

Record of Proceedings
Regular Council Meeting
February 11, 2016

Presiding Officer, Mayor Joseph Migliorini called the February 11 regular meeting to order at 7:30pm.

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

Absent:

INVOCATION & PLEDGE OF ALLEGIANCE led by Commodore Tom O'Brien, American Legion Post 801

MINUTES Mr. Molnar moved, Mr. Engle seconded, and motion carried unanimously on a voice vote to approve the minutes of regular meeting of January 28, 2016.

FINANCIAL REPORT See Motions and/or Other Legislation Actions

PROCLAMATION February Prostate Cancer Awareness Month

PUBLIC COMMENTS

~**Cathy Loya, 9186 N. Bedford Road** thanked Mayor Migliorini for allowing the Northfield Presbyterian Church nursery school classes which her son attends tour Macedonia City Center. Ms. Loya also thanked Chiefs Black and Golden for what she described as role models in each of their respective departments and Detective Bryan Vince who personally conducted the tour. Regarding storm water, Ms. Loya questioned whether Council President Molnar and Councilor Hanneken received the GPD North Bedford Ledge Roads Storm Drainage Study as each had requested during the last council meeting. Ms. Loya pleaded the City not to procrastinate any longer that another study of the study not be ordered now that there is a new city engineer. Ms. Loya mentioned that residents received a letter in early October from the former engineer about field work for the study. Ms. Loya thought residents should receive further follow-up in this regard. Ms. Loya also thought that the property owners living within this vast 1400 acre area of the study should hear/learn publicly the findings and subsequent recommendations of the GPD study. Ms. Loya added, "She is not an engineer but she knows water goes where it wants to go and it wants to go to the corner of N. Bedford and Ledge Roads as it has done in the past, how it presently does and how it will in the future. The answer to all of this is clear, let the water go where it wants to go but get me off my land." Ms. Loya said Council approved Ordinance No. 116-2015 on September 15, 2015 to purchase 883 Iroquois Run because of continual flooding and Ms. Loya would like the same consideration for the same reason. Others too should be offered the same consideration she added. Reiterating passed and continual issues Ms. Loya stated: In 2006 eight feet of water flooded their basement causing structural damage, in 2011 it was at 3 ½ feet. While the Loya's did not home their home in the 1990's a massive flood caused the basement wall to cave in. Then in 2009 FEMA moved the flood zone. The new mapping requires that the Loya's to maintain flood insurance she added.

Mayor Migliorini informed Ms. Loya the delay in part is due to the fact that raw data owned by GPD contained in computer files has not been released and will not be until GPD receive payment for an outstanding invoice (Ord. No. 13-2016). Mayor Migliorini explained that CVE will be providing its own analysis and recommendations after analyzing the raw data against GPD's study. The Mayor stated that preliminarily there has been discussion about incepting water upstream by a potential of 20% and from other areas by 10-15%.

Councilor Hanneken asked if CVE is just reviewing GPD's raw data or will CVE be performing an additional survey.

Engineer Don Sheehy explained the first task is to compare the raw data, GPD's computer calculations against GPD's final report. CVE has some questions of the report and comparing data against findings and recommendations will resolve those concerns Mr. Sheehy stated. CVE does not want to replicate GPD's work. If GPD's assumptions are sound than CVE will proceed with what in the opinion of CVE are viable, reasonable and cost-effective opportunities for remedy he added. Mr. Sheehy estimates review of raw data swill take several weeks once GPD released the computer files.

INTRODUCTION, READINGS & ADOPTION OF LEGISLATION

RES. NO. 3- 2016

A RESOLUTION CONFIRMING THE APPOINTMENT OF MARK GUIDETTI AS THE DIRECTOR OF LAW AND THOMAS HANCULAK AS THE ASSISTANT DIRECTOR OF LAW, AND PROVIDING FOR COMPENSATION AND SUPPORT SERVICES was **offered** by Ms. Tulley for its **third reading by title only**. Second not required. (*See Motions & Other Legislative Actions for amendment to Section 5 of said resolution*)

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Ms. Tulley moved, Mr. Molnar seconded to **adopt RES. NO. 3-2016** and post according to law.

Roll call: Ayes: Bilkie, Molnar* and Tulley*
Nays: Engle and Hanneken
Motion carried. **RES. NO. 3-2016 declared adopted.**

Relative to RES. NO. 3-2016 and during roll call Councilor Hanneken* had stated, "It's time for new blood in the law department, a broader knowledge base". Ms. Hanneken added the Pla/Farnhurst lawsuit, now in Federal court has been a continuous issue and a concern because of the cost to the City and because the law department is named in the suit they are not qualified to keep the Mayor and Council abreast of the case.

Council President Molnar* stated Mr. Guidetti is more than qualified to the position. Mr. Guidetti was also born in Macedonia and is a product of the Nordonia Hills School system. The rub between certain members of Council and the previous law director Mr. Molnar said should not influence Mr. Guidetti's appointment.

Councilor Tulley* agreed with Mr. Molnar. In Ms. Tulley's opinion Mr. Guidetti possesses a strong knowledge base, he has been as asset and has been an integral part in helping Macedonia with legal related matters.

ORD. NO. 6 - 2016

AN ORDINACE APPROPRIATING A FUND TRANSFER FROM GENERAL FUNDS TO NEW LINE ITEM 101.150.5346 TO MEET UNPAID OBLIGATIONS FROM 2015 was **offered** by Ms. Hanneken for its **third reading by title only**. Second not required.

Ms. Hanneken moved, Mr. Molnar seconded to **adopt ORD. NO. 6 - 2016** and post according to law.

Roll call: Ayes: Bilkie, Molnar and Tulley
Nays: Engle and Hanneken*
Motion carried. **ORD. NO. 6-2016 declared adopted.**

Relative to ORD. NO. 6-2016 and during roll call*, Ms. Hanneken stated there are three expenses that are unjustified in her opinion: The cost of the Diemert firm defending itself in the Pla/Farnhurst case because the City has had an insurance attorney for this matter. The frivolous lawsuit filed in July 2015 against three council members costing \$8,000. This suit was eventually dismissed by the law department. And the taxpayer suit against Mayor Kuchta in which the Diemert firm was entered into. Diemert fees for this suit were \$7800. Regarding the latter, Ms. Hanneken opined the Diemert firm should have been the prosecutor.

ORD. NO. 7- 2016

AN EMERGENCY ORDINANCE ESTABLISHING COMPENSATION SCHEDULE FOR THE NON-UNION CITY EMPLOYEES OF MACEDONIA EFFECTIVE JANUARY 1, 2016 was **offered** by Ms. Hanneken for its **third reading by title only**. Second not required.

Ms. Hanneken moved Mr. Molnar seconded to **adopt ORD. NO. 7- 2016** and post same according to law. **Motion carried unanimously on a voice vote, Ms. Hanneken descending.**

ORD. NO. 8- 2016

AN ORDINANCE REPEALING ORDINANCE NO. 3-2012 MAKING MEMBERS ELECTED TO COUNCIL ELIGIBLE TO PARTICIPATE IN THE CITY'S HEALTH CARE PLAN was **offered** by Ms. Tulley for its **third reading by title only**. Second not required.

Ms. Tulley moved, Mr. Molnar seconded to **adopt ORD. NO.8- 2016** and post according to law.

Roll call: Ayes: Hanneken and Tulley
Nays: Bilkie, Engle and Molnar
Motion failed. ORD. NO. 8-2016 declared failed.

ORD. NO. 9- 2016 AN ORDINACE REPEALING CITY ELECTED OFFICIAL'S ELIGIBILITY TO RECEIVE RECREATION FEE DISCOUNTS TO MACEDONA FAMILY RECREATION CENTER **offered** by Ms. Tulley for its **third reading by title only**. Second not required.

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Ms. Tulley moved, Ms. Hanneken seconded to **adopt ORD. NO. 9- 2016** and post according to law.

Roll call: Ayes: Bilkie, Engle, Hanneken, Molnar and Tulley
Nays: None
Motion passed. **ORD. NO. 9-2016 declared adopted.**

RES. NO. 10 2016

Ms. Hanneken moved, Mr. Engle seconded and motion carried unanimously on a voice vote for **RES. NO. 10 2016** A RESOLUTION REQUIRING THE CITY OF MACEDONA TO PARTICIPATE IN OHIO CHECKBOOK.COM **remain at its second reading**

ORD. NO. 13 – 2016

AN ORDINANCE APPROPRIATING A FUND TRANSFER FROM THE CAPITAL FUND TO LINE ITEM 401.401.5612 TO MEET AN UNPAID 2015 OBLIGATION TO GPD GROUP 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. Engle and and motion authorizing the same carried unanimously on voice vote.

Ms. Tulley moved, Mr. Engle and motion carried unanimously on voice vote to **approved ORD. NO. 13-2016 and post according to law; ORD. NO. 13-2016 declared adopted.**

ORD. NO. 14- 2016

AN ORDINANCE AMENDING THE CODIFIED ORDINANCES IN ORDER TO MANDATE AN APPROVED SECURITY ACTION PLAN FOR BIG BOX RETAIL BUSINESSES THAT ARE DESIGNATED AS RETAIL SECURITY ISSUE LOCATIONS was **offered** by Mr. Bilkie for its **second reading by title only**. Second not required.

Regarding ORD. NO. 4-2016 Mayor Migliorini announced changes to the proposed language of the ordinance will be forthcoming.

Councilor Hanneken interjected the majority of issues in Macedonia Commons emanate from one large big box retailer. As an additional measure to providing security Ms. Hanneken suggested the police chief and the Mayor meet with DDR representatives and request DDR procure security vehicles to police the parking areas similar to what is done at larger malls. Ms. Hanneken does not feel a single security guard in a retail store provides adequate security. Ms. Hanneken provided Council her own report on the issue, a two-page hand-out entitled "*Observations Concerning the Police Chief's Report to Council*" (On file)

ORD. NO. 15- 2016

AN ORDINANCE RE-APPROPRIATING FUNDS FOR CAPITAL IMPROVEMENTS FOR THE SERVICE DEPARTMENT was **offered** by Mr. Molnar 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 all three readings**. **Second by Ms. Tulley and motion authorizing the same carried unanimously on a voice vote.**

Mr. Molnar moved, Ms. Hanneken seconded, motion carried unanimously on a voice vote to adopt ORD. NO. 15-2016 and post same according to law: **ORD. NO. 16-2016 declared adopted.**

ORD. NO. 16- 2016

AN ORDINANCE CONFIRMING THE APPOINTMENT BY THE MAYOR OF EDWARD MRAK TO THE POSITION OF BUILDING AND EQUIPMENT MAINTENANCE SUPERVISOR 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 all three readings**. **Second by Mr. Molnar and motion authorizing the same carried unanimously on a voice vote.**

Ms. Tulley moved, Mr. Molnar seconded, motion carried unanimously on a voice vote to **adopt ORD. NO. 16-2016 and post same according to law: ORD. NO. 16-2016 declared adopted.**

ORD. NO. 17- 2016

AN ORDINANCE ADOPTING ANNUAL APPROPRIATIONS FOR SALARIES/WAGES AND OTHER EXPENDITURES OF THE CITY OF MACEDONIA FOR THE PERIOD JANUARY 1, 2016 TO DECEMBER 31, 2016 was **offered** by Ms. Tulley for its **first reading by title only**. Second not required.

ORD. NO. 18- 2016

AN ORDINANCE AMENDING CHAPTER 182, SECTION 6, OF THE CITY'S CODIFIED ORDINANCES RELATIVE TO THE CREDIT FOR TAXES PAID TO OTHER MUNICIPALITIES was **offered** by Mr. Engle for its **first reading by title only**. Second not required.

MOTIONS/ OTHER LEGISLATIVE ACTION

- Ms. Tulley moved, Mr. Molnar seconded, and motion **carried unanimously on a voice vote acknowledging receipt of Financial Reported dated December 31, 2015**
- Mr. Molnar moved, Mr. Bilkie seconded and motion **carried unanimously on a voice vote to amend Section 5 of Resolution No. 3-2016: by moving the effective date of the appointments from January 1, 2016 to February 1, 2016/**
- Mr. Molnar moved, Mr. Engle seconded and motion **carried unanimously on a voice vote to create an *eCommerce Safety Zone* on the grounds of Macedonia City Center, an area designated for the safe exchange of sale items negotiated via Internet.**

Regarding the *eCommerce Safety Zone* Mr. Molnar thanked resident Michael DeBrouse for suggesting the concept. Signage will designate the area. The area will be well lit and covered by a camera. The lobby of City Center is also a permitted area for exchange.

Ms. Hanneken questioned Macedonia's liability in this regard, if the City could be sued to which Law Director Guidetti explained that the City is not ensuring safety, it is simply providing monitoring of an area. Mr. Guidetti added that anyone can sue for anything. Simply filing a lawsuit does not mean it is a valid claim he added.

CORRESPONDENCE: None.

MAYOR'S REPORT:

Farnhurst LLC vs. City of Macedonia Prior to the Mayor providing his report he requested Law Director Guidetti announce the following:

Mr. Guidetti: "Yesterday, February 10, 2016 United States Federal District Court Judge Sara Lioi granted Summary Judgment in favor of the City of Macedonia and all named defendants in the Farnhurst and Pla case. The court granted Summary Judgment against Farnhurst and Pla on all issues set forth in their complaint that was filed in March 2013 and was amended subsequently in 2014. Summary Judgments are somewhat usual Mr. Guidetti explained because it occurs before a trial takes place. The Summary Judgment essentially means the plaintiffs did not provide evidence supporting their allegations. Continuing, Mr. Guidetti stated in an extremely detailed and well reasoned thirty-four page opinion Judge Lioi found this was not appropriate federal court action. There was no evidence in the record that the plaintiffs were treated differently than any other property owners, that there was no evidence in the record of any wrongful actions by the City pursuant to any official policy or custom, that there was no evidence whatsoever in the plaintiff's assertion that any of the employees of the City had anti-minority bias of any kind and there was no evidence of any conspiratorial actions by any of the City's defendants with anyone and there is no evidence anyone conspired to deny plaintiffs of their civil rights. Mr. Guidetti added that Judge Lioi's numerous notations were necessary because there were over a dozen claims raised by the plaintiffs. The court ultimately concluded that the plaintiffs totally failed to meet their burden to establish any of the federal claims against the defendants therefore judgment was granted in favor of the City defendants and the case was dismissed in its entirety with a caveat. Mr. Guidetti stated it is noteworthy in Judge Lioi's decision that the only evidence the plaintiffs could point to was an isolated statement by Councilperson Hanneken about remarks made by officials behind closed doors and Ms. Hanneken concluded they were actions of the City and it had something to do with denial of permits. The Court found less than a scintilla of evidence, something very insignificant he added. There was no corroboration. No one else suggested anything similar and such remarks, even if true were inconsequential to the federal lawsuit. The Court also noted that in Pla's own disposition, under oath, he was very unclear and evasive as to any discrimination from any city officials. The Court found no substance in this claim whatsoever. The Court also found that evidence of discrimination was totally lacking especially in light of the fact that the Attorney Pla lived in the same subdivision for numerous years and his brother the builder lived there for 11-years until his house was foreclosed all of which indicate there were never discriminatory practices against them. The next step in this process Mr. Guidetti stated is the caveat mentioned earlier. The Court will finalize its journal entry on or about February 16, 2016 unless the parties do not exercise the option Judge Lioi provided to settle the case before then. All defendants Mr. Guidetti stated will have the opportunity to request reimbursement of attorney fees and costs incurred in the litigation.

Mr. Guidetti read the following statement on behalf of former Law Director Joseph W. Diemert, "I would like to remind Council that he repeatedly advised them in executive session and publicly since 2013 that this was a bogus lawsuit. He predicted this very outcome. One year after the lawsuit started the Pla's named Messer's Diemert and Hanculak as defendants in attempt to neutralize their legal abilities and

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Councilperson Hanneken's political arguments against the administrative was the purpose thereof. It is now evident from the judge's ruling that there was no bases whatsoever for Messer's Diemert or Hanculak to be named as defendants other than certain individuals personal agendas."

The law department, particularly Mr. Diemert is obviously extremely pleased with the outcome in favor of the citizens and taxpayers of the City. It was unfortunate situation that the process was used in an attempt to demean the public servants. The vast majority of citizens realize city officials do the best they can for the City and do all they can on a daily basis for the City. Each of these servants has been vindicated by the decision and the each has earned an apology by any official or person who doubted their integrity. The citizens are entitled to all tax payers dollars that were needless spent in defense of this matter and we will pursue reimbursement of those dollars by the plaintiffs and their attorneys.

Ms. Hanneken questioned Mr. Guidetti if the ruling will be appealed to which he answered he did not know. Ms. Hanneken asked if it possible there will be an appeal to which Mr. Guidetti answered that it's possible, appeals often result in litigation. However Judge Lioi is one of the preeminent judges in the area Mr. Guidetti stated which may, in his opinion factor into whether the ruling is appealed.

Ms. Hanneken stated if the ruling is appealed the City continues to face costly legal expenses. If it is reversed on appeal the City faces other issues. Ms. Hanneken added the ruling which she read in contained state and federal claims so in her opinion it is too early to do a victory dance.

Mr. Guidetti, for purposes of clarity stated the plaintiffs represented all the claims in their pleadings as federal. Judge Lioi dismissed all the federal claims with prejudice, which means they cannot be re-filed. State claims if they exist could theoretically be filed in a state court Mr. Guidetti added.

Ms. Hanneken opined this lawsuit could have been settled early for \$50,000-\$60,000 and now expenses are in excess of \$160,000 with an appeal a likely outcome.

Mayor Migliorini interjected by saying, "Sylvia, I don't understand how you don't understand?" Mayor Migliorini told Ms. Hanneken she continues to champion Mr. Pla's cause, ignoring her fiduciary obligation to the City of Macedonia and its residents. That she has been behind the Pla's has backed them and has supported them against the HOA throughout the entire process. Mayor Migliorini asked Ms. Hanneken is she is questioning Judge Lioi's decision. Judge Lioi ruled that the Pla's had no basis for what they claimed in court. If Mayor Migliorini was a member of Council he told Ms. Hanneken he would take action to censure her and if not ask for her recall, which the Mayor added was afoot shortly after the campaign and for which he squelched. The Mayor told Ms. Hanneken's actions in general, like placing "Hold on to your wallets because Mayor Migliorini is raising your taxes", on her civic website without first discussing various financial options amongst Council are bothersome to him.

Ms. Hanneken told Mayor Migliorini she has never taken a position i the Pla case. Ms. Hanneken's only concern has been what has the benefit been to Macedonia's taxpayers? This suit in her opinion should have been settled in the very beginning. The taxpayers should be concerned about the amount of money this case has cost particularly since it has general interest to any of them she added.

Mayor Migliorini interjected the Pla's had an opportunity over two-years ago to settle the case and they chose not to because they had people like Ms. Hanneken fielding their cause.

Council President Molnar stated he has remained relatively neutral in this case but questioned Ms. Hanneken's involvement based on language in Judge Lioi's Court's ruling. Mr. Molnar also questioned Ms. Hanneken's position about settling the matter when the City won the case. Mr. Molnar inquired of Mr. Guidetti how the City recoups its expenses regarding this matter to which Mr. Guidetti explained legal rules for seeking fees.

Reduction of Tax Credit Mayor Migliorini said the unencumbered carryover by year's end will be about \$179,000 if the capital projects; Route 82, the Sioux culvert and the OLG retention basin encumbered in 2015 are completed. The carryover Ms. Hanneken as chair of the finance committee and who also held the City's purse string for the last two years is not the amount she has claimed. After analyzing the various funds Mayor Migliorini said he is proposing to reduce the tax credit by fifty percent for a limited period in order to replenish the General Fund. Paying cash last year for road projects and purchasing a house depleted Fund 401 and now something needs to be done to build it back. There are several other options Mayor Migliorini said if reducing the tax credit is not considered. One option is to incur notes or bonds to pay over a period time and then there is that last option which is to do nothing. Macedonia has operated on a shoe string for way too many years and now it is time to take affirmative action he said.

Councilor Tulley questioned how much revenue would be generated by cutting the 100% tax credit in half and when would the reduction be effective to which Mayor Migliorini answered \$2.6 million would be realized and if the provision were adopted by the end of February the effective date would be January 1,

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2016. Mayor Migliorini said the revenue would be used to incur 2015 capital debts as well as provide additional road improvements in 2016.

Coyote Sightings - Mayor Migliorini stated recent coyote sightings have raised concern and awareness among residents. The Mayor added Councilor Bilkie has taken the lead on this issue given a recent incident in his neighborhood. The City's action plan in this regard is predicated on guidelines established by ODNR Division of Wildlife. The Mayor provided information about the nature and temper of coyotes and how to humanely and safely cohabit with them by using hazing methods during possible threats, specifically with regards to Alpha males who are particularly aggressive during the mating season. The Mayor stated that the City is attempting to humanely trap and release the Alpha male who has been sighted in several locations. (Guidelines www.macedonia.oh.us).

City of Parma- Mayor Migliorini reported there has been a ruling relative to the City Parma whereby the municipality has been named as being reasonable for personal property damage caused by storm water. Many communities are concerned over this ruling and have joined together in "Amicus Curiae" including Macedonia. Macedonia and the other communities while not party to the lawsuit have a express strong interest for fear of losing sovereign immunity. There is no cost associated with this joined action he added.

Ambassador Indoor Soccer Facility Mayor Migliorini stated the Planning Commission has given final approval to the soccer facility. The deal is now closed and everything the residents who live adjacent to the complex have asked for by why of privacy fencing, storm water, aesthetic appearance has been included in the project plans.

IT Director Mayor Migliorini announced the City is advertising for full-time position.

Mayor's Court Revenue January, \$33,043.

COMMITTEE REPORTS:

Finance Committee Ms. Tulley reported the first finance meeting of the year was February 8th at which time the 2016 budget was reviewed. Each director was present and provided anticipated operating expenses relative to their respective departments including personnel needs. The administration's capital requests will be discussed Monday, February 29th at 6pm. Besides the 2016 budget Ms. Tulley has asked the administration for a 5-year capital plan to be reviewed and discussed sometime in March. Ms. Tulley also anticipates a mid-year review of the 2016 budget and beginning in October preparation of the 2017 budget will commence.

DEPARTMENT REPORTS

Service Department Director Hnottavange commended service department crew for handling the recent two-day snow event.

Building Commissioner Commissioner Hlad congratulated Mr. Guidetti on his appointment as well as Ed Mrak. Mr. Hlad reported there were 377 residential permits in 2015 and 230 commercial. Revenue last year was \$290,835 and expenses were \$238,708.

Engineer Don Sheehy reported Ledge Road was temporary closed for continued installation of sound barriers. The I271 project is on schedule and due for completion October 2016. Underground utility work continues relative to Route 82 widening project. CVE continues to work with ODOT regarding adding a turning lane at the intersection of Shepard and 82. Mr. Sheehy reiterated CVE is at a standstill regarding Ledge and Bedford Road drainage issues and the OLG retention basin until it receives electronic data from GPD. Mr. Sheehy also reported CVE is working in cooperation with Northfield Village relative to acquiring OWPC funds for a mutual project as well as with working with the communities of Oakwood, Glenwillow and Twinsburg about the intersection of Broadway, Shepard and Richmond Roads. The southwest corner of the intersection is located within Macedonia's boundaries was never improved because Macedonia chose not to participate in the improvement. The three communities have since come back to the City and now Macedonia is willing to participate and will be seeking Issue 2 funds for this purpose

Recreation Department Ms. Manley reported that to date there has been 800 responses to the Rec Center survey of which 67% are Macedonia residents. Fifty-one percent of those responses are current members of the MFRC and 70% of all respondents would support a renewal levy to provide additional amenities the favorites of which include in the following in the order of importance: outdoor pool, splash pad, outdoor walking trails, gymnasium and locker room expansion Ms. Manley reported. The survey is

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still available online on FB etc. The P&RC will be analyzing the results and making a determination shortly she added.

Finance Department Director Rhonda Hall announced on behalf of the Summit County fiscal office that first half of 2015 property tax bills are due and must be postmarked no later than February 19th. R.I.T.A is offering taxpayers assistance days in several locations. Information on the dates and time is posted on City's website. Ms. Hall reported that Fund 401, the capital improvement fund is starting the year with a balance of just over \$15,000. In 2015 the fund was \$2.1 million. Ms. Hall estimates \$2.6 million in capital expenses and further anticipates a transfer of \$2 million from income revenue to Fund 401 unless there is revenue from other sources like a reduction in income tax credit or the issuance of notes or bonds. The estimate of \$179,000 carry over may be slightly understated Ms. Hall explained because of requests for additional personnel by the various departments.

Fire Department Chief Black congratulated Messer's Guidetti and Mrak, the latter for whom has been a member of the fire department for 35-years.

Police Department Chief Golden reported that burglars were caught today because of an observant resident. This resident, following instructions on the police department's Facebook page reported misgivings when they noticed strange action in their neighborhood.

Law Department Mr. Guidetti thanked the members of Council who supported his confirmation appointment, thanking Councilors Molnar and Tulley in particular for their kind words. Macedonia is his hometown, it always will be and it will always remain close to his heart Mr. Guidetti said. He will do whatever he can to further the interests of the City into the future he added.

Unfinished business None.

New business Councilor Hanneken, commenting on the proposed 2016 budget presented February 7th stated in 2015 the General Fund was \$2.1 million. Over the last ten years this sum has remained consistent. The 2016 budget as it has been presented increases operational costs by about \$700,000 attributable to new hires. In Ms. Hanneken opinion this is an expensive proposal and a serious impact on the budget. Ms. Hanneken opined there is adequate revenue unless new hires are made and raises continue to be given to everyone she added. Ms. Hanneken does not believe additional costs like adding new employees should be considered at this time. Emergency Reserve Fund 102 and Retirement Reserve Fund 104 account for \$1 million in total. This total with carryover then accounts for about \$2.2 million in the unencumbered General Fund. At the end of this year the debt service incurred in the 1990's for the City Center and Rec Center will be paid releasing a substantial sum of money Ms. Hanneken stated. There are options when the debt service ends all of which should be considered at that time. Ms. Hanneken supports the issuance of notes if that preference is necessary. Ms. Hanneken does not support reducing the tax credit. Ms. Hanneken provided a two-page spreadsheet, one page entitled "*RITA Summary Collection Report*", providing gross income tax distributions over last ten years and the other entitled "*City Debt 2014-2018*", a graph illustrating debt service payments.

Ms. Tulley interjected that in December 2015 Ms. Hanneken reported there would be a \$2.2 to 2.5 million dollar carryover. The actual unencumbered balance is \$1.2 million because Funds 102 and 104 should not be counted. These funds are earmarked and should not be considered unencumbered revenue. Ms. Tulley said Ms. Hall met with R.I.T.A officials and they are estimating lower collections about \$7.4 million not \$8.5 million as Ms. Hanneken has stated. The lower estimated is due in part to recent events of the stock market and fear of another recession. The budget is the administrations Ms. Tulley stated but at his point there has been no decision regarding its finalization particularly in regards to hires which in some cases are replacement appointments and not new appointments.

Ms. Hanneken, commenting on the Pla lawsuit stated her only involvement in the case was to be disposed because of what she heard and what she saw. Her only opinion about the case it has been very costly for the City, that it should have settled years ago, but it was the City who refused to settle.

Mayor Migliorini told Ms. Hanneken her facts are incorrect. The Mayor was a defendant in the case and knows firsthand what has happened and takes exception to that fact she has not supported him as a resident in this matter.

Council President Molnar stated he was taken aback during the February 7th budget meeting to learn the carryover was only \$1.2 million when Council has been told otherwise. Ms. Hanneken prepared the 2015 budget last year and has been reporting the financial status throughout the year in the absence of a finance director. Mr. Molnar blames himself for trusting the misinformation. He expressed disappointment that this year's budget does not provide revenue for road improvements. Thirty-three roads are in disrepair and only 5 roads were improved in 2015 he added. Going forward he said he'll only accept financial

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information from Finance Director Hall. Mr. Molnar added before the propaganda machine starts on Facebook consideration should be given to the options Mayor Migliorini has proposed. Regarding the Rec Center, Ms. Hanneken alluded earlier that after the tax relegated to the facility expires it should be renewed for roads. The Rec Center needs continued revenue for maintenances and improvements he said. There has been no substantial renovation to the building since its opening Mr. Molnar stated albeit an expensive roof leak. The parking lot needs to be improved at an estimated cost of \$300,000. The fire department needs an aerial/ladder truck at a cost of \$1 million. Macedonia has managed up to this point but it's starting to come to a head Mr. Molnar stated. Mr. Molnar does not want another year like 2010 when the bottom fell out leaving the City financially vulnerable. Mr. Molnar suggested it is time to seriously consider a variety of options and while this may not be an option Macedonia has not had a property increase since 1963. A five-year plan is a must he said. A plan will provide a financial guideline for paving roads, improving the City's parks and improving the Rec Center. "If Macedonia is to progress we need to work on our strengths, the weakness we will get to." Mr. Molnar added.

Ms. Hanneken told Mr. Molnar he misrepresented what she had said about capital improvements. Her is the Rec Center has a substantial reserve fund and by year's end the building will be paid and if the quarter percent income tax were to be renewed it could be used for all capital improvements. It would not be limited to roads. As well, after this year \$1 million annually, the amount that's been allocated to debt service on the City Center and Rec Center can be allocated to capital improvements. In Ms. Hanneken opinion the fifty percent tax credit is not fair because the new revenue will used for additional operating expenses; more full-time personnel for police, fire and service.

Councilor Tulley interjected the point of offering legislation for only a first reading is to provide opportunity for discussion amongst members of Council and for the public to comment. Last year residents asked the administration and Council to place a ¼% income tax increase on the ballot for the voters to decide for themselves their willing to be taxed in order to create a specific revenue stream for road improvements. This Council however chose instead for them by voting 3/2 not to place the question on the ballot.

Regarding another matter Ms. Tulley mentioned "Rocking Frocks", a nonprofit organization that is part of the Emergency Assistance program and who provides free prom dresses is sponsoring is a fund raiser the week-end of February 26th. Bridal gowns valued \$500-\$2500 will be sold for \$200-\$500 and gently used bridal gowns for. Ms. Tulley said Rocking Frocks was started by Nordonia Hills graduate Samantha Girman (sp?) and is located on Route 82, Northfield Center. The organization is supported solely by donations she added.

There being no further business the regular meeting of Council was adjourned at 9:15pm