

REGULAR COUNCIL MEETING
March 13, 2019
MINUTES

The Regular Council Meeting of the Village of Moreland Hills was called to order by Mayor Renda at 7:00pm, in the Village Council Chambers.

PRESENT AT ROLL CALL: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis
ABSENT: Mr. Stanard

Also Present: Aimee Lane, Law Director, Jeff Filarski, Village Engineer, Ted DeWater, Service Director, Chief Kevin Wyant, Lt. Todd Dietzel, Prashant Shah, Marcia Bossart, Assistant to the Treasurer, Sherri Arrietta, Clerk of Council

Mr. Richman made a motion seconded by Mr. Buczek to approve the minutes of the Regular Council Meeting of March 13, 2019.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Resident Comments

Dr. Mehran Saboori of 35 Lochspur Lane was present wishing to speak about his septic system. When his septic system was tested as part of the Point of Sale inspection with the Cuyahoga County Board of Health, the E.coli levels were high so he was instructed to replace the septic system. He contacted Mr. Filarski to ask if it would be possible to tie into the sewer system. Mr. Filarski informed him that he actually would have to tie into the sewer because of the proximity to the house. Dr. Saboori stated that he subsequently spoke to Mayor Renda about the situation as well. The Board of Health informed him that there is a \$9300 tie in fee and he stated that he has estimated that the total cost for this process would be about \$30,000, which is prohibitive for him right now. He explained that he has spoken with the EPA, Mr. Filarski, Mayor Renda, and the Board of Health multiple times, and the consensus is that he has to tie in to the sewer system or he will not be able to get the NPDES permit.

Dr. Saboori stated that he is asking for the \$9300 tie-in fee to be forgiven.

Mayor Renda informed Council that the tie-in fee is in the Village Ordinances, so only Council can make a change to it. Dr. Saboori stated that many other residents received the letter from the Board of Health requiring them to tie-in to the sewer, which was because of his initial call. Mr. Filarski clarified to Dr. Saboori that was not the case at all; The Board of Health acted on their own with regard to those other 23 residents, which are in all different areas throughout the Village. Mayor Renda asked for a reminder of where the tie-in fee goes and what it is used for. Mr. Shah explained that the fee goes into the Capital Improvement Fund for sewers, which is used for all future improvements for the pump stations and other infrastructure. Mr. Filarski stated that the fee is \$5,500 (the Village lowered it from \$11,000) but added Creekside Pump Station costs which are shared with Pepper Pike, so an

additional \$3,800 is paid for future repairs. Those two totals add up to the \$9300, part of which goes to Pepper Pike and the Village pays those funds. Mr. Richman suggested that the Facilities Committee should look at the ordinance to understand the issue more.

Dr. Saboori stated that if he would have known about this years ago, he would have asked to reduce the price of the house when he purchased it. He asked what the Village's responsibility is regarding that and whose obligation it was to inform him of this. Mr. Filarski explained that septic systems are licensed and regulated by the Health Department. The Health Department comes to the Village when a system is bad and asks if a sewer connection is available, and if it is, the resident is made to tie in to the sewer. The standards have changed since Dr. Saboori purchased his home as well. The distance changed from 200 feet to 400 feet, therefore, who was required to tie in previously as compared to now is different. That is also a big contributing factor as to why other people are now being forced to tie in.

Mr. Filarski stated that the question now is whether the connection fee can be financed. He stated that he brought that up to Mr. Shah and Mrs. Lane to look into. Mrs. Lane stated that this is not something that could be assessed through a formal special assessment process because it is just the impact fee, not the Village doing any work that would be attached to the property. She stated that one option would be an agreement with the property owner to pay the fee over a period of time with an interest component. It is not currently in the ordinance and she stated that she does not feel that it needs to be. Mrs. Lane stated that they could also add provisions to the sewer regulations as to how they can be paid; lump sum or a term agreement up to a ten-year period (for example). She stated that could be another option to consider. Other communities have also allowed a hardship based exception, which is based on a cost analysis and usually does require evidence from the homeowner that it is cost prohibitive. If Council was interested, they could add hardship criteria to the ordinance so that it is applied fairly. Mr. Richman stated that he would be for adding parameters for a hardship as far as whether it would be eligible for some part of an abatement in order to be eligible to make payments over time. Mayor Renda stated that discussing this further at the Facilities Committee and coming up with more solutions is a good idea. Dr. Saboori thanked everyone for their time and consideration.

Reports from the Mayor and Other Municipal Officials

Finance

Mr. Shah reported that the annual cash basis financial statements have been reviewed and filed with the State Auditor's office, and they are currently conducting the annual audit. The audit should be complete in the next two to three weeks.

Engineering

Mr. Filarski showed Council drawings of the project on State Route 87, specifically the auger pile wall and explained how it is being built.

Police

Chief Wyant did not have a report.

Service

Mr. DeWater did not have a report.

Law

Mrs. Lane reported that retainer hours for January and February are 70.1. There was some additional time spent in February regarding a subpoena to produce records for three of our police officers who had to be deposed. This had to do with litigation that the Village is not a party to. She also gave an update on the House Bill 49 case. The municipalities have submitted a motion for reconsideration to the Court of Appeals. All of the briefing has been done and they are just waiting for a ruling.

Reports of Committees

BZA

The BZA did not meet in March. The next meeting will be on April 1, 2019.

Roads & Safety Committee

The Roads and Safety Committee met on March 5, 2019. Mr. Richman gave a report based on the meeting minutes, which are attached. The next meeting will be on April 2, 2019 at 8:00am.

Mr. Richman made a motion seconded by Ms. Sturgis to allow the Village Engineer to develop specifications and advertise for bids for the 2019 Drainage and Culvert Maintenance Program.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Mr. Richman made a motion seconded by Ms. Sturgis to allow the Village Engineer to develop specifications and advertise for bids for the 2019 Asphalt and Pavement Maintenance Program.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Facilities Committee

The Facilities Committee met on March 5, 2019. Mr. Emerman gave a report based on the meeting minutes, which are attached. The next meeting will be on April 2, 2019 at 8:30am.

Mr. Emerman made a motion seconded by Mr. Richman to allow the Village Engineer to design, develop specifications and advertise for competitive bids, for a flow equalization tank to be installed at the Greentree Waste Water Treatment Plant.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Mr. Emerman made a motion seconded by Mr. Buczek to allow the Village Engineer to develop specifications and for the cleaning and televising of sewers throughout the Village of Moreland Hills, and advertise for competitive bids.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Mr. Emerman made a motion seconded by Mr. Richman to allow the Village Engineer to develop specifications, solicit informal quotes, or advertise for competitive bids, for lateral sewer lining on Pebblebrook Drive and Ridgecreek Trail within the Village of Moreland Hills.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Mr. Emerman made a motion seconded by Mr. Buczek to allow the Service Director to develop specifications for the replacement of the portable generator utilized to operate pump stations during power outages, utilizing approved purchasing contracts, or advertise for competitive bids.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Planning Commission

Mr. Buczek reported that the Planning Commission met on March 4, 2019. He gave a report based on the meeting minutes, which are attached. The next meeting will be on April 1, 2019.

Mr. Fritz made a motion seconded by Mr. Richman to make a \$500 donation to the Chagrin Falls After-Prom, in memory of Grant Wilson.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

Mr. Fritz made a motion seconded by Mr. Richman to make a \$500 donation to the Orange After-Prom, in memory of Grant Wilson.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: NONE

MOTION CARRIED

BUDGET PRESENTATION

Mr. Shah presented the 2019 budget. Two of the major sources of revenue in the General Fund for 2018 were 57% Income Tax (down from 65% in 2017) and 18% Property Tax (17% in 2017). The “Other” Category (at 8.18%, used to be at 3%) has gone up in the last few years because of the agreement with Pepper Pike in which we invoice them for Building Department services and they reimburse us. Income tax is the biggest source of revenue with 83% coming from individuals. At the end of February, our income tax collection was down by 6.70% from this time last year (\$150,000 less than last year) but those swings in the amounts are normal because of stock options, etc. and it is still early, so it will change.

Moreland Hills is still only one of six communities in Cuyahoga County with a 1% tax rate; 91% of the communities have a higher tax rate. The Property Tax millage totals 10.3 mills. There was a 3-mill safety levy on the ballot last year, which was approved. This new millage is non-qualifying under State law for rollbacks. The additional 3-mills did give the Police Department budget a big boost. Prior to the levy, 1.1 million was being put into their budget from the general fund, and now only \$550,000 is being added to it.

The assessed valuation of property taxes went up slightly (\$266,402,820). Total property tax revenues equal \$2.671 million; \$1,037,266 to the General Fund, \$1,555,900 to the Police & Fire Levy, and \$77,795 to the Police Pension. There is no money going into the Bond Retirement fund yet, but we issued a one million dollar debt last year to the general obligation debt, so going forward the principal interest would have to be owed on that every year and taken from our general property taxes and put into the bond retirement fund. The average property tax as a percentage of market value, throughout the county is 2.57; Moreland Hills is at 2.3%, which was an increase of 6%. The average number of home sales for 2018 was 67 with the average sale price being \$545,300. Mr. Richman asked if Mr. Shah thought there would be any complaints/appeals in light of the reappraisal and Triennial updates. Mr. Shah stated that since that happened last year, most people would have filed any complaints already. They do still have an opportunity to do so, but he has not heard of any.

The two major Operating Funds are the General Fund and the Safety Levy, excluding transfers. Personnel is our highest operation expense and includes salaries/wages, pension contributions, Medicare, health care/dental/prescription, and worker’s compensation. The state is currently trying to increase the gas tax by \$.18, which could help towards our operating expenses.

Since 2000, infrastructure projects have cost 20.4 million. Mr. Filarski has gotten a lot of outside funding for these projects, totaling \$4,408,625. Average construction costs are 1.1 million per year. Future infrastructure projects total 1.7 million for 2019, which is a little higher than normal, \$907,000 for 2020, \$848,000 for 2021, \$818,000 for 2022, and \$818,000 for 2023.

Capital for this year is as follows: Service Department - light trucks (\$450,439 approximately), heavy trucks (\$1,591,323), trailers (\$15,000), and light equipment (\$104,700); Police Department – 10 vehicles (\$400,000- which includes all the equipment that goes into the vehicles); Building Department – 1 vehicle (\$35,000).

The Capital Reserve balance currently is \$398,709. Since this fund was started, \$60,000 has been charged to the Service Department and \$40,000 to the Police Department every year, and put in the reserve fund. Mr. Shah stated that he would like to propose a change to how they do it going forward. He stated that he would like to take the actual cost of the vehicle purchased and estimate the replacement value down the road and the useful life of the vehicle (not including salvage value), and depreciate the replacement value over the useful life of the vehicle. That amount will be identified for that vehicle in order to be put in the fund toward the replacement of that specific vehicle. The Non-Reserve Capital (buildings and immovable property) insured value totals 10.8 million. The outstanding debt is 1,036,000. The current Reserve Balance at the end of 2018 was 1,659,848. The prudent fund balance policy is to have 25% of revenues or expenditures in reserves; currently our fund balance exceeds the 25% and is at almost 44%.

Mr. Fritz asked about some of the maintenance issues that did not make it into the final budget and whether they will be added back in. Mr. Shah stated that the floor would be for sure and as for some of the other items, the numbers given were just guesses, therefore, after he has a better estimate of the cost of those items, they will be put back in as has been done in the past. Some items need to be discussed in committee first, and then will be added into the budget. Mr. Richman stated that some amounts for items seem to be less than last year and asked if there are items, such as building maintenance, that there will now be more room for in the budget because of that. Mr. Shah stated that was correct and that the budget is a dynamic document and changes are made to it all the time, if the resources or funding is available. He stated that if there is an item that is not in the budget currently, it is most likely because he does not have the final numbers yet and will need them before adding the item to the budget. Mr. Fritz asked if there was going to be any large-scale capital improvement(s) that will be added back into the budget. Mr. Shah stated that there is nothing large-scale, however there is \$250,000 for the House on the Hill, but that amount is an estimate from last year.

ORDINANCES AND RESOLUTIONS

Ordinance 2019-04 (Second Reading)-Introduced by Mr. Buczek

AN ORDINANCE ENACTING NEW SECTION 1151.10, "DWELLINGS PERMITTED ON A LOT," OF THE CODIFIED ORDINANCES OF THE VILLAGE OF MORELAND HILLS.

Mr. Buczek stated that this ordinance initially came from our Building Commissioner who noticed these inconsistencies and he mentioned what a great job Mr. Kowalczyk is doing. When the Code was revised several years ago, it was left out that only one single-family dwelling can be located on a lot, and this ordinance will make that correction within the code.

Mr. Buczek made a motion seconded by Mr. Fritz to place Ordinance 2019-04 on Second Reading.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2019-05 (Second Reading)-Introduced by Mr. Buczek

AN ORDINANCE AMENDING SECTION 1171.03, "SWIMMING POOLS," AND SECTION 1313.13," BUILDING PERMIT APPLICATION; ISSUANCE RESTRICTIONS; CONFLICT WITH ZONING," OF THE CODIFIED ORDINANCES TO CLARIFY APPROVAL PROCEDURES FOR SWIMMING POOLS AND TENNIS COURTS.

Mr. Buczek stated that our Building Commissioner also pointed out the inconsistencies in these two sections of the Code. This ordinance will allow the Building Commissioner to approve all plans for both swimming pools and tennis courts in order to resolve that conflict within the Code.

Mr. Buczek made a motion seconded by Ms. Sturgis to place Ordinance 2019-05 on Second Reading.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2019-12-Introduced by Ms. Sturgis

AN ORDINANCE ESTABLISHING THE PERMANENT APPROPRIATIONS FOR THE FISCAL YEAR 2019 FOR THE VILLAGE OF MORELAND HILLS, AND DECLARING AN EMERGENCY.

Ms. Sturgis thanked the Finance Department for the budget presentation and stated that this ordinance establishes the permanent budget for 2019, with the total expenditures being \$12,262,332.92.

Ms. Sturgis made a motion seconded by Mr. Richman to suspend the rules for Ordinance 2019-12.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ms. Sturgis made a motion seconded by Mr. Buczek for passage of Ordinance 2019-12.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2019-13-Introduced by Ms. Sturgis

AN ORDINANCE PROVIDING ADDITIONAL APPROPRIATIONS, TRANSFERRING ITEMS ALREADY APPROPRIATED AND DECLARING AN EMERGENCY.

Ms. Sturgis stated that this includes an item that has already been appropriated for by previous legislation. Funds in the amount of \$8,300 need to be transferred to make payments for the ongoing Village Campus Improvement project.

Ms. Sturgis made a motion seconded by Mr. Emerman to suspend the rules for Ordinance 2019-13.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ms. Sturgis made a motion seconded by Mr. Emerman for passage of Ordinance 2019-13.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Ordinance 2019-14-Introduced by Mr. Fritz

AN ORDINANCE PLACING A MORATORIUM ON THE OPERATION OF ANY SHORT-TERM RESIDENTIAL REAL ESTATE RENTALS IN THE VILLAGE OF MORELAND HILLS AND DECLARING AN EMERGENCY.

Mr. Fritz stated that this ordinance was discussed at the Committee of the Whole meeting last week. The Village has had a few issues pertaining to short term rentals, and as such, Mrs. Lane provided Council with information and other communities' ordinances to start going through and reviewing. Council has proposed a 6-month moratorium on short-term rentals, as we are weighing what action we want to take.

Mr. Fritz made a motion seconded by Mr. Buczek to suspend the rules for Ordinance 2019-14.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Mr. Fritz made a motion seconded by Mr. Buczek for passage of Ordinance 2019-14.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

Miscellaneous

Mayor Renda reported that she attended the ribbon cutting for another branch of CVD in Brecksville. This will be their third branch, as there is currently the Heights-Hillcrest and Bedford Branches, and now Brecksville. She stated that CVD started from a small dispatch center in Chagrin Falls and grew to service nine communities, and now they dispatch for 31 communities that cover about 40% of the county's population. This is a great success for regionalism.

Mayor Renda also reported that she spoke to State Representative Phil Robinson (District 6) to ask him to support the gas tax. He listened to her rationale and agreed it was a good idea. She stated that they also talked about how it could negatively affect some of our residents but how overall it is a benefit to most of the residents and to the State of Ohio. She called Senator Dolan and while she did not speak to him, she thinks that he will be supportive as well. The last amount she heard that was being proposed was 10.7. There has been some back and forth but she is hopeful that it will pass.

Mr. Buczek made a motion seconded by Mr. Richman to adjourn the Regular Council Meeting at 8:25pm.

ROLL CALL:

AYES: Mr. Buczek, Mr. Emerman, Mr. Fritz, Mr. Richman, Ms. Sturgis

NAYS: None

MOTION CARRIED

The meeting was adjourned at 8:25pm.

Attest:

Sherri Arrietta, Clerk of Council

Dan Fritz, Council President