

## Special Council Meeting

Agenda: Town Hall Meeting on the General Fund and the levy

July 28, 2012, 9:30 am

1. Mayor Paine calls council to order and roll call is taken. Present are Gary Finger, Dennis Kaminski, Lance Marchky, Greg Ritchie, and Michael Feyedelem. Absent is Patricia Seeholzer.

Motion to excuse Seeholzer until she arrives, made by Kaminski, second by Finger; all in favor; motion carried.

2. All rise and recite the Pledge of Allegiance to the Flag.
3. Mayor Paine speaks first and then asks council members to say what they would like. Mayor Paine addresses the concerns of the Village of Kelleys Island, and says that he supports the levy. Mayor Paine feels that if the levy does not pass the village will have a lot to lose. He continues that his two biggest concerns are finance and safety. Not passing this levy could jeopardize both. The Clerk-Treasurer can give people the figures to justify his concern. He wants the public to know that elected officials will not stand to gain anything if the levy is passed. The remuneration of elected officials is set by statute before any ballot language and cannot be changed. The Mayor's salary will not go up, nor the Clerk-Treasurer's. The current Clerk-Treasurer has decided to take Medicare instead of staying on the full village health plan, which saves the General Fund about \$10,000 a year. Being a member of council is basically a volunteer job, the compensation is so low- \$50 for a regular meeting and \$25 for a special meeting. Mayor Paine says that he would like to have council members speak first, starting on his right with Denny Kaminski. Mayor Paine continues that he would like the council members to keep their comments short as the purpose of this meeting is to address questions from the public. Mayor Paine adds that he would like questions about facts and figures to be directed to the person that knows the most, the Clerk-Treasurer. The Clerk-Treasurer will speak after the members of council. Mayor Paine says that he hopes that the elected officials can address all the public's questions. Mayor Paine also wants the public to be aware of the change in the mills being collected for the school next year. Even if the voters pass this levy, they will still see a decrease in taxes next year. The Mayor closes, asking that everyone remain courteous to anyone speaking.

(Seeholzer arrives)

Kaminski has no comment personally and says that he will let his colleagues speak for or against the issue at hand. Kaminski does say that he would like to see the levy passed.

Marchky says that it is for the people to decide, but that he voted to put the levy on the ballot and let the people decide what they want.

Ritchie says that he does not know if the people present received a copy of the letter that he distributed earlier this week. He passes out copies to the members of the audience. Ritchie says that he is of the opinion that the village needs additional revenue. Ritchie objects to the process and what he calls the lack of accountability. He continues that a lot of money was spent over the last five years and he doesn't feel that he knows how the money was spent, if there were budgets for the capital improvement projects, or after the projects if there was any analysis about the monies spent- if they were under or over budget. He says that in his discussions with the Mayor there does not seem to be any emphasis on expense control. Ritchie also says that he thinks there is a lack of focus on the financial issues that the island may face in the coming years: revenue for the airport, new revenue for the EMS fund, new revenue for a new fire building. So there are a lot of issues and we are addressing the General Fund in isolation. Mr. Ritchie would prefer to look at all the funds. He is voting against the levy.

Fyedelem supports the levy because he feels that the village needs the money due to the economic conditions within the county and the State of Ohio. With less money coming back to the village, Feyedelem thinks the village does need the money at this point.

Finger says that his feelings are the same and that he hopes that everybody would have the confidence in us as a body. We have always tried our best. While it may not always be perfect, we have always tried to do our best at watching our spending. We have done a lot of improvements, and of course it takes support from the community, so Finger hopes that the community will continue its support.

Seeholzer says that she agrees with Finger in that the village has done a lot of improvements over the last four years that the public here on Kelleys Island has asked for – for the police force, access to this hall, public restrooms. For instance the downtown public restrooms have been requested for at least 20 years that she has known of. Some of that money came from Lands & Buildings in the General Fund, from State funding. There have been revenue cuts by the State that have affected the village's revenue. Seeholzer supports the levy because she does not think that the village can cut employees and maintain services. There are not many employees left at the village to even cut.

Mayor Paine adds that the Estate Tax is eliminated next year and the village has already received \$50,000 this year of that. The bills are going up and the revenue streams from the State of Ohio are decreasing. It has become more difficult for the village to function.

Mayor Paine asks Clerk-Treasurer Brown to speak. Someone mentioned that this meeting was not what they wanted—but initially what was requested by non-council members was a review of the General Fund

and so that is what the focus has been. Brown says that she has stated before that one thing impacts another and therefore some of these other funds may enter into the conversation today. At this moment, the critical problem is the General Fund. Village building plans started before the housing crisis. 2005 was the last good year. If you just look at the interest in 2005, it was a lot compared to today. You understand what happened here because it happened to you. Everything that has impacted us individually has also impacted the village. Brown adds that when she thinks back to how afraid she felt when everything seemed to be going wrong in this country, that was all happening at the village level too. Did we think that it would be a permanent change – less money to work with, a lot less money from investments. After the initial shock, there was the thought that we had lived through other similar downturns, and the economy always bounced back sooner or later, maybe in 1 ½ to 2 years. So the village is working in that environment too. Hind sight is the best there is. The village has been cutting its expenses over the years. A few years ago we had three maintenance men, now we have one. In the police area, there may be some cuts in the seasonal area. The running of that department has stayed pretty much the same. As the State has removed money, the village has removed expenses from the General Fund and allocated them to other areas where they pertain. Brown indicates that she is not sure how much more the village can pare down without losing services to the public. Brown refers to a handout that she made available to the public, that it starts with an overview of spending history for the last several years, when building projects began and which ones were funded by outside revenue sources, not tax money. Since any question might come up today from the public, Brown mentions that if she feels that it cannot be adequately addressed in this forum, she will research the question and get back to the person. Brown also requests that when someone speaks, that they give their name and address for the minutes.

Mayor Paine asks that financial questions from the public be addressed to the Clerk-Treasurer.

Public:

Judy DuShane, 623 Lakeshore Dr., asks Village Administrator Stevenson about the water intake. DuShane says that she thinks that is crucial. Stevenson replies that he is working on it and the plans are to spread the cost over all the water users.

Peggy Cooney, 915 E. Lakeshore Dr. asks what services will be cut if the levy does not pass. Mayor Paine responds that he thinks the Police Dept. would take the biggest hit. Their budget is \$175,000 now. Paine continues that he is worried that the village will lose its Police Chief and that the lives of the officers would be jeopardized if they do not have enough back up. The secretary for the village might have to be cut. The Mayor adds that if the levy does not pass, the community will lose services.

Kathy Reddinger, 109 W. Lakeshore Dr., asks why the village is taking away revenue. The late Friday night boat is no longer stopping and the newspaper estimated that the boat passengers contributed \$20/person to the island's business revenue. Reddinger thinks it is more like \$50/person. There are 200 people on that boat. The Island is losing the excise tax from those customers. Reddinger estimates that her tax revenue contribution will be down significantly because of the cancellation of the late Friday night boat. Why not do an earlier boat on Friday and Saturday nights, to replace the late one that is no longer coming in? Reddinger also mentions that the boatline pays a fee per passenger. Reddinger adds that a change in the type of music that bars play will also be a factor in the attraction of people to the island.

Mayor Paine says that he understands and hopes that the village can work something out over time. Police Chief Ehrbar had safety concerns about the last boat. Mayor Paine told him to look to where the boat docks and that is how the issue progressed. It was the dock owner who decided what he wanted to do. Mayor Paine continues that when the Police Chief is concerned about safety, he listens.

Reddinger adds that it is her opinion that the police should be making more arrests and that would let the visitors know what the community will put up with and what not.

Patty Hart, 118 Huntington, asks the Clerk-Treasurer whose fault it is that the General Fund needs money. Brown replies that it is no single person's fault, but rather a lot of things that have happened at the same time. Patty Hart then says that the compensation has to be looked at, that Brown received a raise. Brown replies that the position of Clerk-Treasurer received an increase and that she ran for the elected position just as anyone else could have.

Mayor Paine adds that if the levy passes, the money will not mean an increase in wages for the Clerk-Treasurer, or the Mayor, or any council members. All that compensation is set before an election and cannot be changed during the term of the office. The elected officials were all voted in at the rate for their position.

Arden Cooper, says that looking at the General Fund statistics, he asks if the 1.25 levy will bring in enough revenue. Brown responds that council will have to continue to develop new revenue sources. There are at least two under research at this time. The levy will only keep services at the lowest level that we have now. Any expansion will need additional revenue. Arden Cooper asks when the finances are discussed. He is told that they are discussed at Finance Committee Meetings and that these meetings are posted ahead of time and are open to the public. He is advised where the legal posting places are in the village and he says he is never in those places. Clerk-Treasurer Brown says that if he calls the office, she will tell him when all committee meetings are scheduled.

Solicitor Lambros says that the village did not shut down any boats. That has nothing to do with any discussion today.

Ritchie says that if 10 boats are eliminated, the village would lose about \$150/boat or \$1,500 over the season. Ritchie adds that Chief Ehrbar believes that without the late night boats he can cut officers and it will net out the same.

Seeholzer comments that it also had been discussed that bar owners could hire their own security.

Mayor Paine asks members of the public to not speak again if they have already spoken once.

Ernie Bell thinks that the levy will be hard to pass. She says that some of her neighbors are concerned about it and have questions. They would like to come to the next Finance Meeting. Clerk-Treasurer Brown asks when they want to meet, that she will ask the Council Members on the Finance Committee to make a meeting whenever they want to have it.

Peter Mooney, 234 McGettigan says that now there are too many questions.

Steve Merkel, 919 E. Lakeshore, who is with the Chamber of Commerce, mentions that the website is down. He offers assistance to the village – to put village information on their website. Merkel adds that he heard that the Mayor had a family member that worked on websites, but that Merkel thinks the village website should be done by an independent company.

Linda Hostal, 810 W. Lakeshore Dr., says that to her it boils down to we need the money right now. She thinks the mayor is right. She also thinks that the taxes are actually low on Kelleys Island. Mayor Paine adds that they are half of what Sandusky's taxes are.

Peggy Cooney says that council people should be talking to people about the levy.

Lance Marchky adds that the village has Finance Meetings at least once a month. Only about five people come, he is generally one of them. He adds that he has never seen any of these concerned people at any of the meetings. The meetings are posted in advance. Marchky ends by adding that "None of you have come."

Mayor Paine says that he thinks everyone has had an opportunity to speak and at this point nothing new is surfacing, so he thinks it is time to bring the meeting to a close.

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

(adjourned 10:50 am)