, Mayor Pro Tempore called the August 8th special meeting to order at 7:37pm

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

Absent: Mayor Joseph Migliorini

PUBLIC COMMENTS- Council President Molnar permitted comments procedurally not customary during special meetings.

~**Jessica Brandt, 573 Blue Jay Trail** and 37 year resident of Macedonia supports both tax levies; renewing the ¼% income tax for the Recreation Center for 20-years for continual maintenance and future growth and improvement and an additional ¼% road and storm water improvements. Ms. Brandt has been a member of the Macedonia Family Recreation Center since opening she said but feels some aspects of the Center could be better maintained and improved. Ms. Brandt explained she works in Macedonia which means she will pay more in taxes but is only too willing to ensure improvement and enhancement of the services Macedonia already provides including the tax rate increase in order for better roads. Ms. Brandt opined increasing the income tax rate is more logical than increasing property tax for these purposes.

~**Tena Hannah, Sioux Lane** and 40 year resident of Macedonia does not support either levy. However she does believe road improvement is more important than the Recreation Center. Ms. Hannah suggested the City could save money if the Recreation Center were closed for one year. Neither Ms. Hannah nor her neighbors use the Recreation Center she said so they do not care what happens to it. In Ms. Hannah's opinion Council is responsible for setting priorities and spending only what the City can afford to spend without increasing the tax rate.

~**Karen Bartolozzi, 1377 Driftwood Lane** supports each levy, ¼% for the roads and continuing the ¼% for the Recreation Center. Ms. Bartolozzi fears if both levies fail there will be nothing to spend for improving infrastructure or for recreation and the Recreation What will happen if both fail, what is the plan if the income tax rate is reduced to 1.75% she asked?

~**Tom Illig of 8565 Park Ridge Lane** admitted he always doesn't understand the "business plan" behind the use of tax dollars. As a resident he has always trusted how the money is being spent but he would prefer seeing a plan and understanding that plan before approving more money. Mr. Illig mentioned is a member of the Recreation Center using the facility 2-4 days a week because of its convenience.

~**Bart Benjamin, 1078 Shoshone** expressed support for continuing the ¼% income tax for the Recreation Center. Mr. Benjamin has been a longtime member of the Center he said has been his family including his grandchildren. Mr. Benjamin believes it is in the City's best interest to continue supporting and maintaining the Recreation Center through income tax revenue as well as using income tax revenue for the future growth and development of the facility. The Macedonia Family Recreation Center is well

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maintained compared to other facilities for which Mr. Benjamin is also a member. Mr. Benjamin said the Recreation Center provides a family friendly environment to 5,000 members, 3,000 of which are Macedonia residents. Mr. Benjamin said folks looking where to raise a family look at several aspects when choosing a community; a strong, highly rated and well-maintained school system and a well-maintained and managed family oriented recreation center. Mr. Benjamin asked Council to allow Macedonia voters the right to determine the continuation of the tax for Recreation Center.

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 for its **third reading by title only**. Second not required.

Mr. Engle moved Ms. Tulley seconded and motion carried unanimously on a voice vote to **amend RES. NO. 57-2016**, by deleting and/or adding language of the resolution as it appears below.

Title; “...FOR A POTENTIAL GRANT ~~AND/OR LOAN~~...”

Fourth Whereas clause, “...application for ~~financial~~ assistance in the form of a grant...”

Section 1, “...Ohio Public Works Commission for ~~financial~~ assistance in the form of a grant ...”

Section 2, “...for obtaining this ~~financial assistance~~ grant funding and ...”

Ms. Tulley moved, Mr. Bilkie seconded to **adopt RES. NO. 57-2016 as amended** and post same according to law.

Roll Call: Ayes: Bilkie, Molnar*** and Tulley
 Nays: Engle* and Hanneken**
 The motion passed. **RES.NO. 57-2016 declared adopted as amended**

Relative to RES. NO. 57-2016 and during roll call on the adoption of said resolution the following comments were made.

*Mr. Engle stated he could not support the grant applications for the projects because in his opinion each is costly and of low priority; sanitary sewers for about 20 households at the south end of Shepard Road and a roundabout at Highland and Valley View Road.

**Councilor Hanneken agreed with Mr. Engle. Ms. Hanneken added the cost of projects is not justified given the City’s current budget particularly regarding the roundabout. And while sanitary sewers may be needed the project estimated is too costly for the Shepard Road residents.

***Council President Molnar asked Engineer Gigliotti for confirmation of the value of the 50/50 grant applications to which Mr. Gigliotti responded \$1.5 million dollars; \$746,000 for the roundabout and

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\$782,000 is for the Shepard Road sanitary sewers. Mr. Molnar also expressed concern about cost of the sanitary sewers but feels the roundabout is justified given the value this method of traffic control provides.

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 **second reading by title only**.

Relative to ORD.NO 58-2016, Councilor Bilkie asked Engineer Gigliotti to provide Council again with the cost estimate of repairing most of Macedonia roads.

Councilor Engle expressed concern that within a week of the defeat of the tax increase the administration is back in what Mr. Engle described as "in your face politics" and with a proposal not significantly different that what appeared on the ballot of the August 2 special election. This is bothersome to Mr. Engle he said because the voters resoundingly defeated the measure three to one. It is also bothersome to Mr. Engle that the majority of Council continues to pursue placing the question of the ballot without first having a full understanding of costs. Members of Council should not be asked to make decisions on theories or estimated costs. Hard numbers should be provided. "We are just shooting in the dark", Mr. Engle stated. There is no plan when there should be a reasonably thought out plan he stated.

Councilor Tulley informed Mr. Engle that Council was provided a 5-Year Plan which included many capital proposals and their costs as well as capital cost for the Recreation Center like equipment replacements, software upgrades and repairing the parking lot estimated that latter estimated to cost \$370,000. Ms. Tulley mentioned that 5-Year Plan did not include an outdoor pool, a splash pad and or expansion of the Recreation Center as these cost are levy dependent.

Council President Molnar reminded Council that on April 26, 2016 Chagrin Valley Engineering and Finance Director Hall provided extensive information relative to various capital projects, including roads, and that page 5 in particularly identified all the roads that need to be repaired, the level of repair needed and the cost to that end. Mr. Molnar is tired he said of hearing there is no plan, hearing that there are too many unknowns. There are no unknowns Mr. Molnar stated. Council knows what needs to be done.

Councilor Engle still feels he said that the most current information differs from the April report and therefore until more definitive information is provided it is not fair in his opinion to place a tax increase on the ballot.

Councilor Bilkie believes he said that there is middle ground for which members of Council can agree. Keeping that in mind it is Mr. Bilkie's philosophy to divide the millions of dollars worth of infrastructure needing to be repaired by a specific number years. The resulting quotient would be the level of revenue stream needed annually to provide systematic plan for road improvements. In Mr. Bilkie's opinion, this is the well-thought out plan Mr. Engle referenced.

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Councilor Molnar interjected Macedonia faces \$20 million dollars worth of road work. Council cannot continue to push away the inevitable so dividing the projects to make them more manageable doesn't change the level of need Mr. Molnar said.

Councilor Hanneken opined there is not a solid plan for residential roads, a plan that identifies exactly what level of repair is required for each road. Ms. Hanneken wants a plan that does that that and that also fits within the 2% tax structure. The \$37 million 5-year Capital Plan presented by the administration included a number of large capital expenses in Ms. Hanneken's opinion are unwarranted, like purchasing Park Avenue properties for a town square. Ms. Hanneken also opined that Ord. No. 58-2016 should not include funding for any storm water projects as NEORSD will be providing funds for those purposes.

Council President Molnar told Ms. Hanneken her comment about the Park Avenue properties is a slap in the face of Redevelopment and Growth Committee who proposed the concept of town square.

Councilor Tulley reminded Council that the different and varying proposals within 5-Year Plan are not set in stone, that is, many are wishful ideas that may or may not come to fruition. The discussion this evening is meant to provide revenue to repair many of Macedonia's deteriorating roads by way of dedicated tax. The urgency in this regard is that legislation must be filed with the Board of Election by August 10th in order for the question to be placed on the November ballot. Ms. Tulley said if a revenue stream is not dedicated little to nothing will be done. Ms. Tulley added that the carryover this year is estimated to be just 500,000. This is not enough to accomplish much of anything she added. Council has several options it can deploy to provide revenue for the roads Ms. Tulley said. Residents could be assessed. The tax credit could be reduced or property tax can be increased none of which are easy choices she added. Then there is storm water that has been overlooked for too long Ms. Tulley stated. Funds from NEORSD will not fully provide for all the storm water projects that have to be done. The badly needed retention basin at Our Lady of Guadalupe is estimated to cost \$390,000. This is a substantial she said. Last year Council approved purchasing a home that was plagued by continual flooding. Another family has asked that their property be purchased too. How many more property owners are going to ask for the same consideration Ms. Tulley questioned? Regarding Ms. Hanneken's proposal, Ms. Tulley said if only 20% of the ¼% tax were allocated to the Recreation Center there would not be enough money for improvements or upgrades. Ms. Tulley said Councilors Hanneken and Engle state that the tax increase was resoundingly defeated in August but in Ms. Tulley opinion the count was not a true representation of the community since such a small percentage of residents voted. In Ms. Tulley's opinion the question should be placed on the ballot again in November.

Councilor Bilkie said he listened to what every member of Council had said and created a plan that he thought was palatable for everyone, a list of 20 roads which need immediate attention. Sacrificing other city services, like recreational activities, use of the parks, the Recreation Center facility, staffing the police department all in order to fund repairing Macedonia's roads in Mr. Bilkie's opinion is not a viable solution. All of Macedonia's services are equally important to him. Mr. Bilkie likened their importance to having more than one child, having no more or less love for each. What makes a community great, a community where people want to raise their families Mr. Bilkie stated is providing a combination of good services including recreation, good infrastructure and schools.

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Councilor Hanneken interjected in budget preparation one must consider wants and needs. Council must consider this, every family considers this. When the budget is limited, projects or services have to be limited as well Ms. Hanneken stated. Ms. Hanneken said she and Mr. Engle disagreed when the mayor and the majority of members of Council placed the ½% income tax increase on the August ballot. The idea of special election was bad, it was costly and while voter turn-out was low as is normal for specials the outcome was a resounding defeat. Ms. Hanneken opined the Mayor's \$37 million dollar 5-Year Capital Plan is full of bloat. The Plan does not detail essential capital expenses. Ms. Hanneken said purchasing Park Avenue residences to create a town square as proposed in the 5-Year Plan is not essential, it is not. Ms. Hanneken also added that the Recreation Center is not sacred. Ms. Hanneken suggested money could be appropriated to the Recreation every year as is done for every other department of the City. The most important capital consideration in Ms. Hanneken's opinion is road improvement and she feels the budget can be adjusted to accommodate annual repairs within the current tax rate. Ms. Hanneken suggested that the Recreation Center's ¼% income tax due to expire in 2017 be renewed but be earmarked primarily for roads. However a portion of the renewed tax, 20% that could be directed to capital needs of the Recreation Center. Ms. Hanneken feels Macedonia storm water projects should be paid for through the community share of the storm water tax NEORSD is imposing on every property owner. Ms. Hanneken said in general revenue is up slightly from 2015. And Macedonia's revenue is well above what it had been prior to the recession.

Finance Director Hall interjected R.I.T.A reported income tax collections are down from 2015.

Councilor Bilkie disagreed with the apportionment Ms. Hanneken suggested to the Recreation Center. Recreation tends to be placed on the "back burner" year after year Mr. Bilkie said. Recreation is a low priority when it comes to funding but to Mr. Bilkie recreation it is as equally important as infrastructure. Other than the construction of the Recreation Center nothing major there has been done in the parks in 20-years Mr. Bilkie said and he would like to see that changed.

Councilor Hanneken told Mr. Bilkie there are always priorities that have to be considered during budgeting process. Ms. Hanneken told Mr. Bilkie that new playground equipment was installed at Longwood and Sugarbush with the use of grant money.

Councilor Tulley reiterated the two questions for the November ballot include renewing/continuing the ¼% income for the Recreation Center for 20-years and adding ¼% for roads and storm water repairs. Ms. Hanneken is suggesting another proposal Ms. Tulley stated renewing the ¼% but dividing the proceeds 80/20, the latter allocated to the Recreation Center. In Ms. Tulley opinion 20% of the income tax dollar is insufficient to provide growth or additional amenities of the Recreation Center. Ms. Tulley added the 100% tax credit for residents remains status quo. Ms. Tulley also mentioned the various tax rates of several communities: the cities of Twinsburg and Solon have a 2% tax rate, the village of Oakwood is 2 ½% and the cities of Akron and Cleveland are proposing 2 ½%, adding the argument that Macedonia will not remain competitive is a non issue. Macedonia like many communities throughout Ohio lost substantial state revenue sharing and now consideration has to be given to securing revenue differently Ms. Tulley added.

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Council President Molnar reminded Council that storm water repairs and road improvements are a simultaneous endeavor, "they go hand-in-hand" he said. Probably 80% of road issues are related to damages caused by water Mr. Molnar stated and therefore in his opinion it is illogical to separate the two. The anticipated community share from NEORS of \$225,000 is not a fountain of gold. Macedonia anticipated expenses are high. Macedonia needs water mains need to be replaced at an estimated cost \$5.8 million dollars.

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 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 second 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 second reading by title only**. Second not required

Relative to ORD. NOS. 59 & 60-2016, Law Director Guidetti reiterated each ordinance is that same in that they provide for continuing the ¼% income tax for the Recreation Center for 20-years. The difference in the two ordinances pertains to language describing the allocation of the income dollars if voters pass the ¼% income tax increase for road improvements and if the voters do not. Mr. Guidetti'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 is only meant to provide clarifying language for the codifier who prepares Macedonia's Codified Ordinances. Mr. Guidetti reiterated there will be only two issues on the November ballot; ¼% tax for road and storm water improvements and the continuation of ¼% tax for 20-years for the Recreation Center.

Councilor Bilkie added that with input from Recreation Director Manley, the Parks & Recreation Commission and the Redevelopment and Future Growth Committee for which he is a member he created an extensive list of recommendations for improvements, amenities and expansions relative to the Recreation Center. The Recreation Center is a gem in the community, it is a commercial business for Macedonia which every consideration should be given to Mr. Bilkie stated

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ORD. NO. 61-2016

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 %) FOR A TEN-YEAR TERM FOR ROAD IMPROVEMENTS, AND FOR MAINTENANCE AND OPERATION OF THE CITY RECREATION CENTER INCLUDING ANY NEW CONSTRUCTION AND OTHER PARKS AND RECREATION PURPOSES; AND SUBMITTING SAME TO THE ELECTORS ON NOVEMBER 8, 2016 was **offered by Ms. Hanneken** 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 and waive the 48-hour rule of Council. Second by Mr. Bilkie**

Roll call: Ayes: Bilkie, Engle, Hanneken, Molnar and Tulley
Nays: None
The motion carried.

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