

**RECORD OF PROCEEDINGS
REGULAR COUNCIL MEETING
MONDAY, MAY 24, 2010 – 7:30 P.M.
MAYOR MATTHEW E. BRETT PRESIDING**

MEMBERS PRESENT: Koons, Porter, Wolfe, Binder, Dishong and Flaiz
OFFICIALS PRESENT: Fiscal Auditor Lechman, Fiscal Officer Romanowski,
Building Commissioner Hocevar, Police Chief Wetzel,
Street Commissioner Johnson, Solicitor Jaredd Flynn and
Engineer Foley
VISITORS: Dick Baker, Waverly Lane; and Lee Schiemann, Parks
Committee

Mayor Brett called the Regular Council meeting to order and led the Pledge of Allegiance to the Flag. Fiscal Officer read the roll. Koons moved to waive reading and approve the revised minutes of the May 10, 2010 Regular Council Meeting, seconded by Dishong. Roll call: ayes – all. Motion carried.

Lee Schiemann shared information with Council that was received during the annual inspection by the Western Reserve Land Conservancy (WRLC). Items that were discussed included:

- Park Boundaries: The Land Conservancy suggests that signs noting the boundaries of the park be added so visitors of the park know when they are approaching private property.
- Encroachment: The WRLC noted that there are 2-3 properties on Daisy Lane in which the owners are encroaching on park property. Suggestions were made regarding how the Village might address this issue.
- Reforestation Project: Mr. Schiemann reported that a year ago, with the help of students, there were 450 saplings planted in a reforestation effort within the park. Even though there was damage to the trees over the winter, it is thought that the project has had a 70% success rate. A recommendation was made to leave some space around the saplings when mowing so they are not such a target for the deer.
- Wetlands: Mr. Schiemann said that last year it was recommended that the wetland areas be marked so that when hay is cut the area is avoided. The wetlands are dry by the time hay is cut in August. The Conservancy representative agreed it is not necessary to mark off these areas.

The Safe Routes Trail group is planning to have a 5K run for fundraising to be held on July 3rd. Mayor distributed a map of the proposed route and said he is supportive of the run, but is concerned about both the safety issue and closing Bell Road for a period of time during the holiday weekend. Council members had a discussion about other concerns regarding the proposed route and possible alternatives. Koons made a motion that South Russell Council support the concept of the Trot for the Trail on the first Saturday in July; however, the Mayor, Safety Committee and Chief will ensure that a safer route is developed, Wolfe seconded. Roll call – ayes, all. Motion carried.

MAYOR'S REPORT: Mayor reviewed that at the last Council meeting a resolution was passed in support of completing the Northeast Ohio Area-wide Coordinating Agency (NOACA) application. The Mayor, Streets Committee, Streets Commissioner and Engineer met and agreed that this project would be very favorable for the Village. An application has been filed for Ohio Public Works Commission (OPWC) funding for Bell Road West from the Chagrin Falls border to Route 306 in the amount of \$475,000 out of an \$850,000 project. With this NOACA Federal project, Bell Road would be brought up to Federal standards from 25 feet in width to 30 feet. Lane width would remain at 11 feet with 4-foot berms per side, making Bell Road much safer. The Engineer's Office feels very confident that the cost of doing such a project might go from \$850,000 to \$1.7 million. Eighty percent of the cost to widen and re-pave Bell Road would be covered by Federal funds if this application were accepted. The remaining balance would be covered with the OPWC funds. Mayor told Council that it appears that with these grants Bell Road could be widened with no out-of-pocket expenses to the Village. The application deadline is June 1st. Council made comments about the opportunity as well as asked questions about the project. Flaiz asked if rumble strips have been considered between the driving lane and the paved berm for safety purposes. Engineer Foley said in this situation, a seal coat could be applied which would give a different look and feel to that strip of the road.

Engineer Foley explained that the Ohio Department of Transportation (ODOT) would bid and administer this project while it's under construction. South Russell will enter into an agreement with ODOT. There is an option to have a local company complete the project, but there is no real advantage. The Village would have approval rights and be able to issue change orders.

Engineer said there is a good chance these funds will be received. The key to the project is to keep it inside the current right-of-way, not securing any easements, etc. Mayor stated in order for this to be a NOACA project, Bell Road will need to be 30 feet wide. There is some flexibility in what the project could include (possibly widening the road further) also at no cost to the Village. The only downside the Mayor foresees is that when it is time to re-pave Bell Road, there will be more surface area increasing the cost, but he sees this as insignificant. South Russell will move forward with the NOACA grant application.

Mayor mentioned that Koons attended the Chagrin Falls Regional Alternative Transportation Study (CFRATS) meeting in his absence. Mayor distributed a preliminary concept plan to Council members. Mayor said that it would be beneficial to complete a traffic study for the intersection of Rt. 306 and Bell Road. South Russell has been asked to have the study done by CT Consultants at an estimated cost of approximately \$500. Koons reported there would be a meeting on May 25th at 7:00 p.m. to get comments from the public regarding the preliminary drawing of the trail. Koons reviewed the plan and the challenges the Village will have to overcome.

Mayor stated that, at the last Planning Commission meeting, a company showed interest in building a nursing home and rehabilitation center at 5277 Chillicothe Road. This piece of property is zoned for assisted living. Due to the deadlines for paperwork and zoning changes, this probably will not be pursued.

Mayor told Council that of the three members on the Architectural Board of Review (ABR), Dave Holzheimer and Joe Franzese have been members for approximately 25 years. These two individuals will be resigning their positions in the near future due to travel. Mayor has a candidate in mind for one of the positions, but will be looking for an architect for the second position.

Mayor attended the Chagrin Valley Intergovernmental Council meeting (CVIGC) on May 22nd. One of the topics discussed was whether it would be beneficial for Chagrin Dispatch to form a Council of Government, which would be similar to the development of the Valley Enforcement Group (VEG). The Council would formalize processes for any changes to the system. Before the meeting, the Mayor was unsure of the pros and cons of this issue, but now feels it would benefit South Russell. Chief Brosius, Chagrin Falls' Police Chief, believes Pepper Pike could be absorbed into the group with an addition of only 1-1.5 administrative personnel.

Mayor reported that all municipalities are concerned about budgets and health care. The communities are handling these problems in a myriad of different ways, but it was apparent that most communities share these concerns. Mayor feels these challenges have been dealt with effectively in South Russell.

Mayor said it appears the septic legislation that Senator Grendell spoke of previously has been passed unanimously in the Senate. Flaiz was concerned by anti-annexation changes in the legislation. The Municipal League is planning to fight that battle in the House. Flaiz does not believe there will be an answer by July 1st. Mayor asked the Health Department to test soil samples in Maple Hill, per Senator Grendell's suggestion. He will let Council know when he gets a response.

FISCAL OFFICER'S REPORT: Fiscal Officer received the State Auditor's report for the Central Collection Agency (CCA).

Fiscal Officer stated there would be a second reading this evening for the replacement pages for the Codified Ordinances. Solicitor Ondrey reviewed them and found one error. It has been corrected and is ready for passage.

Fiscal Officer said Bureau of Workers' Compensation (BWC) completed an audit today. There were no findings.

Fiscal Officer told Council when a levy is put on the ballot, it has to be filed with the Board of Elections. A 90-day notification period is now required. August 4th would be the cut-off date if the Village has anything to go on the ballot for the fall.

As Tax Administrator, Fiscal Officer received the April gross distribution (which is deposited in May) totaling \$187,182. After refunds and overhead, the net distribution was \$100,384.16, which includes half of the large refund discussed last month. Year-to-date total is \$444,401 down \$45,000 from last year at this time.

FISCAL AUDITOR'S REPORT: Fiscal Auditor had no report.

ENGINEER'S REPORT: Engineer stated that the Road Program is underway. Currently, recycling is being done and the project is on schedule.

Mayor said that the Chagrin Soccer Association (CSA) and the Chagrin Athletic Association (CAA) have requested colored renderings of the 10-acre parcel as well as an estimate of construction costs. Joyce Bond quoted \$6,500 to complete this project. Mayor recommends that the cost be split between the Village, CSA and CAA.

Dishong commented that the Village contributed the property and feels these two organizations should cover the costs for design changes. Money for this expense is not in the budget. Dishong is supportive of the project, but feels the Village has done enough financially. Flaiz, Binder, Porter and Wolfe agreed. Mayor said these two groups are willing to raise money for a project in South Russell and the Village might want to cover this expense. Binder added that the money is not in the budget this year, but it could be a possibility next year.

BUILDING COMMISSIONER'S REPORT: Building Commissioner reported that a meeting would be held on June 10th at Village Hall from noon to 2:00 p.m. An MCO representative will attend as well as an Administrator to explain the changes to Workers' Compensation. Salary continuation will be eliminated in 2011.

Building Commissioner reported that the house on Manorbrook is going to be demolished to the foundation.

POLICE CHIEF'S REPORT: Chief reported that the reimbursement grant of \$8,425 has been received from the State of Ohio for the digital 800-radio transition. A third grant of \$35,000 has been awarded but has not yet been received. The Village is not required to match these funds. Chief said that the impact of this transition will affect South Russell less than any other community in Geauga County due to these grants.

Chief told Council that Mayor and the Safety Committee had encouraged the Police Department to research grant opportunities. Mike Kramer was hired a couple of years ago from Bainbridge Police Department and had previous experience with grant applications. Mayor stated that focus has been placed on finding opportunities for the Police Department that could help with improvements. Mike has been a good resource.

Chief stated that the Village is working with Chagrin Falls to prepare for Safety Town to be held August 2-13th.

STREET COMMISSIONER'S REPORT: Street Commissioner reported that the spring-cleaning has been completed on Village properties and plantings have been completed.

Street Commissioner reported that the Service Department and the Department on Aging serviced 44 seniors in pick-ups for Trash Day, which was lower than normal.

Street Commissioner said there were close to 500 vehicles that came to Village Hall on Saturday, May 22nd, for Trash Day. The collection of electronics went very well.

Street Commissioner told Council that flags are up on East Washington, Rt. 306 and Bell Road for the holiday weekend. South Russell was the first community to start this display of patriotism 25 years ago. A South Russell resident is in charge of *Show Your Colors*. This group received \$1,300 from the Jaycees to purchase flags. *Show Your Colors* is in need of donations as many of the flags owned by the Village are in very poor condition.

Koons asked the Street Commissioner if there is a plan in place to protect the newly paved road from construction, graduation parties, etc. Street Commissioner stated that signs would be up. Letters have been distributed to working contractors and weekly landscapers, but some responsibility will go to the residents to ensure heavy equipment is kept off Manorbrook as much as possible.

Mayor said someone inquired whether the Village would tow cars parked on the new pavement. Mayor said he is opposed to towing, but citations will be written. Wolfe stated that she would not be opposed to towing cars that are parked on the newly paved road that the Village just spent \$350,000 to improve. Chief stated that patrols would be increased as much as possible. Binder reported that all homeowners' associations have been notified as well as the major landscaper.

Mayor told Council that a few residents he spoke to on May 22nd were disappointed that there will not be a fall trash day, but they understand the reasoning behind the decision.

Mayor said he thinks residents would appreciate a shredding day more than once per year. The cost is about \$300.

Porter asked about the high cost of doggie bags for the park. Street Commissioner said that this was the first time the bags have been restocked.

SOLICITOR'S REPORT: In Solicitor Ondrey's absence, Solicitor Flynn had no report.

COMMITTEE REPORTS: Koons reported that work continues on job descriptions. The Human Resources Committee plans to meet with the Safety Committee to discuss the Fire Inspector's job description.

Koons stated that Workers' Comp requires the Village to have a managed care company. University Comp Care has been used for the last 5-10 years. The HR Committee has decided there is no reason to change and so will be renewing the commitment with them. Koons made a motion to continue the contract with University Comp Care for the MCO, seconded by Wolfe. Roll call – ayes, all. Motion carried.

Koons said that Human Resources is gathering information on the amount of comp time that an employee can carryover from one year to the next and how it is handled.

Koons said when the job descriptions and the comp-time issue have been finalized, HR has decided to hold a meeting with employees to review job descriptions and any changes to the Village Employee Handbook.

Wolfe reported that there is an ordinance that was written in the 70s in regards to the Village establishing a franchise for centralized trash pick-up. Wolfe and Binder are trying to find out if this is still in effect and/or how to move forward with putting together bid specs for the proposal request. Solicitor Ondrey has been asked to give his input. Flaiz said that the ordinances call for a yearly awarding of the franchise; that would have to be an amendment. The bottom line is whether or not the ordinance can be exercised with an amendment.

Binder said that the Finance Committee has been looking at the cost structure and revenue streams of the Village in order to come up with different scenarios that would enable Council to choose the best approach for a medium to long-range revenue plan for South Russell. For the purpose of this exercise, it was assumed that revenues would remain flat for the foreseeable future. Operating expense is based upon an annualized cost increase of 2.5% per year. (Over the last 3 years there was an average of over 4% per year; however, over the last 10 years it has been about 2.5%.) Wages, salaries and

benefits are approaching 60% of the operating expenses. A Road Program of \$200,000 per year has been factored in. Following these assumptions there will be cumulative losses by 2014 of \$1 million and by 2019 of \$4 million. This information forces the question of what the tax strategy and policy should be.

Dishong discussed the handout that he had distributed previously. Annual revenue for South Russell is approximately \$2.67 million. The major revenue source for the Village is an income tax levy that makes up 40% of the revenue. Other revenue consists of real estate taxes, two different safety levies, an operating levy and miscellaneous other revenue sources.

Binder pointed out that the basis for the future financial picture of the Village does not include any new initiatives that are not self-funded.

Dishong said the Finance Committee looked at many scenarios, but only three are being presented to Council. Option #1 is a property tax levy. This could be a road levy, a parks levy or a replacement and increase of the 1976 property tax levy. This type of levy would spread the burden to all property owners in South Russell; unfortunately, also senior residents on fixed incomes. This option would also require a vote every four years. There would be no revenue from this option till 2012.

Binder also pointed out that currently, South Russell residents vote on a levy three out of every five years.

Dishong reported that in Option #2 income tax would increase 25% while the credit and cap would remain the same. This scenario shifts the balance to receiving 50% from income tax and 50% from property tax. The revenue in this example would start in 2011; however, this would increase the burden on the working class. In a period of economic hardship, this option would affect the Village more than the property tax increase.

Binder added that over a long period of time income tax tends to increase in line with inflation, which would not happen with a property tax increase. Also in this scenario, returning to the ballot box would not be an issue.

Dishong explained that Option #3 would eliminate the smaller safety levy while increasing income tax by 25% and reducing the credit to 50% of the cap. This scenario simplifies the revenue options as well as getting more of a balance between income and property tax. In this example, the fixed income residents would benefit the most.

Dishong went on to say that Option #3 would put South Russell in a better revenue situation. South Russell residents would still be paying one of the lowest income tax rates in Chagrin Valley and the property tax rate would still be very advantageous. Property values would be enhanced and the number of levies would decrease. The Finance Committee recommends Option #3.

Dishong summarized by saying that Options #2 and 3 would start to generate income in 2011. A property tax levy would not generate income until 2012.

Flaiz said he thought it would be beneficial to have one ballot issue that would increase income tax 25%, decrease the credit and eliminate the property tax levy. Dishong said if Council would choose this option, the Finance Committee would prefer to word the levy in this manner.

Dishong told Council that no one likes to talk about raising taxes. Council has been good stewards of the revenues and expenses of the Village. Expenses have been reduced as much as possible. An example is the 1976 levy. It has not increased in 34 years. The money is needed now. The reality is the Village will have an operating deficit of \$1 million over the next five years.

Binder said it's apparent that property taxes have increased dramatically in the past in order to support the school system. For people with children in the schools, it is a very wise investment. People who no longer have children in the system and even believe in it, reach a point where they can't continue to have their taxes increased.

Flaiz asked how increasing the income tax rate and decreasing the credit at one time affects CCA collections. It seems that someone who works outside the Village is going to get hit by both of these actions at once. If the vote passed in November, the tables would be adjusted by January 1, 2010. CCA would notify the residents and also make the adjustment by January 1st. Fiscal Auditor suggested the Village might consider waiving penalties the first year this change would occur due to estimates being based on last year's results.

Mayor said the timing of getting this issue to the ballot is very tight. The legislation will need to be introduced at the June 14th Council meeting, a second reading at the June 28th special meeting, and Council would be asked to pass the legislative action on July 12th.

Solicitor Flynn said he thought that cancellation of the levy would require certification.

Binder asked all Council members to give their opinions on what option they feel would be more appropriate so this decision can be made in a timely manner.

Porter said he does not think taxes should be raised during a recession. He understands the revenue vs. expense situation, but says now is not the time. If a decision were necessary at this time, he would be inclined to put a road levy on the ballot.

Wolfe agreed that now is not the time to raise taxes, but it needs to be done. She would vote for Option #3.

Koons said Council has looked at this issue a long time. He feels it makes sense to repeal one levy, possibly raise income taxes, and the credit definitely needs to be considered. He does believe the levy will pass in the fall. Koons feels Option #3 is the only real choice.

Flaiz would like to see elimination of the safety levy, an increase to income tax and reduce the credit and cap all on the same ballot. He said that Option #3 hits the wage earner hard. If the levy doesn't pass, there will need to be drastic changes to level of

service (snow removal, etc.) due to lay-offs. Council is not raising taxes, voters are getting a choice and they will decide.

Binder agreed that earners have the higher ability to pay and feels Option #3 is the best option.

Dishong said that Option #3 would bring the income tax and property taxes more in balance.

Mayor said he would vote for Option #2 with a possible increase up to 1.5%. He feels the issue could become too complicated and might not pass.

Binder said the net effect of Option #3 would be \$463,000.

Binder said income taxes could be raised to 1.25% now. When the safety levy runs out, the credit could be reduced. All these options require a vote. Dishong said that this scenario would make the issue less complicated and ease into the transition for the residents.

Flaiz made a motion to schedule a special Council meeting to discuss the topic of the tax increase on June 28th, seconded by Binder. Roll call – ayes, all. Motion carried.

After discussion, a decision was made to have a work session to discuss the future revenue scenarios on June 14th at 6:30 p.m. prior to the Council meeting.

Flaiz reported that the Building Department Committee plans to meet at the Fresh Start Diner in Chagrin Falls on May 27th at 7:30 a.m.

ORDINANCES/RESOLUTIONS: Porter introduced a resolution to certify a new 1.3 mill road levy and declaring an emergency. Porter made a motion to waive readings, seconded by Flaiz. Roll call – ayes, all. Porter made a motion to adopt, seconded by Koons. Roll call – ayes, all Motion carried. Resolution No. 2010-19

Binder introduced a resolution to certify repealing the safety levy and declaring an emergency. Wolfe made a motion to waive readings, seconded by Dishong. Roll call – ayes, all. Motion carried. Wolfe made a motion to adopt, seconded by Flaiz. Roll call – ayes, all. Motion carried. Resolution No. 2010-20

Mayor gave third reading amending Section 2.01(86) of the zoning code concerning the definition of “Personal Services”. Flaiz made a motion to adopt, seconded by Koons. Roll call – ayes, all. Motion carried. Ordinance No. 2010-21

Mayor gave second reading amending Sections 2.01, 5.06(a) and (b), and 6.06 of the zoning code by defining “banner”, “pennant” and “streamer” signs and prohibiting streamers in the business and industrial districts. Flaiz made a motion to adopt, seconded by Wolfe. Roll call – ayes, all. Motion carried. Ordinance No. 2010-22

Mayor gave second reading to approve current replacement pages to the South Russell Codified Ordinances, declaring an emergency. Flaiz made a motion to waive further readings, seconded by Dishong. Roll call – ayes, all. Motion carried. Flaiz made a motion to adopt, seconded by Dishong. Roll call – ayes, all. Motion carried.
Ordinance No. 2010-23

BILLS LIST: Wolfe made a motion to ratify the May 28, 2010 Bills List in the amount of \$21,384.16, seconded by Flaiz. Roll call – ayes, all. Motion carried.

NEW/OTHER BUSINESS: Mayor passed out information that is time sensitive regarding Case Western Reserve Watershed Management. Please let the Mayor know of any potential projects in South Russell.

ADJOURNMENT: There being no further business to come before Council, Flaiz made a motion to adjourn the meeting at 10:15 p.m., seconded by Dishong. Roll call – ayes, all. Motion carried.

Matthew E. Brett, Mayor

Danielle Romanowski, Fiscal Officer

Prepared by: Becky Peterson
c: My Docs/Word Docs/Council Minutes