

Community Ward Meeting for Wards 3 & 4 was held at Bedford City Hall on Thursday, March 16, 2017. Mayor Koci called the meeting to order at 7:03 p.m.

Present: Council Members: Mayor Stan Koci, Walter Genutis, Paula Mizensak, and Marilyn Zolata. Also Present: Clerk of Council Lorree Villers. Administration: City Manager Mike Mallis, Finance Director Frank Gambosi, Superintendent Shawn Frances, Deputy Chief Marty Stemple, Assistant Fire Chief Shawn Solar and Building Commissioner Calvin Beverly.

Mayor Koci welcomed all residents in attendance and introduced those Council members that were present and Clerk Villers.

Councilwoman Mizensak reported the following for Ward 4:

- Thanked the safety services: Service, Fire and Police Departments for all that they do
- She talked about how the tornado warning sirens she helped put in place over 10+ years ago alerted the residents with the recent threatening storm
- She urged the residents not to blow their grass clippings into the street
- She urged the residents to pile their branches at the curb so the chipper service can collect them
- She urged the residents to attend the Parties in the Park and the various events

Councilwoman Zolata reported the following for Ward 3:

- Was pleased Ward 3 was well represented at the Historical Society
- Noticed a lot of branches were throughout the City
- She was pleased to see better attendance at the meetings
- She understood the importance of speeding cars, rubbish cans and so on
- She mentioned her tenure had been a good run
- Young homeowners were looking for a quality in a city, community, government, recreation programs, economic stability and schools
- Bedford had various events on the square
- She supported exterior and interior home inspections to maintain the housing stock
- She assured the City was not using scare tactics but rather reality for Issue 1
- The City was aware of the Quality of Life issues throughout the community
- The City was aware of the aging infrastructure
- Big box stores were struggling everywhere because of the Internet online purchasing
- The lack of communication has always been a problem and needs to improve
- She supported positive attitudes/opinions not negative attitudes/opinions
- She was patient and confident that the City can overcome the many struggles the City had experienced; she asked the residents to support the City to maintain the Quality of Life

Mr. Mallis introduced the Department Heads. 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 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 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.

Mr. Mallis urged the residents to take advantage of Free Permit Month for their home projects. He explained to the residents the reasons why the City decided to withdraw from the SECC was due to the operational standpoint and secondly the financial savings. The City would make an announcement after everything was finalized.

Mr. Mallis opened the meeting to questions from citizens.

A resident asked how many firefighters were scheduled per shift. Mr. Mallis replied, there were nine scheduled per shift; however, with nine being scheduled per shift it allowed vacations and time off. The Fire Department also applied for a grant to cover two firefighters. The resident then asked why her recent water bill was "estimated" after the new meter was installed at 402 Union. Mr. Mallis would check into her question. She then pointed out the rubbish at the corner of Union Street and Northfield Road was an eyesore. Deputy Chief Marty Stemple would put this request on the list for the Juvenile Diversion Program and have it cleaned up. The resident then asked what was happening with all the buildings located at the former Ben Venue property. Mr. Mallis explained Xellia was currently in one building, Westward being a separate business was in the rear building and the original south building would eventually be torn down. Xellia was a great company but it was going to take years before it was running at full strength.

A resident requested the sign beside the Post Office be removed as it has been there for many years. He then asked about the status of US Bank. Mr. Mallis assured the resident US Bank was a great business. The resident then thanked the Service Department for the recent snow removal.

A resident pointed out the gas station at the corner of Union Street and Northfield Road had a rusty railing that needed attention. She also pointed out the numerous large trucks that traveled Union Street. Someone pointed out that GPS more than likely routed them down Union Street. Mr. Mallis said the City couldn't do anything about it because Union Street was considered a State Route. Another resident pointed out there were semi-trucks also traveling on North Park as well. The resident asked if the City could do something about North Park being travelled by semi's because it was a brick road in the Historical District. Mr. Mallis said the City would look into it.

A resident asked for the status of the former Moonglow property. Mr. Mallis explained the City purchased it for \$160,000 two years ago after the appraisal. The City placed the Liquor License in escrow for a new restaurant utilizing the surrounding City owned property in the area near the Viaduct Park which was approximately 15 acres. During the purchasing process of the properties for various reasons the City also intended to sell the Harrison property for \$110,000 with a total investment of \$50,000 to the City. Mr. Gambosi clarified the City also worked with the Cuyahoga County Land Bank and a marketing firm for the best deal. Mr. Mallis also pointed out the home located on the Moonglow property may have some historical value so the City could apply for a Historical Tax Credit.

A resident asked the status of Tinkers Creek Commerce Park for future development. Mr. Mallis explained the current business might expand; however, there were no new prospects. He explained it was cheaper for a new business to utilize an existing building than build new construction according to the commercial inventory on the State's website for Jobs Ohio. The current cost per acre was \$125,000 which was significant.

A resident asked for the status of the two employees in the Water Department: 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 the positions had been filled by two new employees and the two former employees would have to answer to a higher authority in the future. 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. Mallis and Mr. Gambosi stated the City was not at liberty to answer questions as it was an open investigation. He assured the water accounts were accurate and whole per the State Auditor's investigation. Mr. Mallis stated the issue was addressed swiftly and quickly; the City was not going to tolerate this type behavior. Mr. Gambosi said the State Auditors would address this issue accordingly.

A resident asked for the status on the former Medic Building. Mr. Mallis explained the owner had the building up for sale for \$1.2 million and/or \$12,000 per month for rent. There was some interest in the building but nothing happened. The building has been empty for years and since the expiration of the Medic contract the real estate value had dropped into the \$200,000. Mr. Mallis explained the City even tried to place a vacancy tax on the empty store fronts downtown and the State found it unconstitutional. Mr. Mallis explained the property where the former Tops was located was currently in receivership dealing with stipulations on the property.

A resident asked who owned the baseball diamond near Viaduct Park. Mr. Mallis replied the Metroparks. Mr. Mallis explained the City was trying to position itself years out for certain projects. The City's focus was to extend the pedestrian trail through the Metroparks down Willis to the baseball field. The second phase of this project was to extend the pedestrian trail down Columbus Road to Center Road to UH Hospital behind City Hall to the Ellenwood Recreation Center so it would be all connected. The resident talked about a television program that showed the charm of certain communities and why people were drawn to them for whatever reason. She listed several businesses in the Historical District she felt contributed to the charm of Bedford. She also pointed out a lot of the very old festivals were failing so it might be better to have fewer festivals and focus on better quality festivals. Other communities have turned around their cities focusing on better quality events or restaurants. Mr. Mallis explained the City did reach out to an organization last year but they weren't interested in doing business outside of Cleveland. He assured her the City was already looking into something.

A resident noticed there was some activity at the former Chanel building. Mr. Mallis explained the building was purchased very reasonably, the owner was trying to utilize various areas for several different businesses. Some of the applicants recently experienced some issues with the current zoning of the property and the "use" which did not allow certain applicants to rent a space for their business. The City

was working with the new owner to assist him in the best possible "use(s)" for the various areas of the building; however, the codes had to be followed. There were certain things the City could approve and certain things they couldn't; however, the end result had to be a positive reflection on the City. The owner had a long term goal which stemmed on partnerships and could be very hard to do. Mr. Mallis stated the Diocese had not done the Cuyahoga County area any favors by closing schools and churches. Another resident pointed out there was a for sale sign posted on the property. Mr. Mallis felt the owner was trying to use the sign as leverage.

Dana Best-Mizsak introduced herself as the Director of the Historical Society and assured the residents they were working hand in hand with various surrounding communities and the schools. The Historical

Society was in the middle of rebranding itself and also held various things of interest to bring the communities together.

Beth Housiaux-Stewart supported the income tax increase; however, she was not in support of the City cutting the senior van program if the income tax increase failed. Mr. Mallis understood her concerns. Mrs. Housiaux-Stewart was willing to cut her budget at home for the increase; however, she wanted to clarify those who live in Bedford and work in Bedford would also be affected. She asked for clarification. Mr. Gambosi explained the collection of income tax and it was determined by what would be the lessor effect on the majority of the residents. Mr. Mallis clarified during many discussions the focus was how this could be structured to be the least impact on the residents. It was determined the outcome was there were less residents who live here and work here so it would be the lessor impact. Mr. Gambosi explained the City always looked at finances first and it wouldn't be the first time the City reduced a cost for the residents.

A resident asked about the vacant building on the corner of Best and Northfield. Mr. Mallis said the property owner's children cleaned up the property and the owner felt the property was worth millions. Mr. Mallis assured the residents the property was not worth millions.

A resident suggested the Juvenile Diversion Program address the debris at Hutchinson Park. Deputy Chief Stemple would add that to the list. A resident suggested cameras be placed at each park. Mr. Mallis explained the City was currently doing park assessments for such things.

Councilwoman Mizsak announced Los Gallos had been in Bedford for 10 years, the US Bank facility also had security in the building, she urged the residents to practice the "See something, Say something" but mostly look out for one another. She urged people to visit the Historical Society.

Councilwoman Zolata explained she tried to get the vacancy tax in Bedford but it was unconstitutional and it would have to be for businesses and residential. She assured there were good things happening in Bedford: Parties in the Park and other events. There were three demolitions in Ward 3 which was very time consuming. She was passionate and confident the City could overcome issues brought before it. She thanked the administration for their support over the years. She was pretty sure she was not running for Ward 3 again by a message from God. She felt communication was a big factor of being successful; she felt she was communicative.

Meeting adjourned at 9:02 p.m.


Clerk of Council


Mayor - President of Council