

Minutes for the February 11, 2012 Regular Council Meeting
10:00 am at the Town Hall on Division Street

1. Mayor Paine calls council to order and roll call is taken. Present are G. Finger, L. Marchky, G. Ritchie, P. Seeholzer, and M. Feyedelem. Absent is D. Kaminski. Dennis Kaminski, Rob Quinn, and Bill Minshall had all planned to be here at the meeting, but the weather has prevented planes from flying and they were all unable to get to the island. **Motion to excuse Councilmember Kaminski**, made by Feyedelem, second by Seeholzer; all in favor; motion carried.
2. All rise and recite the Pledge of Allegiance to the Flag.
3. Discussion and/or amendments to the January 14, 2012 council minutes. Motion to accept the minutes as written, made by Seeholzer, second by Feyedelem; all in favor; motion carried.
5. Discussion of Pay Ordinance No. 1113. Motion to approve, made by Seeholzer, second by Feyedelem; RC: Finger- yes, Kaminski (absent), Marchky- yes, Ritchie- yes, Seeholzer- yes, Feyedelem- yes; motion carried.

7. Committee Reports

- 7.A. Police- Officer Craig reads Chief Ehrbar's report: Since the last council meeting 10 reports were filed; 207 phone calls were received; no arrests were made; 3 traffic violations were ticketed; 5 warnings were given for stop signs and speeding; 2 accidents were attended; and 279 house checks were made. Ten homes were found with unlocked doors or windows; 4 homes with attempted entries to rear doors and 2 homes had been broken into. The report continues that island residents are not immune to crime. The police have interviewed 3 people of interest and processed the homes for prints. Always lock the doors on your homes and vehicles.
- 7.B. Safety Committee- M. Feyedelem reports that the committee has had several meetings to discuss on-going issues.
- 7.C. EMS- M. Feyedelem says that Devine reports that there were two calls; no transports.
- 7.D. Fire Dept.-Chief Hostal reports that they received no calls in the month of January. Annual training started this month and will continue through the summer. The Fire Dept. is going to start a new class this summer. Anyone interested please contact anyone on the Fire Dept.
- 7.E. Finance- P. Seeholzer reports that the Finance Committee met. Four council persons were in attendance in addition to the Police Chief, Fire Chief, and a representative from EMS. They talked about new revenue streams for the General Fund like an excursion boat tax, boat dockage tax, room tax, tourist tax, income tax, and a police levy. .5 and .6 mills were discussed. **Motion to prepare the legislation for a police levy for the July ballot to request the money that would be raised by a .5, .6, .75, .9 or 1 mill levy**, made by Seeholzer, second by Finger; all in favor; motion passed.

The July ballot was mentioned for the levy. Clerk-Treasurer Brown says that she called the Erie County Board of Elections and the village would have to pay all the costs of having the election. The Board of Elections said it might be about \$2,000.

Seeholzer continues that the Finance Committee would like about \$50,000 for the Police Dept. They have not had a levy in six years. Village Administer Stevenson says that Fire Chief Hostal gave him some information about taxing for EMS runs, The solicitor will review the documentation. Lambros adds that some municipalities have required that insurance pays for EMS runs and then if the person has no insurance, the municipality determines if they are a resident or not. Clerk Brown adds that the Village of Kelleys Island cannot bill insurance because they gave that right away in the contract that council made with St. Vincent's and also in the contract the village made with Marblehead. The Marblehead contract allows the Kelleys Island EMS to transfer patients to the Marblehead ambulance. They deliver the patient to the hospital and have the right to bill insurance. The only item the Kelleys Island ambulance can bill for is mileage and that was only a mile or two. Part of the Marblehead contract also included a payment to Marblehead from Kelleys Island. Actually Marblehead has not billed Kelleys Island in the past few years. Brown continues that she spoke with an Ohio clerk that said they billed non-residents for service, but it did not involve insurance companies. Village Administrator Stevenson says that he has a copy of legislation that does just that and he will give it to the solicitor. Seeholzer asks the solicitor to look into that also. Seeholzer continues that the Finance Committee also talked about a possible EMS Levy for 2013. Mayor Paine mentions that in 2011 the excise tax was less than other years and he would like to ask the state if they know if some people are not paying the excise tax. Brown says that she has been talking with the state about their collection of the excise tax over the past few years, but the personnel in the State have changed and it has been difficult to motivate the state to do something about the excise tax collection. Brown adds that the local excise tax is really a minor tax in the eyes of the Ohio tax department. Put-In-Bay is actually considering a lawsuit against the State of Ohio Department of Taxation for failure to collect taxes due to municipalities from the Resort Excise Tax. Finger mentions that Kelleys Island has lost some businesses like the quarry.

- 7.F. Lands & Buildings- G. Finger says that Lands and Buildings will watch their spending. They want to complete the combination court, net and signage and maybe a re-painting of the lines. In March the committee is planning to meet, maybe jointly with the Park Board. After the boats start to run, a stump grinder can be brought over to be used on the tree stumps. Lance Marchky asks if a Lands & Buildings Meeting has been planned. Finger responds that they had planned a combined Park Board and Lands & Buildings Meeting, but it has not been scheduled yet.
- 7.G. Airport- G. Ritchie reports that he reviewed a lot of information on the long term plans for the airport. Mayor Paine says that the airport engineer will be here by the end of the month and he would like a meeting with everyone concerned with the airport.
- 7.H. Planning Commission- G. Finger says that the Planning Commission is waiting for the final draft of the proposed Zoning Code. No meetings have been scheduled.
- 7.I. Design Review Board- G. Finger reports that there have been no meetings.
- 7.J. Board of Zoning Appeals- G. Finger reports that no appeals have been filed.
- 7.K. Transfer Station- Ritchie says that he is second on the committee and in Kaminski's absence he has nothing to report. L. Marchky reports in Kaminski's absence that Peggy will be taking some days off from the Transfer Station and he volunteers to fill in for her.
- 7.L. Village Administrator- Stevenson and Mayor Paine met with CT Consultants and Stevenson says it was a productive meeting. Stevenson is interested in some equipment purchases to do road repair in house. There is a water leak at the cemetery that will have to be dug up. Destruction of the Byrne's house has been stopped until a dumpster can be brought over on the boat.
- 7.M. Streets & Sidewalks- L. Marchky reports that they are reviewing the Sidewalk Program to begin it.
- 7.N. Park Board- M Feyedelem says that there is nothing new to report.
- 7.O. Mayor's Financial Report- Mayor Paine reads the Mayor's Court report. **Motion for up to \$500 for expenses for Dee**

Zimmerman to attend a Mayor's Court Conference, made by Seeholzer, second by Finger; all in favor; motion carried.

7.P Legal- D. Lambros explains that the ordinance on the agenda today has changes to section 2. He removed references to the Board of Trustees of Public Affairs and he further explains that any payment for airport legal work would be solely out of reimbursement grant funds. One of the issues that has arisen recently is, if technically, he can be an independent contractor. The State pension system can go back in a public entity's records, if it wants to, and if they decide a solicitor should have been enrolled in PERS, they can invoice the village for past payments in addition to penalties and interest. So, Lambros had changed this hiring ordinance to include payments to PERS to protect the village against such a possible liability. Lambros says it is up to council; he doesn't need PERS, but it is proactive to place him in it. Since being enrolled in PERS means that the village will be paying an employer share, Mr. Lambros has requested a decrease in his compensation to \$43,000 annually to help compensate for the employer pension payment. Lambros adds that council will have to amend the ordinance before passage. Lambros continues that he spoke with Rob Quinn, the Airport Manager, about collections at the airport. The Airport Manager would like to have the ability to issue citations for non-payment of the landing fee which are on an honor system. Lambros mentions that a Planning Commission item has come to his attention. The village has always had a problem with enforcement of the Zoning Code. The new proposed code was to include verbiage to address this issue. The Planning Commission was trying to stop piece-mealing changes to the Zoning Code and that is why they were waiting to propose a whole new code, but the proposed code has not yet come to council and the Zoning Inspector has been waiting for the enforcement legislation. Lambros now suggests going ahead with the enforcement code right away so that it could be in place before this summer.

7.Q Treasurer's Report- C. Brown says that members of council have the usual fund and treasurer's report in their packets. Brown is continuing with UNISON and ODNR to finalize the projects of the cellular contract and the money for the public restroom project. Brown has decided to request another installment of money for the restroom project. She has learned of some items which won't be finished until the spring and so rather than wait for the end of the project she thought it better to get another partial payment. There is one item on the obsolete equipment list this month: a printer from the Water dept. that has ink all over the interior. The Water Dept. said that it was broken and not fixable. **Motion to dispose of the printer**, made by Seeholzer, second by Marchky; all in favor; motion carried.

The EMS and Airport Resurfacing levies will expire in 2013, and they will have to be renewed at the ballot. Brown will be reviewing the revenue into each department and fund area along with writing the appropriation ordinance for March passage. It is important that any additional revenue stream be given to the Finance Committee or to the Clerk-Treasurer along with requests for 2012 appropriations, as soon as possible. This is especially important if there are any changes from last year. Every attempt will be made to give everyone everything they ask for, if possible.

Brown continues that the village has reached a point when many of the funds are being strained and she has brought a map of Kelleys Island which has all the properties that pay no taxes colored in black. Those properties amount to about 25% to 33% of the total land mass and are part of the problem that was eventually going to be a revenue shortage for the village. Brown continues that the problem was set in motion decades ago when the State of Ohio took land for the park, decreasing the tax base. The village has continued the process- for example the park lands that are coming into the village now will also decrease the tax base. The taxable land is paying for the infrastructure of the whole island, which has been increased due to the pressures brought by tourism and second homes. Every grant that the village gets has strings attached. Part of the Clerk-Treasurer's time is needed to maintain them—every grant requires some kind of reports and the reports are all different for the various granting agencies. Brown continues that for three years we have been hearing about deficits and cutbacks in federal, state, city, and smaller local governments. Brown thinks that everyone has known that at some point a budgetary crunch was coming. Brown has worked very hard to keep the village from going into default, while continuing to fulfill all the requests made by council. This year is the year that council needs to work on new funding sources for the village, especially revenue that is tied to tourism, if they want the services to continue at the same level. For the past several years Brown has been concerned about Mayor's Court and had shared those concerns with the former mayor. The response was that everything was OK and the collections were good. Now it has come to light that the court has over \$11,000 uncollected. We are lucky in that the last state budget bill included a provision that the Attorney General's office can now collect monies outstanding for municipal governments. Since the 1800's that office has collected all outstanding debt for the State of Ohio departments. Brown has contacted the Attorney General's office and has received information for the solicitor to review to see about contracting with the State of Ohio for the debt collection. When the state started to cut back shared government funding to the local governments' general funds, it started presenting the option of spreading general fund administration expenses across departments that use services from the General Fund. Now the state is urging merger of adjacent governmental entities to cut expenses. That is not as easy for Kelleys Island as it would be for a village that was adjacent to a township for instance. Kelleys Island has not felt the pinch until this year and I hope that now council will be willing to start making some of the hard choices that they have been putting off. To speak a little more on that—Kelleys Island has followed the usual trajectory of governments. The General Fund had a big carryover a few years ago and everyone hoped that the economy would get better before the village had to make any adjustments. Adjustments have been proposed in the past few years, but the choice was always to make minor changes to contain expense rather than cut items, an example would be the medical coverage. However, all the governments we hear about on the news were also unable to make the pro-active difficult choices. Brown thinks that it is human nature to put off decisions that may affect others negatively. Brown adds that the village has to find new revenue streams that relate to tourism. She references the map of non-tax paying properties and adds that the residents on the island are paying for the infrastructure for tourism and adds that if new revenue streams are not found, the only option will be to cut services.

Ritchie says that council is probably going to go to the voters and ask for a levy. Because of the variables, Ritchie asks for a budget for 2012 and 2013 from the Clerk-Treasurer's Office and the Finance Committee in order to determine how much is needed, so that council can decide on how much to request. Brown indicates that she always does a forecast, she has to in order to decide on appropriations. It is not usually in a presentable form, but it will be available.

Paul Hiller says that Kelleys Island has thousands of tourists every summer and he thinks effort should be made to generate revenue from the tourists. He suggests that a committee be constituted and asks for negotiations to start between the Kelleys Island Ferry Boat Line and the village over a head tax. Hiller is interested in some form of fee that would differentiate between tourist and resident. Solicitor Lambros says that all items mentioned today will be investigated. Solicitor Lambros comments on the Mayor's Court to say that the Mayor's Court issues warrants. Marchky says that he attends the Mayor's Court proceedings and it seems that a lot of people don't pay. Marchky asks if they can't pay that day can the village make them use a credit card? Lambros replies that they can use a credit card to pay, but that in the State of Ohio, you cannot jail someone or force someone to pay immediately if they do not have the money. The threat is the warrant. If the offender is pulled over for any reason, the officer would check and see the active warrant. The court could also have an additional separate fine for failure to pay fines and costs. Their license is suspended also, but you have to wait for the person to try to renew their license.

Mayor Paine replies that everyone is charged the excise tax and the county bed tax. He adds that everyone benefits from tourism in ways, such as having a schedule of frequent boat trips. The village needs a balance between fees.

Sandy Alexander says that maybe a head tax is reasonable in hard times, but she continues that you don't want to discourage tourism and business.

Mayor Paine suggests that we move to public participation since it seems to be happening.

Leslie Korenko says that if the Mayor's Court has the copy of a check, they can do the collection themselves.

Leslie Korenko says that we do not have an excise tax, it is added to the value of an item.

Leslie Korenko has a second comment: the on-going trailer park issue. She says that Lambros reviewed the documents and from the aerial photos Lambros agreed there had been a change. Lambros says that in the 2011 photos there seems to be a change. He spoke with the Zoning Inspector and Minshall agrees with Lambros on the law, but disagrees on the facts. Lambros has spoken with Zoning Inspector Minshall and he said that according to information the Zoning Inspector reviewed, in 1985 the non-conforming use included a trailer 2 ½ feet into the right-of-way. The question is when the Zoning Code changed, what was the position of the non-conforming use. The Zoning Inspector believes that is the demarcation issue that should be used. Mayor Paine is going to talk to Theresa to see if there is a compromise that can be reached instead of going into court. Lambros says that he is comfortable with the law as he has researched it. Bill Minshall was going to be here today, but since they're not flying, he couldn't be here. Leslie Korenko says this is the end of a two year attempt at resolution. If it does go to court, the village will be named in the suit.

9. First Readings

10. Second Readings

11. Third Readings & Emergencies

11.1 ORDINANCE NO. 2012-O- 4 : AN ORDINANCE AMENDING SECTION 2 OF THE ORDINANCE 2011-0-11.5 PROVIDING FOR COMPENSATION FOR THE SOLICITOR IN THE VILLAGE OF KELLEYS ISLAND, OHIO AND DECLARING AN EMERGENCY. (INTRODUCED BY: MAYOR KYLE PAINE)

Motion to amend the ordinance to make the annual compensation amount \$43,000, made by Marchky, second by Ritchie; all in favor; motion carried.

Clerk Brown also advises council that the ordinance number is wrong in the title.

Motion to suspend the three reading rule, made by Seeholzer, second by Finger; Motion to approve, made by Seeholzer, second by Feyedelem; RC: Finger- yes, Kaminski (absent), Marchky- yes, Ritchie- yes, Seeholzer- yes, Feyedelem- yes; motion carried.

Motion to pass as an emergency, made by Finger, second by Seeholzer; Motion to approve, made by Seeholzer, second by Feyedelem; RC: Finger- yes, Kaminski (absent), Marchky- yes, Ritchie- yes, Seeholzer- yes, Feyedelem- yes; motion carried.

12. Items from the Mayor

12.1 Mayor Paine thanks members of the village for their support, especially Claudia for her help. Mayor Paine continues that his first priority is looking for grant money to replace the water intake, which is rotted underneath. He is afraid that it will collapse and if that happened in the winter it would be a major problem. The replacement line is already engineered. CT Consultants has reviewed the plan and made only slight changes. Any local cost would be passed onto the water users. The Village Administrator said that they used a camera to see the pipe last year and it will not last.

Ritchie says that the water intake sounds like potentially an emergency health issue and last December the village entered into an agreement to sell the cell tower rights for \$105,800, removing that revenue stream from the Water Dept. That money was put into the general fund. Why couldn't some of that money be used for the Water Dept. to do this project ? Seeholzer asks Ritchie if he had figured on that money when he did the water rates. Ritchie replies that he did not, but he did include the revenue stream from the cellular lease and now that will be gone. Seeholzer asks if the Water Dept is self-sufficient now. Stevenson replies that it is pretty self-sufficient and Ritchie agrees to that. Brown interjects that the money is scheduled to go into the general fund by previous council action and she reminds council that the general fund is the only fund that can give money to other funds. If the money went to the water fund, it would be stuck there, whereas the general fund can help out any fund in need. Brown indicates that she does not plan to appropriate the money, but rather have it sit in the general fund. She continues that the money is a guarantee to the federal government for five years of payments for the runway loan. Council entered into that agreement which consists of a ten year loan with a five year levy in place to support the loan payments. The runway levy is up for renewal in 2013. Council will have to ask the voters to renew the levy another five years. Once that levy is renewed, council could make use of some or all of the cellular tower money in the general fund for other uses.

Mayor Paine continues that the village has only about 630 users. Most cities have thousands of users to contribute revenue and we have to meet all the same requirements as larger entities. Village Administrator Stevenson says that he is also going to try to deem the water intake as an emergency.

12.2 Mayor Paine is trying for a grant for the Huntington Lane project and assessments would pay the balance or the whole project cost.

12.3 CT Consultants said that money is available for Division Street because it is the main route to the State Park. The village may be able to get federal money because the main route is no longer 575.

12.4 Mayor Paine is looking into telemetry for water meters. This would allow the meters to be read on a weekly basis, One company has a meter that could be read within a mile. Someone could drive around and read meters. The Village Administrator could pinpoint the area of a leak and the telemetry could pinpoint the meter. There may also be money available to help pay for the expense.

13. Items from Council

(Dave Lambros leaves the council chamber)

13.1 Seeholzer asks about the waterline to Camp Patmos. Village Administrator Stevenson thinks that Camp Patmos expects to pay a lot of money towards the line, but no actual numbers were discussed. Mayor Paine says that Camp Patmos uses ¾ million to one million gallons a year. Mayor Paine also wants to ask CT Consultants if plastic pipe could be used instead of iron ductile pipe. He adds that the plastic would cost less. It is suggested that it will take a 12” pipe to allow other users to connect to it, like the people in the Kaempfe subdivision. Finger suggests a meeting on the waterline project. Marchky asks if anyone has researched grants. Brown says that the village has a grant loan, with 40% forgiven and the balance at 0% interest. The village is waiting for an estimate from CT Consultants. Village Administrator Stevenson says that he believes that Camp Patmos is aware that this project may cost them hundreds of thousands of dollars, although no actual estimate has been discussed. Stevenson believes that the camp needs the water and this would be the least expensive way for them to get it. The Village Administrator says that if no grant is found by April, he wants to move ahead with assessments for Huntington. Leslie Korenko says that in the past when the Water Dept. researched putting a water line down Ward Road, the State of Ohio said they would not enter into the request for water, but they would pay an assessment. The State also needs a year’s lead time to build an assessment into their budget.

14. Old Business

14.1 Ritchie says that he would like a meeting when more people are on the island to discuss the Water Fund and General Fund finances. He suggests Saturday, April 28th. Others want a meeting during the week. After discussion, **Motion for a special council meeting on April 26th at 10:00 am, in the Town Hall to discuss the General Fund and the Water Fund**, made by Ritchie, second by Finger; RC: Finger- yes, Kaminski (absent), Marchky- yes, Ritchie- yes, Seeholzer- yes, Feyedelem- yes; motion carried.

16. New Business- none

17. Motion to adjourn, made by Finger, second by Marchky; all in favor; motion carried.

(11:35 am adjourned)