

RECORD OF PROCEEDINGS

Minutes of

CHAGRIN FALLS VILLAGE COUNCIL

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10149

Held

DECEMBER 12,

20 11

The meeting of the Council of the Village of Chagrin Falls was called to order at 8:00 p.m. by Mr. Patton.

Member present: Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams
 Members absent: None
 Officials present: Mayor Brick, Bloom, Himes, Zugar, Brosius, Byron, Lannon

APPROVAL OF MINUTES

Moved by Mr. Williams, seconded by Mrs. Evans that the minutes of the meeting held November 28, 2011 be approved. Carried. Ayes: Evans, Lutz, Patton, Subel, Williams. Abstain: Jacobs, Milko. Nays: None.

REPORT OF THE MAYOR

Mayor Brick announced his reappointment of Nancy Rogoff to the to the Planning and Zoning Commission for a 4-year term. Moved by Mr. Patton, seconded by Mrs. Evans to confirm Mayor Brick's appointment. Carried. Ayes: Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None.

Mayor Brick introduced the Case Western Reserve Action Learning Team who did a project for us this last semester to develop quantitative measurements for the elements of our mission statement. Mayor Brick said I will make sure that everybody gets a copy of their recommendations and next year we can work on how we want to take advantage of them and perhaps implement some of them.

Mayor Brick said the Sears Adams House Ad-Hoc Committee will be having a public meeting on December 13, 2011 at 4:00 p.m. in Council Chambers.

Mayor Brick said Holly Hall is open weekdays from 11:00 a.m. to 3:00 p.m. and weekends from 11:00 a.m. to 4:00 p.m. through December 23rd. It is a lot of fun so I hope you all get there.

REPORT OF THE FINANCE DIRECTOR

No report.

MEMBERS OF THE PUBLIC TO SPEAK TO AGENDA ITEMS (NOT TO EXCEED TWO (2) MINUTES PER PERSON)

Jack Schron.

RECORD OF PROCEEDINGS

Minutes of

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20 11

REPORT OF THE LAW DIRECTOR

CUYAHOGA COUNTY BUSINESS ATTRACTION AND ANTI-POACHING PROTOCOL ADOPTED

Mr. Byron placed on the floor Resolution No. 2011-58 entitled:

A RESOLUTION ADOPTING THE CUYAHOGA COUNTY BUSINESS ATTRACTION AND ANTI-POACHING PROTOCOL, AUTHORIZING THE MAYOR TO ENTER INTO THE BUSINESS ATTRACTION AND ANTI-POACHING PROTOCOL AGREEMENT AND DECLARING AN EMERGENCY.

Jack Schron, who represents the 6th district of the Cuyahoga County Council and who chairs the county's Economic Development and Planning Committee, spoke in opposition to the proposed legislation and he suggested that the Village may want to wait until the legislation is written before a vote is taken. He specifically addressed business development, on-site development, and innovative type businesses and new start-up businesses. Comments were heard and questions were answered.

Mr. Patton tabled this legislation.

AUTHORIZATION TO ADVERTISE FOR BIDS

Mr. Patton introduced Ordinance No. 2011-75 entitled:

AN ORDINANCE AUTHORIZING THE CLERK TO ADVERTISE FOR BIDS FOR VARIOUS MATERIALS, SUPPLIES, AND CONSTRUCTION FOR THE YEAR 2012.

Moved by Mr. Patton, seconded by Mrs. Evans that the requirement for reading an ordinance three times be suspended. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Moved by Mr. Patton, seconded by Mr. Williams that the ordinance be adopted. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Mr. Patton said this only permits the advertising, Council would still have to accept any specific bids.

APPROPRIATIONS MADE FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES

Mr. Patton introduced Ordinance No. 2011-76 entitled:

AN EMERGENCY ORDINANCE MAKING APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE VILLAGE OF CHAGRIN FALLS DURING AND FOR THE YEAR ENDING DECEMBER 31, 2011, REPEALING ORDINANCE NO. 2011-18.

RECORD OF PROCEEDINGS

Minutes of

CHAGRIN FALLS VILLAGE COUNCIL

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10149

Held

DECEMBER 12,

2011

Moved by Mr. Patton, seconded by Mrs. Evans that the requirement for reading an ordinance three times be suspended. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Moved by Mr. Patton, seconded by Mr. Williams that the ordinance be adopted. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Mr. Patton said this contains numbers that are estimated and are based on actual expenditures through November plus estimates for December. Most of the funds are inflated slightly to allow for possible unanticipated expenditures. In every case the final 2011 expenditures will be somewhat lower than the appropriation totals that are in this legislation. We are required by the state auditor to adopt this ordinance by the end of the year.

CODIFIED ORDINANCES REVISED

Mr. Patton introduced Ordinance No. 2011-77 entitled:

AN ORDINANCE TO REVISE THE CODIFIED ORDINANCES BY
ADOPTING CURRENT REPLACEMENT PAGES AND DECLARING AN
EMERGENCY.

Moved by Mr. Patton, seconded by Mr. Williams that the requirement for reading an ordinance three times be suspended. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Moved by Mr. Patton, seconded by Mr. Williams that the ordinance be adopted. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Mr. Patton said this brings our traffic and general offense codes into compliance with state law.

POSITION CLASSIFICATION AND SALARY SCHEDULE AMENDED

Mr. Subel introduced Ordinance No. 2011-78 entitled:

AN ORDINANCE AMENDING THE POSITION CLASSIFICATION AND
SALARY SCHEDULE FOR VARIOUS POSITIONS WITHIN THE
VILLAGE OF CHAGRIN FALLS, AND DECLARING AN EMERGENCY.

Moved by Mr. Subel, seconded by Milko that the requirement for reading an ordinance three times be suspended. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Moved by Mr. Subel, seconded by Mr. Milko that the ordinance be adopted. Carried. Evans, Jacobs, Lutz, Milko, Patton, Williams. Nays: Subel. Mr. Subel said this represents a salary increase for our staff of 1.5%. We had a comp meeting last week and discussed anywhere from postponing this to a 2% increase. We came through with the 1.5% really kind of like a 2% increase but reduced by the pension increase that Council granted during the year some time around June or July in anticipation of Senate Bill 5. My feeling on this is that we should wait at best before we pass it. Over the last ten years our wage increases have been in excesses of what inflation has been probably about ten points and that amounts to significant dollars. That alone is not an indicator that we are paying the right amount or the wrong amount. I use that as a benchmark. Other communities in the area, we did some formal

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Minutes of

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polling, both the Mayor and myself, things like Aurora schools, Kenston schools, Chagrin schools either this year or next or this year and last are keeping salaries at flat with no increase at all. And, in some cases, changing the employee contribution for medical insurance, which this does not address. This is strictly wages. Some of the municipalities around this area were either zero or 1% over a two-year period. I think Hunting Valley had 2% and 2% was on the high end. I also am concerned from the standpoint of just overall village. When I say concerned, we really have a challenge not that it should be taken out on by the employees but we know we are going to be losing funds from the state and the estate taxes and I would feel better evaluating this. And, I don't feel badly from the standpoint of our wage increases have been, I think, better than solid the last ten years. There are other opinions. The committee did not vote on it, we didn't have an odd number. But there are other views and so I welcome anybody to speak.

Mr. Milko said Rick, I'd say being on Administration and Compensation for over sixteen years we've looked at this issue every single year. We do our due diligence in looking at what other cities and townships do. We look at a competitive factor as far as keeping the public services that we have basically because of our downtown area and the services we provide so for the police, fire they are well respected and known throughout the communities as well as keeping our park system clean and beautiful. I was surprised at this 1.5%. We have been averaging usually around 2%. I disagree with your analysis of the inflation rate. Over those ten years we've had these discussions before though, Rick. So, I would vote in favor of the 1.5% in saying that certainly a minimum increase we can expect to be competitive for the best employees that we have.

Mr. Williams asked, has there been any comparative study for municipalities our size? Mayor Brick said yes, and surrounding. Our employees are below the median in almost all cases.

Mr. Williams said I would echo what Dwight has to say. I'd like to add that some of the things that the administration and our staff have done just in terms of controlling costs. The first comment that I would make is they have consistently met or beaten their budget numbers for expense control. One of the biggest ways they have addressed the expense control is by allowing the reduction in head count through natural attrition of the work force overall. The fact should be recognized that they have done a tremendous job on managing expenses this year. We are at or below budget in terms of our expenses and our revenues are up substantially as a result of a recovery of our tax base. As the economy begins to stabilize we have seen a substantial increase in our overall revenues and this is not a one-time increase in revenues as we receive from estate collections, this is from general revenue collections from income tax. I think our employees have done just an absolutely outstanding job and this is an opportunity for us to not only acknowledge that inflation has gone up 3.5% this year through October but the fact that the employees have done just an absolutely outstanding job in managing expenses wherever they could whether it be through capital equipment expenses, through head count, through absorption of some of their own health care costs. I think this is a worthy and a reasonable increase.

RECORD OF PROCEEDINGS

Minutes of

CHAGRIN FALLS VILLAGE COUNCIL

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10149

Held

DECEMBER 12,

2011

Mayor Brick said I personally think that this is a very modest increase. It is way less than inflation. I was at the Chagrin Valley Intergovernmental Council and of the communities that had already made up their budgets three had a 2% increase for the coming year, one had a 1% increase, and one had no increase. So, it is actually less than what most of the surrounding communities are doing. I don't think we have been overpaying people at all because when you look at our employees, how they rank with similar positions in surrounding communities, we are typically below the median.

Mrs. Lutz said I agree, Rick, that we have to be cautious and we are ahead of where we thought we would be this year and I know that we still have to think about next year and what could be coming but we are not even helping our employees keep pace with inflation. They are already making the sacrifice and I think that we can afford this and I think they deserve it. They are such a valuable asset. If we had an increase in cost in something that was essential to the well being of our village I think we would find the money somewhere and I think we have to do it this time.

Mr. Subel said I looked at inflation. I looked over the last ten years and the raises have been significantly like 10% greater than inflation. In terms of budget deficits are we making money and that kind of thing. Mayor Brick said we have a budget surplus this year and we have had a budget surplus for the last six years. Mr. Subel said part of that is because we've elected not to spend money that I think we have to. Again, I don't think the employees have to pay for North Street, for example. Mayor Brick said this was general fund only. Mr. Subel said I know but I am saying the village has to come up with money and we haven't come up with the money. I think we need to keep our infrastructure. This is another reason why I am concerned. We know the estate thing is going to disappear and my thought is that these little increases add up to a lot of dollars and I think they have over the last ten years. Mr. Patton said inflation keeps increasing as well. Mr. Subel said, I am saying over and above inflation, Steve. I think, and I don't have the numbers with me, but my recollection is the range of inflation the last ten years has been about 25% and our raises have been about 35% and that ten points is about between \$350,000 and \$400,000 a year to our budget. Mayor Brick said this hasn't happened in the last six years since I have been here. Mr. Subel said I didn't say in the last six years I said the last ten years. Most of it came early part of the decade where we were giving 2% greater than that. Things never got better, I mean the economy so I think it is catching up to us. Mayor Brick said I agree 100% that we have some serious challenges but I don't feel that we will help ourselves by denying our employees something that is less than inflation.

Mr. Williams said we have done some pretty important things in the village in terms of focusing on how we expand our revenue base as a village. We are not a static community, there is significant reinvestment going on. There are a number of things that have happened over the last six years that are going to lend themselves very favorably to future revenues to the village. When I look at this challenge of the estate taxes, which collections have been relatively small over the last few years which were not even enough on their own to keep up their capital

RECORD OF PROCEEDINGS

Minutes of

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budgets. I look at what we have done in order to lay the ground work to expand our revenue base and see that as one of the principal sources of future revenue generations so that the capital budget can be more directly supported by future village revenues. So, I think your concern is right about what is coming down in the future but I think there are a number of things in place in addition to whatever will be discussed in the future about addressing those specific capital projects, particularly large capital projects. But, I think here, right now today the benefit to the employees I think is significant given the nature of the economy in the past year and that is juxtaposed against very sound fiscal management in the village this year and in previous years as well.

Mr. Jacobs said to address what the Mayor is saying, I am going to vote for this and the reason I am going to vote for it is I appreciate the committee addressing my earlier concern about the overinvestment in the pension. I also do have a sense dealing with businesses that are both unionized, not unionized. We are actually averaging both in union and nonunion shops about 1.5% so I don't think it is excessive. I do think the village has some real challenges ahead in terms of funding roads and streets but I am going to support this.

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH ICE MILLER LLP

Mr. Subel introduced Ordinance No. 2011-79 entitled:

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN
AGREEMENT WITH ICE MILLER LLP, EFFECTIVE FROM JANUARY 1,
2012 THROUGH DECEMBER 31, 2012.

Moved by Mr. Subel, seconded by Mrs. Lutz that the requirement for reading an ordinance three times be suspended. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Moved by Mr. Subel, seconded by Mrs. Evans that the ordinance be adopted. Carried. Evans, Jacobs, Lutz, Milko, Patton, Subel, Williams. Nays: None. Mr. Subel said this is really just a re-up of our contract with our law firm with two changes. One is to increase the amount by 1.5%, which is consistent with how we have done it almost forever and the contract has changed because the law firm we are with got absorbed by another law firm. In context of the conversation we just had, it was about a year or two ago that our law firm forwent an increase in fees.

STREETS AND SIDEWALKS COMMITTEE

No report.

FACILITIES AND SERVICES COMMITTEE

No report.

RECORD OF PROCEEDINGS

Minutes of

CHAGRIN FALLS VILLAGE COUNCIL

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DAYTON LEGAL BLANK, INC., FORM NO. 10149

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2011

PLANNING AND ZONING COMMISSION

Mr. Jacobs reported that the commission revised parking spaces that are allowed at 177 East Washington Street and the revision update reflected what the city-wide ordinance was at that time. He also reported that the December meeting has been canceled.

SAFETY COMMITTEE

No report.

UTILITIES COMMITTEE

No report.

BOARD OF ZONING APPEALS

No report.

ADMINISTRATION AND COMPENSATION COMMITTEE

No report.

FINANCE COMMITTEE

Mr. Patton acknowledged that Council did receive the monthly expenditure reports as well as the monthly statement of cash receipts and disbursements for November, 2011.

PARKS COMMISSION

Mrs. Lutz reported that the December meeting has been canceled.

SHADE TREE COMMISSION

No report.

ARTS COMMISSION

No report.

PARKING COMMISSION

No report.

RECORD OF PROCEEDINGS

Minutes of

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Meeting

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DECEMBER 12,

2011

REPORT OF THE CHIEF ADMINISTRATIVE OFFICER

Mr. Himes reported that Mr. Flesher has resolved his zoning issue to extend the driveway on his Bentleyville Road property by consolidating the lots. As you may recall, he was denied and denied a variance as well, because he was extending the driveway across multiple lot lines. He has consolidated those lots to address that issue. He will be required to obey all the hillside regulations but he will likely be issued a permit here shortly.

REPORT OF THE ENGINEER

No report.

REPORT OF THE POLICE CHIEF

No report.

REPORT OF THE FIRE CHIEF

No report.

MEMBERS OF THE PUBLIC TO SPEAK TO ANY MATTER (NOT TO EXCEED FIVE (5) MINUTES)

Jim Weingart said as you might remember a family owns a house on Cottage Street and I had three members of the city come out to see some additional slippage that occurred from we think the project that is below us. He asked if there has been any progress on the digging and the boring. Mr. Himes said we still have not received the geotechnical report. I think they last indicated that it would be available some time in December.

MISCELLANEOUS

Mr. Patton thanked Mr. Milko, Mr. Williams, and Mr. Jacobs for their multiple years of service, their time, and their skills. He said they have been an absolute asset not only to Council but to the village as a whole. He has appreciated working with each one of them.

Mr. Patton announced an organizational meeting for Monday, January 2, 2012 at 7:00 p.m.

RECORD OF PROCEEDINGS

Minutes of

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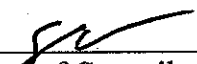
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ADJOURNMENT

Mr. Patton adjourned the meeting at 9:05 p.m.



President of Council



Clerk of Council