

**Special Finance Committee Meeting Minutes**  
**Wednesday, August 19, 2021, 8:00 a.m. Village Hall**

**Officials Present:** Chairman Berger, Councilman Carroll, Fiscal Officer Romanowski, Fiscal Auditor Lechman, Mayor, Solicitor Matheney

**Visitor:** Councilman Canton, Alec Sapolin (CVT)

Berger called the meeting to order and read the roll.

The Fiscal Officer explained that at the Tax Budget Hearing with the county there were concerns about the Village's cash balances. She stated the Village has a lot of projects that are on the table, but they are not getting completed. She said many of these projects are time sensitive; the Lake Louise bridge must be done by next year and the Village was already on borrowed time for this grant. Two of the culverts on Chillicothe Road will be covered by a grant and one will have to be paid outright by the Village – these must be done before Chillicothe Road gets paved by the state in 2023. The replacement of the traffic light should also be done before the paving in 2023. There is also the retention basin next to Village Hall for which Council appropriated money to get the engineering started. This project should be completed next year. These projects total \$958,000 and should be completed next year. She said she recalled that when other communities had been called on the table for not spending down, they had been able to go to the Budget Commission and show that they passed legislation stating that they acknowledge the high cash balances, that the projects had not been completed, and that they commit to completing the projects by the following year prior to appearing again before the Budget Commission. She obtained legislation from Russell Township which did this last year. Its budget was then approved by the County, but when they returned to the Budget Commission this year without having completed the projects, the Commission passed legislation taking away the Township's collection for a year. The Fiscal Officer felt strongly that the projects must be done next year and if Council could pass legislation stating that the Village is committed to getting the projects done, she thought that the Budget Commission would consider it. She further explained that she had called both the Auditor and Prosecutor, both of whom seemed to have the biggest concerns at the Budget Hearing and presented her argument. When she asked if they would consider it, she was told that although they could not speak for the entire board, other communities had done this in the past, and they would be willing to listen and consider it if the Village were dedicated to the terms of the resolution. The Fiscal Officer stated that rather than giving up tax money, the Village should commit to completing the projects and added that there must be follow-through.

The Fiscal Auditor asked if the projects were currently in the Village's budget, and the Fiscal Officer said some were. She explained that this was part of the problem because the Village had been budgeting for the Lake Louise bridge because there had been a three-year grant, but the project has not been done; it should have been done by December of last year. In speaking to the Engineer, it will not be completed this year, but it will be started which would lock in the grant money. It will not be completed and paid for until next year. The culverts, traffic light, and retention basin are not in the budget yet. She explained that the Budget Commission reviews the Tax Budget to certify the Village's revenue for the upcoming year – it is not approving

expenses. The problem at the Tax Budget Hearing was that the Village has \$4 million in the bank and is considering giving a loan - the Village is not a banking business. Additionally, the Village keeps budgeting for projects such as Lake Louise and Manor Brook, and nothing is getting done. The Fiscal Auditor asked if the issue was that the Village either must spend revenue, drop the Parkland Dam project, or prove that the Village needed all the money. Carroll said that at the meeting it was mentioned that if the municipality had funds reserved for a specific project, the Budget Commission could understand this. They wanted the Village to spend reserves for a year or prove that the Village needed the money and expend it accordingly. Carroll offered that he would also include the Road Program. He added that the Village had not obtained an estimate for the Angler's swale either, but that would be done this year or next, which might help. Carroll explained that the Budget Commission had consternation about the Parkland Dam in the way that they had heard or understood comments about a possible loan. That definitely caused grief with them. He noted that the Fiscal Auditor was right on point with the three options he mentioned.

The Fiscal Officer reiterated that if the Village could commit to getting the projects done next year and that it would not be giving a loan, although the Village could consider doing a bond, the Budget Commission might consider it.

The Mayor asked where the additional culvert the Fiscal Officer mentioned was located. She explained that there was one by Manor Brook, one by the intersection, and one near Village Hall.

Carroll stated that with the updated stormwater study, \$1.5 million for stormwater mitigation projects could be set aside, although they would not all be done by next year. However, the Village could commit to spend the money on the very narrowly specific focus projects. If the money were to be put into specific project buckets and used for those projects, the Budget Commission might be more amenable to the Village's reserves.

The Mayor clarified that the Fiscal Officer's strategy would be to not rescind the 1-mill and prove the Village needed the money. The Fiscal Officer explained that it was not rescinding but suspending the collections for a year. The Fiscal Officer thought the Budget Commission would consider it if the Village would commit through legislation to moving forward with stormwater mitigation. She suggested providing the Commission with a copy of the stormwater study as well. Carroll stated that he would specifically identify monies in the reserves for stormwater mitigation. He explained that one million dollars in stormwater mitigation was identified that had not been done. Berger questioned whether this would be good enough for the Budget Commission.

The Fiscal Auditor asked if the Budget Commission indicated what the proper level of funds on hand should be. The Fiscal Officer explained that the biggest concern was the talk about the Village giving a loan. They were under the impression that if the Village planned to give a loan to the Parkland Dam residents, then the Village did not need the money because it had money in the bank. There was talk about \$180,000, but when she spoke to the Auditor, he said that if the Village chose to go this way and suspend some of the collections, it would not have to be done by millage but could be done by dollar amount and the Auditor's office would do the millage

calculation. The Village could commit to completing the projects referred to, and then look at doing a bond if the Village were to assist with the dam project in any way.

The Mayor said he liked her idea to go in and say these are the things we want to get done. The Village could also add to it. The Fiscal Officer said this was a starting point that was close to \$1 million for next year. The Mayor said if the Village appeared before the Budget Commission and stated that it was willing to knock off \$180,000, hopefully when the meeting was over, they would say the Village did not have to because the Village proved it would spend enough money. The Mayor stated he was concerned that the Village would be rolling back \$180,000 and then in November ask the residents to renew a Safety Levy and a Road Levy. The Solicitor reminded the Mayor that the Village would not be rolling back, but rather asking them not to collect. She realized this was just semantics but suggested there should be something in the newsletter explaining what was happening. The Solicitor suggested doing the alternative and having both things ready for the meeting just in case. The Solicitor said that oddly, the way that the Auditor made the motion was strange because it basically said that if the Village did not do this, then what they would do would be to take up the Prosecutor's motion to involuntarily suspend the Village's collection. Her point was that it would be beneficial to address all the concerns and have both options ready. The Solicitor added that she had seen the suspension of a levy for a year with other Townships and Villages. She suggested working on a public relations piece for residents.

Carroll asked if there would be two different resolutions, one to potentially suspend collections and the other to complete the identified projects, identify money in reserves for stormwater mitigation, etc. This was what the Solicitor would suggest. Berger asked what would prevent them from saying the dollar amount identified was not good enough. The Solicitor said there was nothing that would prevent them from doing this. Carroll stated that in speaking to the County Prosecutor, his impression was that the Commission was looking at the 1-mill or \$180,000 amount. The Solicitor asked the significance of the 1-mill/\$180,000 and the Fiscal Officer offered that the Commission arrived at this number from the Operating Levy which would be on the ballot, and it would bring in about that amount. The Fiscal Officer explained that the Village was going out a year early for this levy and there was discussion to instead wait to see where the Village stood next year. The Commission also told the Village to sharpen its pencils and figure out what the amount would be, which was why they told the Fiscal Officer she could provide a dollar amount and they would calculate the mills.

The Fiscal Auditor noted that the Village's balances were not significantly different from the previous year where there was a five-minute Tax Budget Hearing. He questioned whether the difference was due to the Parkland Dam project. The Fiscal Officer concurred and added that it was because of the discussions of a loan. Carroll stated that it was not the Village's mission to loan money. There were other vehicles to do this. The bond was discussed at this meeting because it would not cost the Village anything other than getting a bond rating. The Budget Commission also addressed that the Village was saying it was doing projects, but no projects were getting done. The Prosecutor is a resident. He knew that the Road Levy was passed because the Village was going to take the offset for stormwater projects, but nothing had been

done for stormwater. Two residents sit on the Budget Commission who pay attention to South Russell politics and that, he thought, impacted the meeting outcome. The Parkland Dam absolutely affected it with discussions of loans and charging 1% over prime. This was a hot button. Carroll thought that having reserves designated into buckets would be helpful. Regarding the Treasury Investment Board, Carroll asked how the Budget Commission might look at investment considerations relative to it being a reserve and doing a short-term investment. The Fiscal Officer explained that the Village collects taxes to do the projects. If too much money was being collected that the Village had enough to give out a loan, then it did not need to collect that much. This was the point behind the concerns. The Fiscal Officer added that the Village was not the only community that had issues.

The Mayor stated that the big mistake was with Parkland Dam and the term “loan” should not have been used. The Village is going to do a bond. Carroll advised that a “loan” had absolutely been discussed. The Mayor stated that the perception was that the Village was giving them money. The other thing that surprised him was that it seemed foreign to the Budget Commission that a municipality could actually take on a project where the private people pay for it. He did not think any of them had heard of the idea of 1% over prime, but he thought that was what shook them; if the Village had just talked about Parkland dam and how the Village would float a bond and do the project and make a little money. The Fiscal Officer stated that no, the Village would not. The Mayor continued that probably the Village would be making some excess money to pay for the Engineer and Solicitor, and everything would be covered. That would have probably eased that issue. The other issue was that he thought they were looking at the \$4 million and why the projects had not gotten done.

The Fiscal Officer wanted the record to correctly reflect that the Village would have to do the project by a bond and in the bond, the Village nor the taxpayers should be on the hook for the engineering costs - it should be the 11 residents owning the dam that cover this. It would be necessary to go to bond counsel to figure out how this works. The Village would then need to take out a bond, and then the 11 residents would be paying for all of it. The Village would just assist them in getting the funding, but they would pay all the costs. The Village would not make any money on it.

There was a question about who paid for the cost of the Village obtaining a bond rating. The Solicitor stated that getting bond counsel involved would be a cost to the Village. The Fiscal Officer acknowledged that it would be good to understand the process and saw this as a legitimate expense for the Village. Carroll said his understanding from talking to the Lyndhurst Finance Director was that the Village would want all the bond counsel matters and legislation done on the front end, which was how the Village obtained a rating. This would be a cost the Village would have to absorb. The Solicitor indicated that this matter took time and indicated that there were some bonds which must go on the ballot and some that did not. It was necessary to figure out which is which, and she stated that she did not specialize in this.

The Fiscal Auditor asked if there were additional requirements brought upon the Village after obtaining the bond. The Fiscal Officer thought there were and reiterated that it would be good to

talk to bond counsel to learn the process. Otherwise, the Village could be on the hook for the expenses.

Carroll stated that the Village did not currently need a bond for any of its projects. While he could appreciate taking on some of the expenses, he felt that if it were being done for the Parkland Dam, it should be borne by those residents and asked why the Village should pay for something it did not need. The Solicitor asked what if the Village needed it in the future, and Carroll pointed out that it should be addressed at that time because bond ratings change depending on reserves, debt, etc. The Fiscal Officer saw merit in doing the initial consultation to find out how the process worked and what the parameters were, etc.

The Mayor stated that he thought they were losing track. Five minutes ago, they had what he thought was a track. They were going to go with the 1-mill/\$180,000. Then they would look at the list of possible projects. The Mayor thought they were getting into the weeds with the bond for Parkland and they may never even go near that issue. The Fiscal Officer explained that they would need to comment on it since it was the biggest concern of the Budget Commission. The Village would need to assure them that the Village would not be giving a loan. If the Village were to assist, it would be a bond and the Village would work through the process to see what was involved. The Mayor stated that through the Mayor's Association lawyer, the Village could obtain some information about the bond process. It would be gratis.

Berger stated that South Russell had never floated a bond. So, they used the term of art, and said "loan", not understanding the process. So, they need to go back and understand that if the Village were to go forward with Parkland Dam that it would be in floating a bond to assist them in doing the project. They needed to stay focused on that term of art because the buzzword, "loan", seemed to be a hotspot for the Budget Commission. Berger indicated that they should use the term and get used to it because they were tripping over words instead of dealing with substance. Carroll stated that it was important to be factual, too. Even as the Auditor said, the Village will not make money if it does a bond. They cannot put out information that it would be a benefit to the Village. It is important to use the right verbiage, and to be factual and concise. Berger acknowledged that they did not understand it and thought bond counsel should be engaged. The Mayor thought they needed to follow the advice of the Solicitor because it was uncharted territory and they needed to be very careful. He suggested they get all the free advice they can. Berger agreed.

Berger asked how they would resolve their issue with the Budget Commission. Carroll reiterated that they would develop the two resolutions which they had discussed. Berger said that at the last Council meeting, the Fiscal Auditor stated that the Village's fund balances were as high as they had ever been, but that virtually all of the revenue had been collected for the year. The number would only go down from there, and this needed to be communicated to the Board. The Fiscal Auditor offered that the Village had a budgeted year-end amount of \$3.6 million. The Fiscal Officer saw part of the problem as the Lake Louise Bridge having been included for the last three years and was now on the fourth year. Now there was also Manor Brook. These things were not being done, but then in Council meetings it was being said that the Village has a \$4.1 balance and were considering loaning money. Berger said that if they go back to the Board and

say that the Village will have a \$3.6 million fund balance as of December 31<sup>st</sup>, would this be okay. He did not think the question could be answered. Carroll offered that there had not been a prior issue with similar balances, and the Fiscal Officer concurred. Berger argued that the Village was challenged last year and commented that the Village had a lot of money. Carroll thought the hot button issue was the Parkland loan. The verbiage that was being tossed around was problematic. If the Village were to go back to a \$3.16 balance and indicated that it had been consistent for these many years and identify the outstanding projects that the Fiscal Officer proposed, he thought this was a reasonable approach to the problem. Carroll offered that another option would be to pull the levy from the ballot for this year. The Fiscal Officer explained that this would not satisfy the Budget Commission. Carroll pointed out that the levies were on the ballot early and the Village had the high balance now.

The Solicitor advised that the Village could rescind the resolutions that were certified by the Board of Elections to be on the November ballot. Berger asked what the deadline was to do this, and the Solicitor thought it might be two weeks before the election.

The Mayor indicated that the Village still showed a proposed deficit this year of \$522,000, which he thought would help their cause to indicate that this was the Village's plan. The Fiscal Auditor advised that if the Village were showing on an annual basis that its planned operating revenue were short of its planned operating expenses, that had always been a concern. There had been times where there were positive balances and the Village decided to renew, increase, or replace levies. This was not because the Village was broke, but because it recognized it could not put forth a balanced budget each year. Berger asked how many years in a row the Village had projected a deficit spending but ended in the positive. Berger said that playing Devil's advocate for the Budget Commission, they might say that every year the Village tells them it will have a deficit and then surprisingly the balances go up because it does not end up spending the money. Carroll stated that the counter argument would be that the Village had projects that just had not hit the books.

Berger said it would also have been helpful if they had the five-year strategic plan in place. He did not know that giving the Budget Commission a piece of paper that said the Village would spend \$1.5 million over income next year was good enough. Carroll said that Russell Twp. did this last year, did not spend the money, and got lambasted. The Fiscal Officer concurred and said the Commission said that even if Russell Twp. passed their levy, they would not be permitted to collect it. They did not do this to the Village, and she thought this could be the Village's last attempt to say that the Village promised to have the projects complete or at least in process with the bills being paid next year. This would be helpful.

The Fiscal Officer advised that the County Auditor offered to address Council to explain. The Commission does not understand why the cash balances were going up and the Village was talking about loans - that was the problem. Carroll agreed that this was the triggering mechanism. Berger agreed. He asked the committee if the Auditor should be invited to the Tuesday, August 24<sup>th</sup> 7:00 p.m. special meeting. The Mayor said yes and said he is a good guy, too. Berger clarified that he was asking if Council wanted the Auditor present to have the discussion and would he be willing to have the discussion without other members of the Budget

Commission. The Fiscal Officer said that he could not make promises of how they would vote, but she had discussed the matter with him. Berger noted there was agreement in having the Fiscal Officer invite the County Auditor to the August 24<sup>th</sup> meeting. The Mayor said to tell the Auditor he would buy him dinner. The Fiscal Officer and Berger replied, “no, you won’t.” Berger summarized that the Auditor would come to the meeting and Council would have the discussion and get a sense of which track would be more appealing to them. The Fiscal Officer reiterated that she spoke to the Auditor and the Prosecutor and made the argument to both scenarios. They each conveyed that if the Village were to present the acknowledgement that there was an issue and the commitment to completing the projects that they would consider it, but no promises were made. Additionally, neither could speak for the other members of the Commission. They did say that this approach had been approved for other communities. Carroll added that bluntly, he wanted to see reserves committed to stormwater mitigation. For six years, the Village had said it would address stormwater mitigation, but had not really done anything. Whatever the number would be that was committed whether \$300,000 or \$500,000, he did not care. Berger suggested \$1.1 million. Berger asked if the upcoming South Russell projects list was part of the packet that went to the Budget Commission. The Fiscal Officer said it was not and that she had just put it together. Beyond the list, Berger clarified that a resolution of Council was required making a firm commitment. He questioned what would occur if the Village failed to honor the commitment, and the Fiscal Officer reiterated that in the case of Russell Township, the Commission suspended the collection of taxes.

The Mayor asked if the Road Program should have been included on the list. The Fiscal Officer said no because the Road Program is in the normal budget. The items on the list were outside the normal budget. Bell Road east was discussed, and the Fiscal Officer indicated that Council should be prepared to determine details of the project so that these can be presented next year to the Budget Commission. Berger asked when the Bell Rd. east project was anticipated, and Carroll said it was in the next five years, but would not be in 2022 or 2023. It could be in 2026 to 2028. It depended on PCI ratings by the Engineer as well as the Engineer’s ability to secure funding. The Streets Committee had been discussing this in conjunction with building out the five-year plan.

The Mayor thought the East Washington repaving should be included. It will be \$115,000 for next year. The Fiscal Auditor asked if this would be over and above the normal budget. Carroll thought it was an add-on to the Road Program. The Mayor indicated there had been discussion about repaving the Lake Louise roads after the completion of the bridge. This would be \$525,000 instead of \$350,000 for the Road Program. The Fiscal Officer advised that these are the things she needs Council to think about before the meeting Tuesday. The Fiscal Auditor addressed expanding the Road Program while prices were low so that when prices increased, the roads were in good shape. Carroll indicated the plan moving forward would be to identify the primaries and alternates that could be pulled in if the price came in really low. The Engineer had estimated \$100,000 too low on the Lake Louise Bridge and \$100,000 too high on the Road Program. Berger asked why the Village would not put the Bell Road east project out to bid now. If the Village did not like the bid, it could delay a year. If the bid were good, why not do it now since the Village had the money. The Fiscal Auditor explained that there were other streets that

were more urgent. Berger stated it would be an addition. Carroll explained that it all needed to be mapped out with the PCI ratings, etc. He saw the benefit to determining a five-year Road Program and the potential costs. He emphasized that it should be done strategically. Berger stated that they should not be talking about a robust Road Program at \$375,000. Rather, talk about it at \$600,000 or \$700,000. He stressed that they should spend the money. Carroll reminded the committee that there was a reason the Village passed the Road Levy, which was to use the money to address stormwater. The reserves had increased because the Village had done nothing with stormwater. Berger suggested doing both.

The Mayor said that \$640,000 could be added to the list for the Road Budget for 2022, to include the Lake Louise roads. Carroll suggested talking to the Engineer.

Berger asked if there were other projects to go on the list. The Mayor asked what they were going to do about the Fire Station since they had requested \$70,000. Berger said he would have to look at the Memorandum of Understanding (MOU), which he had not seen. The Solicitor stated that she had it, and Berger asked her to email it to him. Carroll asked how the Budget Commission would feel about this. The Fiscal Officer said this was her concern – she questioned giving a “donation”. She thought it should be worked into some kind of business plan. She thought this would be a better way to approach it than to say the Village is giving them a “donation” for \$70,000. From a business perspective, it should address how the Village would get its money back in the event the Village were to change to another fire service. Berger said he did not mind prepaying the obligation, but he would want it spelled out so that there was a claw back clause and milestones if the Village were to leave or Chagrin Falls Suburban Volunteer Fire Association (CFSVFA) were to terminate services to the Village. The Fiscal Officer addressed the proposed escrow account and said phrasing should be used like with the Chagrin Valley Dispatch. The Village fronted the money, but there was an agreement. It must be done this way and not as a donation. Carroll agreed.

Berger suggested reviewing and marking up the MOU and returning it to CFSVFA explaining that these were the terms under which the Village was willing to frontload this obligation. The Fiscal Auditor said he liked to think of it as a prepaid expense. It normally would be included in the contract price. Berger thought that was the way to handle that situation.

Berger suggested looking at the Resolution drafted by the Solicitor. Carroll suggested that with the projects listed in the Resolution, he would only put the absolute and not the probable projects. He would not put the Manor Brook project, but include the ones highlighted in yellow. The Fiscal Officer concurred that she just planned to present the highlighted items because they were concerned about next year. She included Lake Louise Bridge, Chillicothe Rd. culverts, traffic light, and the retention basin that had been identified as the top priority. The Fiscal Officer added that it was necessary to have someone from the Village pushing and doing follow-up to get the projects done. Berger proposed that there could be an internal list of other possible projects. Carroll agreed and said this could include Manor Brook and possibly the bathroom at the Village Park. This would be part of the five-year strategic plan.



The committee discussed potential issues with the resolution, to include a change in the required millage. Carroll indicated that the Village would make its best argument and see what happened. The Solicitor addressed the ability to fill the resolution in that night or quickly do it the following morning and have the Mayor sign off. She acknowledged that the committee was ensuring that the Village was committed. She said to keep in mind that it was only one board member. A motion was made by the Prosecutor that was not even seconded. Carroll concurred that it was tabled. Then the Auditor suggested more of a voluntary suspension, and then it was tabled. The Village did not know that there would be a consensus. Carroll agreed and said that the Prosecutor's motion involved the \$186,000 he wanted to suspend, so the Village had met what the Prosecutor proposed essentially with the 1-mill offer. Carroll suggested leaving it blank and Council could decide after hearing from the Auditor. It would not be a guarantee, but he thought the Village had a reasonable argument to say it was putting its best foot forward by providing a list of projects and a mill or dollar amount which the Budget Commission offered up, and the Village was willing to do internally. The Solicitor clarified that it was from the Operating Levy, which was outside the mill. The Fiscal Officer explained that this was what the Prosecutor was referring to because that was the amount that would be on the ballot for the Operating levy. Berger stated that the Auditor talked about it being from the inside General Fund. The Fiscal Officer explained that this was because the Village would not want to lose Homestead and Rollback. The Solicitor wanted to make sure the two were not being confused. The Fiscal Officer further explained that the reason they wanted inside millage was when it was said that it was 1-mill levy, and it would bring in a certain dollar amount, the State paid 12.25% in Homestead and Rollback which reduces the taxpayers' liability. Any new levy passed after 2013, the Homestead and Rollback is gone. This was why the Budget Commission did not want to risk the Village losing this because in the end it would cost the taxpayers the 12.25% the Village gets from the state on the taxpayers' behalf.

The Mayor stated there would be a three-prong attack. Tuesday night, the County Auditor would attend the meeting and would probably give Council some indication that it would be fine for the Village to go with an inside 1-mill / \$180,000. The Fiscal Officer reminded the Mayor that the Auditor could not say it would be fine, but only recommend what other communities had done. The Mayor stated that they would want the resolution blank. Secondly, the Village would want the list that the Fiscal Officer had done, which was very nice, to be ready for the hearing August 27<sup>th</sup>. He added that the third thing would be to be ready if they wanted to take the two ballot initiatives off. Worst case scenario would be that they would make the Village give back money and then the Village would look bad if it tried to renew the two levies. The Fiscal Officer explained that if the levies were taken off the ballot, then the Village would only have next year to pass them. The Village would want its opportunity and would want to do its public relations explanation as to why the collections were being suspended but the levy was needed. The Mayor stated that the levies could be put on the ballot next spring and if necessary next fall. He stated that these were renewals, and the Village had a long history of passing renewals. The Solicitor stated that the Operating levy was from 1976. The Mayor said it was a nothing. He concluded they had a three-pronged attack for Tuesday's meeting.

The Mayor stated they would never use the word "loan" again to talk about Parkland.

The Solicitor asked the Fiscal Officer if she wanted a resolution drafted with respect to the list so it would be ready to go, and the Fiscal Officer agreed. The Fiscal Officer advised she would speak to the Engineer to find out which of the projects should come out of the stormwater report. Carroll advised that he emailed the Engineer to get some numbers from him.

The Mayor said that anything involving the bond should wait. Berger stated this was a separate issue and his understanding was that there were two firms that handle bond counsel in the State of Ohio. He would consult with the Solicitor and set up a preliminary fact-finding mission meeting. Carroll asked if it would make sense to do a Request for Quote (RFQ) for the two major firms. He thought it would be necessary to set aside some money for this. Berger explained that he would call and explain that the Village was only interested in a fact-finding discussion to understand the steps and cost. Carroll wanted to know the cost of the initial meeting. The Solicitor offered that even though they are giant firms, they have a municipal rate. Berger indicated that they would explore the process and have the knowledge for the next time.

The Mayor distributed the resolution to support the CFSVFA capital campaign. He indicated it was non-binding resolution. He suggested reading through it and added that they wanted to have the Village sign by September, which he did not think was possible. Berger said that if it were non-binding, the Mayor could sign it that morning; he did not know why it was non-binding. Carroll said that he did not want to speak for Council, but in concept Council supported the initiative. As discussed, however, it needed to be built out as a MOU or contract with a claw back. He was not sure how to say that in essence the Village supported the cause but had its criteria by the September deadline. Berger added that they had discussed an escrow account and explained that an escrow account is a contract administered by an attorney who determines that when certain events occur, certain monies will be paid. He had not seen the escrow agreement and did not know how it would be done. Carroll asked if the escrow account would then include all the elements discussed by the committee, and Berger did not know. It would depend on whether CFSVFA accepted the Village's conditions. The Village would be making a prepayment conditional upon certain terms and conditions. He did not know if these would be put in the escrow account. Berger added that information was conveyed that there would be municipalities giving money to CFSVFA, but if they received other donations from private funding sources, then they would give the money back. He questioned how this is reflected in an agreement and who would decide if the money were needed or not. Carroll suggested creating some bulleted points with some of the elements discussed and to provide it to whomever was taking the lead so that it could be included within the resolution. The Fiscal Officer suggested looking at the verbiage used with Chagrin Valley Dispatch pertaining to the reimbursement of funds as new members joined. Regarding the claw back clause, Berger proposed \$10,000 per year for seven years. Berger thought there should be protections. He added that perhaps this would motivate CFSVFA to become more professional in their capital expenditure funds and think about these things as they go forward. The Fiscal Officer added that there should be regular meetings with CFSVFA and the communities. Carroll wanted to spell out the terms as quickly as possible so they could move forward. This should be discussed at the next Finance Committee meeting.

The Solicitor offered that Chagrin Falls already prepared a resolution and it was on the agenda for September. Their resolution is similar to what had been prepared. She would provide this to the committee. The Solicitor asked if the committee wanted Council to approve the list to send back to CFSVFA at the September 13<sup>th</sup> Council meeting or were they thinking that the Finance Committee would do it. Carroll suggested hitting the high points and then giving it to Council to consider. Berger added that it would then be forwarded to CFSVFA on September 14<sup>th</sup>. The Mayor asked if this was on the non-binding resolution, and Berger said it would be all the issues Council had with the existing MOU. The Solicitor explained that the MOU discussed a cost sharing agreement. What the committee was really discussing was the agreement going forward. The Mayor stated that the agreement would be coming in 2022. The Solicitor stated that it referred to a cost sharing agreement, and the Village did not know what that was. The Mayor asked what Chagrin Falls' issues with the proposed non-binding resolution. The Solicitor did not know. The Fiscal Officer indicated that the project would be going out 10 years, and on September 8<sup>th</sup>, Council had a long-range planning meeting, and this would be something that could be discussed.

Berger asked the Mayor by what date CFSVFA wanted it funded. The Mayor said they were just talking about getting the six communities to sign resolutions by September. Then they would come out with the agreement in 2022. Berger suggested that it would not be funded until sometime in 2022. The Solicitor indicated that it was December 31, 2022. The committee agreed that this did not make sense in that with a \$1.5 million project, every year that goes by the costs would increase. They should act quickly, secure the funding of the additional donors, and start the project. The Mayor said they just want to see if the Village was in or out. Berger asked if a management meeting had been scheduled with all the mayors. The Mayor stated no. Berger asked if they were going to do so, and the Mayor said he could call, and they just usually talk. He added that this seemed to be a bugaboo for people. Carroll advised that it was in the contract that the communities had the ability to get together, and he thought it was prudent to do so. Berger agreed and said a professional process oversight should be initiated. The Mayor stated that the other communities were happy, and they did not even want to come. He understood what Berger was saying about keeping an eye on the chickens. Carroll added that when the Village was spending \$400,000 on a contract, it was prudent that the Village had conversations with them. Berger offered if the Mayor did not want to attend, he should designate a representative from Council. The Mayor said he would have a meeting hopefully before September 13<sup>th</sup> so he could report to Council who attended.

The Solicitor asked if Bentleyville, Chagrin Falls Township, or Hunting Valley had passed the resolution yet. The Mayor said, no, and said frankly that they were all in and looking at the Village. The Fiscal Officer stated that South Russell had done many good things in a lot of agreements over the years, and she thought it was good to address the questions. Carroll wanted to be sure that Council continued to move forward on this matter.

The Mayor suggested not reaching out to bond counsel until he heard back from the Mayor's Association. Berger advised he would just be getting contact names so he could make a phone call. If the Village were to say it was going forward, the project would not get done until 2022.

There could be some conversations over the fall to start getting the ball rolling if the Village wished to go forward.

Berger adjourned the meeting at 9:13 a.m.

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Christopher Berger, Chairman

Prepared by Leslie Galicki