

Village of Gates Mills
MINUTES OF A REGULAR MEETING OF COUNCIL
May 12, 2020

A regular meeting of the Council of the Village of Gates Mills, Ohio was held on Tuesday, May 12, 2020 at 6:00 p.m. with Mayor Schneider presiding in a remote, virtual meeting that was livestreamed to the internet.

Councilmembers present: AuWerter, Frankel, Reynolds, Sogg, Turner, Welsh, Whitney.

Also present were Chief Minichello, Chief Robinson, Service Director Biggert, Finance Administrator Mulh, Clerk DeCapite, Treasurer Reynolds, Village Engineer Courtney, Bill Hanna (Walter Haverfield), and Town Hall Coordinator Misch.

Mayor Schneider welcomed Bill Hanna from Walter Haverfield who was attending the meeting for Law Director Todd Hunt.

The minutes of the April 14, 2020 Council meeting were presented by the Clerk. It was moved by Councilmember Reynolds that the April 14, 2020 minutes be approved. Councilmember Frankel seconded the motion.

Roll call: Ayes: AuWerter, Frankel, Reynolds, Sogg, Turner, Whitney.
 Nays: None.
 Abstain: Welsh.
 Motion carried.

Pay Ordinance #1237 in the amount of \$319,545.23 was presented by the Clerk. Councilmember Frankel asked about payments made to Englebrook Construction. A hot water heater was replaced in the Mills Building and Sara's Restaurant reimbursed the Village for the expense. Englebrook also replaced the Police Department lower level secure entry door and installed a security door on the main floor of Village Hall at the entry to the upper and lower levels of the building for visitor control. It was moved by Councilmember Frankel, seconded by Councilmember Sogg, that Pay Ordinance #1237 be approved.

Roll call: Ayes: AuWerter, Frankel, Reynolds, Sogg, Turner, Welsh, Whitney.
 Nays: None.
 Motion carried.

Treasurer Reynolds read his report, which is attached. He noted that revenues are generally on budget and slightly ahead of last year through April. Our operating expenses are within budget for all departments. Our total reserves at month-end stand at \$5,444,053, down \$221,000 from this time last year. Department managers have identified costs that could be deferred without impacting the safety of residents or staff. This was done at Council's request as the Village anticipates reductions in various revenue streams as a result of the economic impact of the COVID-19 pandemic. We have been advised by RITA, the agency that will be administering our income tax collections as of July 1, 2020, that the delay in filing will have an impact on collections this year. They estimate the impact to be as much as \$200,000 in the

current year. We also expect that both filing delays and defaults will impact real estate tax receipts. A 5-year projection of revenue and expenses for the Village was completed, with assumptions submitted by Councilmembers AuWerter and Whitney along with Treasurer Reynolds. It is important to note that this is not a forecast. The projection shows what the finances of the Village will look like through 2025 in the absence of any actions from Council or other changes to the overall economic environment. It will be used as a “base case” to help the committee assess what impacts their recommended actions will have. Major assumptions used in the projection include inflation increases of 2%, salaries to increase at 1% each year, and benefits to increase at 4% each year. It also assumes salt/slag purchases of \$100,000 per year, income taxes down \$200,000 in 2020 and then restored to previous levels, real estate taxes down 5% in 2020 and then restored to previous levels and a reduction in fines of 50% for 2020. Rental income goes down in years 2023-2025 due to the cell tower contract expiring. The projection demonstrates that, in the absence of any action, we have a \$500,000 structural deficit that will, by 2025 reduce our reserves by about 50% to about \$2.5 million, somewhat less than 6 months operations. With regard to deferred expenses for 2020, our managers have identified approximately \$640,000 in budgeted expenses that could be deferred. The bulk of these are in capital expenditures (\$422,000) and Service Department items (\$184,000). Large deferrals in these areas include much of our 2020 road paving program (\$167,000), the Mayfield Road at Chagrin River Road Intersection Reconstruction (\$176,000) and a new F550 plow truck (\$93,000). Other actions include reducing overtime and part-time pay in the Police Department, deferred training of police officers and deferred uniform purchases. Our Fire Department has deferred expenses on portable radios, SCBA/TIC upgrades, one set of personal protective equipment, all of which totals \$31,500. The expenditures are necessary but can be deferred until later in the year. Councilmembers will be receiving a copy of the Long Range Financial Plan, suggested deferred expenses for 2020, and RITA’s estimated income tax losses for this year.

Mayor Schneider stated, through Village Engineer Courtney and Ohio Representative Phil Robinson, she is trying to get additional money from ODOT for the Mayfield Road at Chagrin River Road Intersection project. For street repairs, she has encouraged Service Director Biggert to have our employees do what they can while deferring contracted work. Village Engineer Courtney stated ODOT had emailed him and asked if we are still in a position to move forward with Mayfield at Chagrin. If the Village wants to push the project back a year, ODOT is amenable to doing so. The Village does have a \$90,000 reimbursable grant from the County for materials for the 2020 Road Program. We could ask if that can be used for 2021 work instead of 2020. Councilmember AuWerter stated that whether or not the road program gets done this year, he, Service Director Biggert and Village Engineer Courtney will be assessing the roads and prioritizing the work that needs to be done. He suggested Council look at those roads once the assessment is done. The Mayfield at Chagrin project is a dilemma. It was approved for 2020 and now ODOT is saying 2021 projects will be funded at 100%. Village Engineer Courtney stated if we push out the project to 2021, the 90-10 split would not change as the project was awarded in 2019. If we reapply, we likely won’t get the funding as the project has fallen in the rankings due to other situations being more critical at this time. Councilmember Frankel asked if the Finance/Budget Committee should review the issue. Treasurer Reynolds responded that the Service Committee would be best. Many of the expenditures on the deferral list don’t take place until the fall, but late June/July we may have more clarity on our revenues in order to review the list and make recommendations. Village Engineer Courtney noted that if we are not going to

move on the Mayfield at Chagrin project this year, ODOT may need to know soon. He will get the critical dates. Councilmember AuWerter asked if Chief Minichello had quantified the amount of savings for overtime and part-time with the School Resource Officer now in the regular rotation. Chief Minichello had not. He did say that today versus last year we are down 67% in April for overtime and have 850 less hours in part-time hours. There are many variables to consider. Our main part-time officer worked 1,200 hours in 2019 and has recently resigned. SRO Kimbrew is definitely helping out in the rotation right now while schools are closed. He also noted that elected time off has not really started yet, so shifts will need to be covered. Councilmember Sogg suggested the possibility of deferring vacations versus having any furloughs. Mr. Hanna didn't know the answer, but could look into it. Councilmember Sogg stated she isn't recommending it, just putting the idea out there.

Mayor Schneider gave her report. She stated she is waiting to hear about The Nature Camp. It may be pushed back. At the end of May or early June, the community will receive a letter from the Mayor and RITA to let taxpayers know of the July 1 change from CCA for municipal income taxes. The Finance Administrator updated Council on the weekly RITA updates and noted things are moving along as planned and on schedule. Mayor Schneider noted that Sara's Restaurant would not be opening this week, but is hoping to at the beginning of June. Cindy Halle's store is open by appointment only as of today. Mayfield City School District provided the signage in the park across from Town Hall to honor its 2020 graduates. Councilmember Reynolds asked when the library might open. Mayor Schneider responded they are waiting to see what the State does. Councilmember AuWerter will cover the Gates Mills Improvement Society's 4th of July parade in his report.

Clerk DeCapite gave her report. She had notice the sign for graduates and thinks it looks great. She also commended the Finance Administrator's work ethic as she has seen her car at Town Hall during the evenings and weekends.

Councilmember AuWerter began the Committee Reports and reported on the Gates Mills Improvement Society's 4th of July parade. Parades have to have social distancing, which gets complicated with things like the high school band. As an alternative, the Improvement Society is planning a variety of things such as a virtual parade, videos of past parades, videos from schools and each grade at Gates Mills Elementary, a contest for residents to decorate their homes and property with a theme and awards, and antique cars driving around the Village. There will be something happening, but not a parade most likely. Mayor Schneider encourages anyone with good pictures or videos of past parades to email them to Councilmembers Turner or AuWerter or to her. Councilmember Sogg asked what other communities are doing. Councilmember Frankel noted some communities are doing virtual events for Memorial Day and some are using the drive-in movie theater. Councilmember Reynolds stated Chagrin Falls has cancelled the Blossom Festival. Councilmember Turner mentioned that Clark Langmack is being interviewed by Julie Hullett from the Chagrin Valley Times regarding 4th of July events. Councilmember AuWerter concluded his report by noting the Improvement Society has reached out to other schools for seniors to be recognized too.

Chief Minichello provided the Police Department report. With the pandemic, officers are maintaining social distancing with the reduced amount of traffic. They are starting to get back to

normal with traffic enforcement. Chagrin Valley Dispatch has acquired a moonbeam system to disinfect cruisers. We have taken the cruisers up occasionally to be sanitized. We are in good shape with PPE equipment and have had donations of masks from the community. Councilmember Frankel asked for the Chief to comment on the cleaning done between shift changes. Chief Minichello responded he put a directive out for the officers to clean vehicles before and after each shift. The squad room has been kept clean and Town Hall Coordinator Jean Misch does a great job getting cleaning supplies stocked. The Department is taking the virus seriously and can't do much more. Councilmember Frankel asked if temperatures are taken. Chief Minichello stated that we do and digital thermometers are available for use.

Service Director Biggert provided his report. He informed Council that Alicia Beatty from Chagrin River Watershed Partners is leaving for a new position in Minneapolis. She was a tremendous help with the 319 Grant. He noted that he congratulated her on behalf of the Village. Councilmember Frankel inquired about the 7 building permits valued at \$708,000 with one house and other structures making up the total. He asked if the value was a typo. Service Director Biggert noted the number was correct and that land is not included in the value.

Fire Chief Robinson gave his report. The old fire engine that was replaced is up for auction on GovDeals until May 20. Training with the Fire Department was done via Zoom on May 5 and it went well. The department is back to full man power after having 3 members in quarantine. He also commended Assistant Fire Chief Tom Majeski for his 25 years with the department. When asked about the three members that had been in isolation, Chief Robinson responded it was ordered by the Cuyahoga County Board of Health. Councilmember Turner asked if any additional safety measures had been put in place. Chief Robinson stated there are a number of new policies. Crews coming in have to wear masks, wash hands, and clean everything after each call in an apparatus. Councilmember Welsh asked what the COVID count for the Village is. Chief Robinson answered that Chagrin Valley Dispatch is aware of the addresses in the Village where there is a positive test and if dispatched there, police and fire are informed of such. Chief Minichello added that on Fridays the Cuyahoga County Board of Health reports cases by zip code. Our zip code showed between 5-12 cases, but parts of Mayfield Village are in the 44040 zip code. He added we do not have exact numbers available to us. Councilmember AuWerter commented on the problems with some of the data being reported.

Ordinance No. 2020-09 "An Ordinance Adopting New Chapter 1176 "Riparian Setback", of the Codified Ordinances of the Village" was put on third reading by Councilmember Whitney. She added that Council will not act on the Ordinance until the Planning and Zoning Commission reviews it, education is rescheduled and website input time is provided. There must also be a public hearing. Councilmember Sogg noted a virtual meeting for the Riparian Ordinance may be difficult to do, but will try if it is wanted. Councilmember Whitney would like the meeting to be in-person so that Kim Brewster at CRWP can present information to the Commission. We could try a social distance meeting in the Community House if necessary. Service Director Biggert noted that there is a potential need for the Commission to meet next month for a resident. He is going to have the next Historical Review Committee meeting in the Community House. Councilmember Sogg asked if people would be wearing masks. He responded masks would be required.

There was no business from the audience on YouTube, but 11 people were watching. Chief Minichello added that as of May 8 there were 10-28 COVID-19 cases that were lab confirmed and probable cases in 44040. There were 29-52 cases in 44022. Councilmember Frankel reminded everyone that tomorrow is the recycling seminar that is web-based. Information is available on the Gates Mills website.

There being no further business, it was moved by Councilmember Reynolds, seconded by Councilmember Whitney, and unanimously carried, that the council meeting be adjourned.

Roll call: Ayes: AuWerter, Frankel, Reynolds, Sogg, Turner, Welsh, Whitney.
 Nays: None.
 Motion carried.

Respectfully submitted,

A handwritten signature in blue ink that reads "Beth DeCapite". The signature is written in a cursive style with a large, prominent initial "B".

Beth DeCapite, Clerk

Approved:

A handwritten signature in blue ink that reads "Karen E. Schneider". The signature is written in a cursive style with a large, prominent initial "K".

Karen E. Schneider, Mayor

Treasurer's Report

Village of Gates Mills

Month ended April 30, 2020

Revenues are generally on budget and slightly ahead of last year through April. Likewise, our operating expenses are within budget for all departments. Our total reserves at month end stand at \$5,444,053, down \$221,000 from this time last year. Our balance in the Ancora account was \$4,852,408 including accrued interest. Interest income over the next 12 months is projected to be \$99,991.

During the march Council meeting, Council requested that the Treasurer work with our departmental managers to identify costs that could be deferred without impacting the safety of our residents or staff. This was in light of expectations that the Village will suffer reductions in various revenue streams as a result of the economic impact of the Covid-19 pandemic.

We have been advised by RITA, the agency that we will soon use for municipal income tax collections, that the delay in tax filing deadlines will have an impact on collections this year. I will email the letter received from RITA, estimating the impact to be as much as \$200,000 in the current year. I will also submit the letter for the minutes. We also expect that both filing delays and defaults will impact Real Estate tax receipts. In our Long Range Plan projections, we estimate this will reduce tax receipts by 5%. We will monitor both tax receipts closely each month.

Our managers have identified approximately \$640,000 in budgeted expenses that could be deferred. The bulk of these are in Capital Expenditures (422,000) and Service Department budget (\$184,000). Large deferrals in these areas include much of our 2020 road paving program, (\$167,000), the Mayfield Road Intersection Reconstruction (\$176,000) and a new F550 plow truck (\$93,000). All outside contractor work has been deferred.

Other actions include:

Reduced Police overtime and part time largely due to reduced community activity.

Deferred training of Police Officers

Deferred Uniform purchases

Our Fire Department has deferred expenditures on Portable radios, SCBA/TIC upgrades, 1 set of personal protective equipment, all of which totals \$31,500. I am assured by our Fire Chief that these expenditures, while ultimately necessary, do not impact the safety of our fire fighters in the short term.

I will email the full list to Council members after the meeting and submit it for the minutes.

Long Range Planning Committee

In preparation for our Long Range Planning Committee's work, Janet has prepared a 5 year projection of revenue and expenses for the Village with guidance on assumptions from Chip and myself. It is important to note that this is NOT a forecast. The projection shows what the finances of the village will look like through 2025 in the absence of any actions from Council or other changes to the overall economic environment. It will be used as a "base case" to help the long-range planning committee assess what impacts their recommended actions will have.

Major assumptions used in the projection include:

Expenses subject to inflation increase at 2% through the period.

Salaries to increase at 1% each year

Benefits costs to increase at 4% each year

Salt/slag purchases at \$100,000 each year

Income Taxes down \$200,000 in 2020 then restored to previous levels 2021 -2025

Real Estate taxes down 5% in 2020, then restored to previous levels 2021 – 2025

Fines reduced by 50% in 2020 then restored to previous levels 2021-2025

Note that rental income goes down 2023 -2025. This is a result of the cell tower contract expiring. We have not assumed it will be renewed (but realistically, you would expect that it would be.)

I will email the projection spreadsheet to Council after the meeting and submit it for the minutes.