

Community Ward Meeting for Wards 1 & 2 was held at Bedford City Hall on Monday, February 27, 2017. Mayor Koci called the meeting to order at 7:02 p.m.

Present: Council Members: Mayor Stan Koci, Sandy Spinks, Walter Genutis, Paula Mizesak, Donald Saunders and Marilyn Zolata. Also Present: Clerk of Council Lorree Villers. Administration: City Manager Mike Mallis, Finance Director Frank Gambosi, Service Director Clint Bellar, Lieutenant Ron Niemann, Fire Chief Dave Nagy and Building Commissioner Calvin Beverly.

Mayor Koci welcomed all residents in attendance and introduced those Council members present.

Councilwoman Spinks reported the following for Ward 1: (2016 to present)

- Walmart, Tim Lally and First Merit closed.
- The old T J Maxx and former Channel High School buildings sold.
- Two new homes were built in the Ward and two homes demolished.
- The Automile was still doing well.
- There was an unfortunate shooting at the local bar on New Year's Eve. This establishment had no previous issues or problems; the incident was conducted by a disgruntled non-resident.
- She supported the proposed income tax increase in May 2017. She clarified the City was not threatening the residents; just stating the facts of actions of what to expect if it does or doesn't pass.
- She encouraged phone calls and emails from residents. She drives around and checks her Ward daily.

Councilman Genutis reported the following for Ward 2:

- Has been a lifelong resident, loved the community, the land and the terrain.
- He felt Bedford was a "tighter" community years ago when everyone appeared to know each other. He remembered when he used to eat peanut butter and jelly sandwiches at Stan Koci's house.
- His focus was to reach out to get to know the new residents; however, he urged them to get in touch with him. He felt more like a resident than a City employee but he thought as a Council member he should represent the citizens and advocate for them.
- He felt Ward 2 was the best in Bedford because he didn't have many complaints from his Ward. He thanked the residents for being good neighbors.

Mr. Mallis introduced the Department Heads and Clerk Villers. He explained it was this staff who took care of the day to day operations which he was fortunate enough to work with. He presented a PowerPoint of the State of the City Address. (See attached)

He explained the Administration and Council in the past few years have been discussing the financial condition of the City because of the loss of Ben Venue and various other cuts. The Administration seriously focused on addressing several internal cuts and/or cost savings before considering an income tax increase.

Mr. Gambosi suggested everyone review the PowerPoint he had posted on the City's website which detailed Bedford's Financial Condition. (See attached) He explained the Revenue losses of Municipal income tax, Revenue Reductions/Eliminations, Personal Property Tax Elimination, Inheritance Tax Elimination, Local Government Tax (State), Real Estate Taxes General Fund and the biggest hit was the closing of Ben Venue at a huge loss of 1,100 jobs. He listed the General Fund Expenditures starting 2012 – 2016 and talked about the serious situation the City was in with the Moody's Investor Services and Standard & Poor's Rating Services which were both continued to be downgraded. Also importantly the need to put a plan in place to address the City's aging infrastructure. He stressed the City's financial condition needed to be taken seriously.

Mr. Mallis explained there was a need for an 8 to 10 year plan to address the aging infrastructure and maintain the safety forces to ensure they continued to be strong as they could be. He reminded everyone the street and sidewalk programs were eliminated in 2008 which desperately needed to be revisited and implemented. He explained the Safety Forces levy was in 2009 (9 years ago) and the last Income Tax increase was 19 years ago. The proposed income tax increase would be placed upon the ballot in May that would ask whether the rate of income tax be increased by three-quarters percent ($3/4\%$) to three percent (3%) with an increase of the Tax Credit to 2.25% for the purpose of the payment of current expenses and general operation of the City effective January 1, 2018. If the income tax increase was supported by the residents it would allow: an additional Officer per shift, maintaining the current City services and address the aging infrastructure by starting a program to maintain the streets and sidewalks. The City needed to plan long term not one year at a time. Previous cuts addressed by the Administration was a savings of \$600,000 in medical coverages plus all three union and non-union employees took a pay freeze for 2017. If the income tax increase did not pass the listed cuts would average a savings of \$650,000 and the City would be still short \$500,000.

Mr. Gambosi offered his professional services to the residents if they had questions of "how" or "if" the income tax increase would affect them personally. He stated not all residents would be affected by the income tax increase and those who were retired with no earned income would not be affected at all. He prepared a chart of how the income tax increase would affect those who "live here and work here" and those who "live elsewhere and work here". The chart showed for those who "live in Bedford but worked elsewhere" the Workplace City Tax Rate/percentage and an approximate annual earnings difference for the amount starting at \$10,000 up to \$100,000. (See attached)

Mr. Mallis explained there were job opportunities developing in Bedford but it was going to take years to recoup all that was lost with the closing of Ben Venue; Ben Venue was 40% of the Bedford's budget and was the largest water consumer. Xellia was dedicated to Bedford and was slowly growing but would probably never employ as many as Ben Venue. There were some smaller businesses interested in the Historical District for a bakery and butcher shop. He spoke about the Willard Avenue new residential development, the many hurdles with the largest challenging landowner in the City who owned Meadowbrook, the \$35 million spent in renovations at the Bedford Auto Mile, the upcoming senior apartments at Villa San Bernardo and the Taylor / Willis property, the City trail-way / bike path, the improvements at the former Chanel High School, the deer management program, the increased recycling tonnage and the ongoing residential water meter replacement project. He offered the brochure regarding the Heritage Home Program.

Mayor Koci assured the residents the City would not be asking for an income tax increase unless it was necessary. He figured it came down to the residents trusting the Administration and Council members on this decision. He urged the residents to contact their representatives and/or the Governor of Ohio to voice their concerns and opinions regarding the financial concerns of Bedford.

Mayor Koci opened the meeting to questions from citizens.

A resident asked what the costs were in regards to the Dispatch Center. Mr. Mallis explained after careful consideration and discussions the City felt it was best to pull out of the SECC. The adequate notice was given to the SECC and the new location would be announced when determined. He assured everyone the final decision was tough to make and there were possibly hard feelings but it came to the point to where something had to change. It was determined there was no cost to pull out of the SECC, it would be a cost savings to the City and the number one decision was for operational reasons. The main reason was for the safety of the Police Department and the Fire Department employees.

A resident asked if the income tax increase passed in May when would it be effective. Mr. Mallis said January 1, 2018. He explained the only level of government that people can actually see where their money was being spent was on the local level.

A resident stressed it was wise to vote for the income tax increase to keep Bedford a better and safer community. He felt if the increase failed Bedford was going to become another East Cleveland. Plus he wanted to know if there was a decision on the replacement of the Recreation Director and Assistant Recreation Director. Mr. Mallis explained 50 applications were received and interviews were going to be scheduled soon and the staff was filing in during this time. Mayor Koci understood the Assistant Recreation Director did not actually apply for the Recreation Directors position.

A resident got the feeling the income tax increase was unpopular amongst her neighbors so was there something residents could do to educate the other residents or their neighbors. Mr. Mallis explained there was going to be a community group organizing and distributing information. The Mayor, Mr. Gambosi and he were willing to meet with different organizations no matter how big or small to explain the facts. He would announce the Issue number at a later date.

A resident asked who was responsible for dead trees on private properties; there was a tree on the corner of Southwick and Grand Boulevard that needed attention. Mr. Bellar stated the tree was already being addressed.

A resident felt the residents/homeowners should make an effort to landscape their yards and cut their grass. Mr. Mallis explained the grass cutting notice procedure and how it has become very effective sending the warning notices prior to the grass growing season.

Jean King needed clarification regarding rental income for a person who does not live in Bedford; was the landlord taxed in the City. Mr. Gambosi explained it was taxable at 2.25% on the net profit.

Councilwoman Mizesak, Ward 4, said the Administration and Council knew a couple years back that the City was going to be facing hard times. The Administration presented a strategy to Council for further review before bringing the income tax increase issue to the voters. She felt the City was doing the right thing for Bedford's quality of life; Police Officers and Firefighters were a necessity.

A resident questioned the dark tint on some of the car windows. Lt. Niemann replied there was an ordinance that spoke to the percentage of darkness. If a vehicle had side view mirrors the rear and back windows could be as dark as they wanted; however, the front side door windows and front window had to be a lighter percentage of tint color. Some people were permitted to have the darker windows per a medical condition and those who purchased a car with unlawful dark tinted windows were given an opportunity to have the tint removed or corrected.

A resident asked if the rubbish assessment was going to stay in affect if the income tax increase was approved. Mayor Koci said the rubbish assessment was not going to be amended but it was one of those items that could be removed if and when the Administration felt it was possible.

A resident asked what the residents could do to avoid the rash of car break-ins. Lt. Niemann strongly suggested residents lock their car doors, park their car in their garage as most times the car was more valuable than what was inside most garages and/or install a motion light. Most of these thefts were "Crimes of Opportunity"; people were leaving their cars unlocked. He suggested residents call the Police if they saw anything suspicious. It was determined if a resident felt or saw someone about to or actually committing a crime it was strongly suggested they call 911. He strongly suggested residents NOT leave their firearms in their vehicles; several have been stolen.

A resident talked about the students/children that continued to walk down the middle of the street when the sidewalks were cleared of snow. Lt. Niemann said if residents didn't want to call 911; they could call the non-emergency line at 440-232-1234. The resident felt if the children's parents were notified or possibly cited it would help. Mayor Koci explained the schools address this issue with the students through the City's Resource Officer. Lt. Niemann said he would put this area on special notice and contact the Resource Officer and Principal. The resident said the problem was with small children 10 years and under. Mrs. Spinks and the resident said the children were two and three years old walking down the middle of Willard.

David Neff wanted to know if the City was going to hire a new employee for leaf compost and mulch and if the sewer calls were going to be increased to five days a week after/if the income tax increase. Mr. Bellar said the Service Department was not going to hire an employee for leaf compost and mulch; the City currently disposed of the City leaves for free at MRLM, Inc. on Solon Road. A licensed compost facility not only required employees but the City would also have to deal with the EPA and Health Department. It was determined a yard at MRLM Inc. was \$35, Westlake was \$10 and Aurora was free. Mr. Bellar explained years back the City had to pay to dump leaves at other compost facilities but MRLM Inc. allowed the City to dump for free. A resident told Mr. Neff to do his own composting. Mr. Neff questioned if a new employee could be hired. Mr. Bellar clarified not at any time was it mentioned the Service Department was going to be hiring employees; Police was getting three employees. Mr. Neff asked if the union/non-union employees were getting their money back if the income tax increase passed. He noted the City was setting on \$5.8 million, the City was going to receive more money in tax revenue and the City employees who live elsewhere was essentially taking a ¾% pay cut. He questioned if the City was going to offer those who took a pay freeze a raise if the issue passed. Mayor Koci and Mr. Mallis stated the employees would not receive raises in 2017. Mr. Mallis said the unions voted unanimously for the pay freeze knowing the importance of the issue. Mr. Mallis explained if there were emergency sewer issues the City addressed them on unscheduled days. The chipper and sewer call services were cut and rescheduled because the City did not replace or hire employees for these services. He said if the City felt the chipper and sewer call schedules needed revisited it would be addressed at a later date.

A resident asked the City to elaborate on the status of the two employees in the Water Department: Exactly what happened, who was responsible for the checks and balances for the Water Department and were these employees in jail. Mayor Koci stated nobody was in jail. Mr. Mallis explained the State Auditors perform audits annually on different departments focusing on checks and balances. In 2015, the Water Department was audited and the State Auditors recommended additional controls in the Water Department; however, the paperwork/drawer balanced. The controls were implemented in July 2015 and

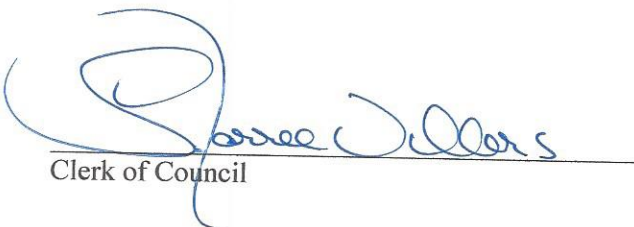
at that point the Finance Department noticed some irregularities. The Service Director identified the irregularities and contacted Mr. Mallis who immediately contacted the Police Department. The Water Department "Clerk" admitted to theft and was terminated immediately. The Police Department and the State Auditors continued to investigate jointly and the State Auditors found irregularities with the Water Department "Supervisor" who did not admit to theft. Mr. Mallis and Mr. Gambosi could not go into details because it was an ongoing investigation but the way the theft was conducted was very complicated. Mr. Mallis stated the Police Department was working hand in hand with State Auditor's Office in Columbus and a Cleveland Fraud Investigator. It has been determined all the water customers accounts were accurate and whole. Mr. Gambosi assured the method used for the theft allowed the accounts to be accurate. It took three weeks to review one week of transactions. The State Auditors estimated the investigation would take 8 to 10 months to complete. The two individuals involved have not been charged because an amount had to be determined. The amount of missing money would determine the level of felony charged. Mr. Mallis stated nobody was in jail; yet. The resident understood there was a cost involved with the Auditor's services. Mr. Mallis stated it made no difference whether an employee took \$1 or \$1,000; they were not going to be employed. He explained how the employees were bonded and the money would be recouped; even the cost of the State Auditors. The resident wanted to know if these former employees' pensions were going to be affected. Mr. Gambosi stated the City was not at liberty to answer questions as it was an open investigation. Mr. Mallis stated the issue was addressed swiftly and the City was not going to tolerate this type behavior. He explained it was not pleasant to look the 23 year employee in the eye who wanted to debate the issue. He stated there was nothing for her to debate because she knew the City knew what had happened and how. Mr. Gambosi said the State Auditors would address this issue accordingly.

A resident suggested signage could be posted with the Ordinance number and information that specifically addressed walking in the streets. She felt the signs could be moved from one location to other location like the speed trailer.

A resident felt the empty store fronts needed filled because residents were having to drive to other communities to shop and pay taxes instead of keeping the money in Bedford/Cuyahoga County. Mayor Koci assured her the City continually followed up and looked for businesses to move to Bedford. The Meadowbrook property owner has been a problem for years and was very difficult to deal with. If the income tax increase passed the City would probably hire an Economic Development person. Mr. Mallis reiterated there was a bakery and butcher shop interested in relocating in the Historical District. It was important to remember if an Economic Development Director was hired the expectations had to be realistic. The closing of Ben Venue and Tim Lally had nothing to do with the City not trying to keep these two businesses.

In closing, Mrs. Spinks said she does Ward checks daily and for the residents to be responsible and lock their car doors. Mr. Genutis asked for the Ward 2 residents to contact him; he'd like to get to know his neighbors.

Meeting adjourned at 9:00 p.m.


Clerk of Council


Mayor - President of Council