

**VILLAGE OF CUYAHOGA HEIGHTS
COUNCIL WORKSHOP
MINUTES
FEBRUARY 27, 2019
6:00 PM**

Ms. Harris called the meeting to order. Clerk Unger called the roll.

ROLL CALL: BLOAM CENTA CONTIPELLI HARRIS HENLEY SCHOEFFLER

Also present were, Mayor Bacci, Law Director Bill Mason, Assistant Law Director Ben Chojnacki, and CFO Angel Meriwether.

Council President Harris gave the floor to Ms. Meriwether for her CFO report.

CFO Angel Meriwether Report:

Mayor Bacci asked Ms. Meriwether for the record to reflect what Ms. Meriwether will be reporting. Ms. Meriwether stated that she will be giving a brief overview of our ten year forecast, and going over our debt service.

Ms. Meriwether passed out a printout of our Ten Year Forecast. In January, you passed legislation for us to go out for a 6.2 million dollar Note in 2019 which will be in our bank account in mid-March. In June, we plan to go out for a Bond for the 6.2 million and another 3.3 million for the Note we had on the Harvard Road Project, and the Police Department. We are currently working on our credit rating, and we are projected to get the Bond at a fixed rate for 25 years at around 3.87%. It will have a ten year option to refinance.

On the handout for the Ten Year Forecast, it shows the forecast for the General Fund, and the Capital Projects Fund for each individual year. The Capital Projects Fund is included because we committed 5% of our income tax to this fund after we raised the taxes. When we get this Bond, we will be pledging our income tax as a guarantee for repayment of the debt. That is why the forecast shows both Funds.

The Forecast also shows the projects we are looking at for the next ten years based on our EDC Meetings, and Public Works Meetings. This shows all the projects in each year that we want to move forward with. Our Bond payment will be \$630,000.00 a year, right now we pay approximately \$230,000.00 a year for our current Note, and so it will be around a \$400,000.00 increase per year.

Mr. Centa asked if we can refinance in ten years. Ms. Meriwether said yes, or we can pay it off and start fresh, we can go out for a new Bond, or we can add to it. This gives us a lot of flexibility.

Ms. Meriwether said she worked hard with Mr. Matt Stout from the law firm of Bricker & Eichler and Key Bank to get these numbers, and was told the other day that no one has ever provided them with as much detail for getting a Bond. What you are looking at is the short version of our forecast, the Bank has the longer version. We worked very closely with the Mayor and Public Works to get some good numbers moving forward. If you look at the forecast, it shows that after ten years even with making the payments, it still leaves us around 3 million dollars in our General Fund and Capital Projects Fund which is Ms. Meriwether's goal.

Mr. Bloam asked if we will be locked in at the same interest rate for ten years. Ms. Meriwether said we are locked in at the same rate for 25 years, but after ten, we can look at the Bond, and decide if we want to do something else with it, or keep paying the same amount for the next 15.

Mr. Schoeffler asked if this is the reason we raised the Income Tax, so we could do all of these projects. Mayor Bacci said that our Income Tax increase was basically to keep up with current costs of health care, employment salaries, and ultimately Capital Projects. We were several years behind in that ask of the people. Ultimately getting it from our businesses who pay taxes here. A So, to answer your question, it was to assist in Capital Projects, but ultimately you will never, never will be able to catch up with the Canal Road Project. So it will help us service the debt and cover other rising expenses such as health care. Mayor Bacci explained that no matter how much we ask from the employees to cover health care, we only have 50 employees, and whatever we get it will be a very small number compared to the raising rates of health care. Our health care is approximately 1.3 million dollars.

Our income tax increase will take care of rising costs that have already been there. We always talk about turning the lights on, we will always be able to turn the lights on and survive. When we got that income tax increase, it gave us some latitude, and it gives us the ability to pay down some debt service. Ms. Henley said we don't get the money from the tax increase right away. The Mayor said we will see its full impact in July of this year.

Mr. Contipelli asked about the projects in the forecast and Ms. Meriwether went over the cost associated with them and the time frame of each. If you look at the bottom of the page, it will show you the total of the General Fund and the Projects Fund combined for each year after all expenses and forecasted projects are paid.

Mr. Schoeffler asked what the \$10,000.00 dollars was for the Comb's property. Ms. Meriwether explained that this is just in case we decide to raise the building. Ms. Henley stated that we know when we get rid of bad properties that makes our properties more valuable. Mayor Bacci said we have a very strong housing market in Cuyahoga Heights, the old Santini property on E.71st Street just sold in a week for \$183,000.00.

Mr. Contipelli wanted to know if he was reading the forecast correctly, he asked Ms. Meriwether if we do all of the projects listed at the bottom, will our General Fund maintain the balance at the bottom of the page? Ms. Meriwether said yes. He wanted Council to know that all the projects listed could be done and still maintain a good balance in the General Fund for the next ten years.

Mayor Bacci said that our General Fund continues to be less sickly, and that's a positive. Mr. Bloam stated that the projects listed over ten years is based on priorities from Public Works and Engineer Sciano.

Mr. Contipelli asked why we haven't allocated any money to future purchases of homes in the future, and asked why. Mayor Bacci said that if the opportunity arises, we will look to pick up some money from other funds at that time.

The Mayor and Council thanked CFO Meriwether for doing such a fine job on the Ten Year Forecast. Mayor Bacci said that the stuff that Ms. Meriwether is doing, and the feedback from the banks that we do business with is great. The work she is doing is no joke, and the competence level with municipal finance is second to none in our area. As great of a job that Ms. Biro did for us, Ms. Meriwether could now give her a run for her money.

Mayors Report:

Chagrin Valley Dispatch is having their open House on March 8th, at 2 pm for elected officials if anyone wants to tour the new facility in Brecksville. It's a brand new radio room. If you have been in our dispatch room, it is just a brand new version of ours. All elected officials are invited to attend, just show up.

Ms. Harris made the motion to go into Executive Session for pending real estate and pending litigation, seconded by Mr. Bloam. All in favor, none opposed. Motion carried.

Ms. Henley made the motion to go out of Executive Session, seconded by Mr. Schoeffler. All in favor, none opposed. Motion carried.

OTHER BUSINESS:

None at this time.

MOTION FOR ADJOURNMENT:

Ms. Henley made the motion to adjourn, seconded by Mr. Schoeffler. All in favor, none opposed. Motion carried.

Meeting adjourned at 6:50 pm.