

**Finance Committee Meeting
February 2, 2021, 8:00 a.m.**

(Portion of Meeting after Berger recused and removed himself) 21:25

Members Present: Chairman Berger, Member Carroll, Porter, Galicki, Mayor, Fiscal
Officer Romanowski, Fiscal Auditor Lechman

Visitor: Greg Heilman, Kelly Kimball

Carroll addressed the issue with the Manor Brook project and the last-minute request by the Homeowners Association (HOA) for \$18,000. He asked the Mayor to explain this matter. Carroll added that he had asked this question multiple times last year. He asked the Mayor when he first found out about the potential of an additional fee from the HOA. The Mayor stated he saw that email that was sent to him from Canton, that this was what they were looking for. That was the only thing in writing that the Village has. The Mayor expected something all along, but that was the only thing the Village had received so far. He added that the Village still had not received anything else besides the copy of that email. The Mayor had some phone calls with them since then, trying to talk about what can be done, but that was it. Carroll concluded that the Village has no additional information at this time, so it is not certain if this would be the amount. He asked the Mayor if this were a fair statement. The Mayor said from his phone conversations with a couple people there, that was an opening bid. Carroll did not understand how this could be an opening bid when there were signed contracts and the Mayor was apparently unaware of it. Carroll expressed his confusion. Carroll said he asked the Mayor a couple of times, and perhaps the Mayor did not know about it, but Carroll had not realized the Village would be receiving an opening bid when the Village was preparing to get proposals to start taking trees down in a month and a half.

The Mayor stated he would go back to 2018, and said they expected and wanted something. He said that Carroll may recall that a year or two ago, they wanted the Village to pay for their trees that died along Manor Brook Dr. Carroll said he did recall this, and Council said no unless it was in the right of way, which it was not. The only early conversations Carroll recalled was that the Mayor felt the Village should be paying something for the property from Thomas and Thomas, \$10,000 or \$15,000. Before Berger took the oath as a Councilman, he was at the Council meeting and stated that there would be no cost, and asked why the Village would bear this cost, and that the work would probably be done for free. All along, Carroll had been asking the Mayor if the Village could expect any additional costs, and the Mayor's answer was no. Now Carroll was hearing the Mayor say that he always expected something. This was not the information shared by the Mayor, and bluntly it was not the information shared by Berger. He understood some things may have changed, but Carroll found it confusing that the project appeared to be set and moving forward. He found it interesting that \$8,000 in attorney fees and \$10,000 for whatever fee was in line with what the Mayor thought was a fair price to give Thomas and Thomas for the property. Carroll said there were a lot of coincidences that seemed to be lining up to the initial bid of \$18,000. Carroll indicated that evidently, the Mayor had these conversations with them, so why \$18,000? He understood the \$8,000 for legal fees but said this would be the first 'no-go' for him because this was an internal issue with their property regardless of whether the project went through or not. He questioned why \$10,000 and how this amount appeared.

The Mayor stated he did not know. He said he could tell Carroll that when we discovered that Thomas and Thomas were still titled to the property, we began meeting with them. We met with Jim McSherry, Bruce Thomas, Tom Thomas and he and Canton took Bruce Thomas out for lunch. The last thing when Tommy Thomas left the basement office of Village Hall, he said 'I need a couple thousand dollars.' Originally, he said he wanted to build his own private condo on that land. The Mayor tried to explain to him that he could not do that because the land was all restricted. When he left, it was \$2,000. The Mayor informed the management company that Thomas and Thomas was willing to settle for a couple of thousand dollars. He was surprised to hear that they paid \$3,000. Then he found out there were \$5,000 in legal fees. The Mayor thought but did not know that the \$10,000 was a request for the use of their land that the Manor Brook and all those people wanted \$10,000 as a chance to get some money for the use of their land. The Mayor always expected this and remembered a couple of years ago we said, 'you're not going to get over 4 acres of land for nothing out of Manor Brook.' We did not have any idea which. Carroll said he understood, but said the Village had no intention of purchasing the land, although perhaps the Mayor did. Council explained that easements in the vast majority of cases were not \$10,000, but rather in the \$1 to \$1,000 range. Furthermore, in discussing the 319 grant with the Engineer on February 1st, Carroll found that it was more common than not that these 319 grants are sought after by private entities and then the community partners with that private entity to offset some of the costs. The Village is bearing the full cost of the project, which is not a common approach to the 319 grants as explained by the Engineer. The Village is already taking the lion share of the project first and foremost. While the Mayor may have wanted the 4.4 acres, Council's contention was that the Village did not need the land, just the easement for the work that was to be done.

Carroll returned to the question of \$18,000 being the opening bid and said his opening bid would be \$1. He is befuddled that this matter came up at the eleventh hour. Carroll stated that when the Mayor said, "we," it was not Council. He was having those discussions with Canton and Thomas and Thomas and those people. While the Mayor brought some of the information to Council, Carroll articulated that, especially after Berger made the comment at a Council meeting at the end of 2019 questioning why the Village would do this and that it should cost the Village nothing and the Village would probably get access for free. This was when Berger was serving as President of the HOA.

The Mayor provided a timeline. When Bruce Thomas said he would do it for a couple of thousand dollars, that would give the Village title to the land which would have been a great deal for the Village. Then, Manor Brook realized it was their land and they took it over. So, the Village was done. Then last July 2020 they settled with Thomas and Thomas. The Village was not involved with this. The Mayor advised there were a couple of conversations; one meeting with Jim McSherry, the Thomas and Thomas lawyer, in Village hall; a luncheon with Bruce; and a meeting with Tommy. Then the Village turned it over to Manor Brook because they wanted the land. The Mayor explained that the Village did not want the land. Manor Brook wanted the land and felt entitled to it. Carroll did not disagree with this.

The Mayor stated that now when this comes out at the last minute, it was a shock to him as well. He could not believe it was \$5,000 of legal fees, and that mistake was made 40 years ago. It was Kaman and Cusimano failing to transfer the land from Thomas and Thomas when they originally

created Manor Brook. The Mayor stated this was not the Village's problem. Carroll stated he could not agree more with the Mayor.

The Mayor stated that regarding the Engineer's comments, a lot of the grants are done with private people. This was explained at a recent meeting by Kim Brewster, Chagrin River Watershed Partners (CRWP). The latest project they had done was in Hunting Valley or Gates Mills and a guy wrote a check for \$80,000 because it was on his property. Manor Brook does not get much out of this. It is the land that sits down there and is their green space. They do not have the flooding issue and they get nothing. The Mayor said they may have some benefit and it may improve their land a little bit. Carroll relayed that the Engineer said that it would improve it and they do get a tangible benefit, and even brought up walking trails and education. Carroll thought there was a value added to the Manor Brook property.

To the Mayor's point, the Village was bearing the lion share of the project. The legal fees presented to the Village were an internal issue. Carroll returned to his original comment that covering legal fees should not be part of the negotiation at all. Carroll questioned why it was \$10,000. He thought it was excessive and coincidental that they were landing at \$10,000, which was the number the Mayor suggested in 2018, and thought would be a fair price to provide them. Carroll added that Berger then made the comment, 'no, don't pay anything.' Carroll wanted an explanation and justification from Manor Brook for the opening bid amount. Carroll stated that he wanted to see the project go through, and his intention was not to derail the project. However, this was something that was very concerning. He mentioned earlier that if the grant blew up, or if Council decided that it was not workable, there was a plan, and the Village could do all the work it wanted to do. This would cost the Village a lot more money, but it would not have the constraints of CRWP and some of the other issues associated with using the grant funds. Carroll clarified that he was not saying this was the right choice, but it was a choice. He wanted to hear more from Manor Brook as to why they came up with the figure they did.

The Mayor stated that the Village needed a face to face with them. Porter said he thought that was wise and wanted to see the project go through. He added that it is February, and the Village needs to move this along.

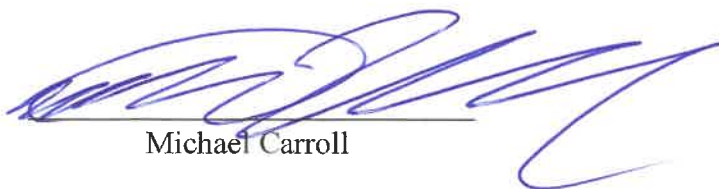
Porter agreed with Carroll that \$18,000 was just not happening. Porter stated that \$10,000 would cover their legal fees and leave \$2,000 which was what the Village could have purchased the property for, apparently, some time ago. This would have had repercussions too. The Village could have purchased those three parcels for \$2,000. Carroll responded saying that \$2,000 seemed reasonable, not \$10,000 because the \$10,000 encompassed legal fees. He has consternation about \$2,000 but could justify it. Porter agreed that there was some logic to it. He added that Manor Brook would be getting benefit out of the project because it would make it a pretty area. The Village benefit was much greater than theirs because it would address flooding. If they wanted to transfer the property to the Village for \$18,000, all four parcels, Porter thought this was a thought. Then the Village would own it and not need to ask anybody. Carroll stated that it would then become public and would allow for walking trails. One concern with walking trails that was discussed at the February 1st Stormwater meeting, was that if they are Village funded, they are for Village residents. Porter agreed and said there would be an easement to include walking trails if the Village decided to put them in, and they would be free and open to the public.

Carroll did not know the next step, but said \$18,000 was a non-starter for him, and \$10,000 was in the same boat as \$18,000. They must provide an explanation about how they are justifying the cost, and why they have waited until the last minute to present it. Carroll said he was somewhat surprised that the Mayor was unaware of it until he saw the email that all of Council received in January. Regardless, more information was needed.

Porter added that Manor Brook did not own the property, Whitetail did. Porter asked what was going to be done with this and said the Village should only deal with the record title holders of the property. There is no reason to deal with people who do not own the property even if they believe they do. Carroll asked what would happen with the validity of the agreements if the property were to be transferred to Manor Brook. Porter stated it depended on the agreement, but the Solicitor said the agreement would be between the Village and Whitetail and any of their successors and assigns. Carroll verified that the Village was covered.

The Mayor addressed the trail. He stated that there had been talks with Whitetail going back to January 2019 when the Engineer presented the proposal, and trails were discussed. Brewster suggested not muddying the issue with a trail from Whitetail to the construction area. The Mayor said that frankly, it was going to happen someday whether there were funding for it or not. This was a bone we kept throwing to them that we were going to try to get you this trail which gets you people off Manor Brook Dr., is safer, and provides a walking area. Right now, some of the HOAs have signs that it is private property, and they do not want the people from Manor Brook walking in Whitetail and some of the people in Whitetail don't want to be walking in Manor Brook. The Mayor stated there are some issues floating. He suggested having a meeting. The Mayor stated that Nancy Moran, Manor Brook Gardens, stayed on and spoke to the Engineer at length after the meeting February 1st. The Mayor stated he would get in touch with the Manor Brook people and try to set something up for a Zoom meeting to talk about their request.

Carroll adjourned the Finance Committee meeting at 9:09. He reminded the Mayor that the meeting he proposed must be Sunshined, and the Fiscal Officer explained 24 hours' notice was required. The Mayor suggested meeting Friday at 9:00 a.m.



Michael Carroll

Prepared by Leslie Galicki