

**VILLAGE OF MARIEMONT
REGULAR COUNCIL MEETING HELD IN COUNCIL CHAMBERS
DECEMBER 17, 2018**

Mayor Policastro called the meeting to order at 7:01 p.m. with the Pledge of Allegiance to the flag. The following Council members answered present to roll call: Mr. Bartlett, Mr. Brown, Mrs. Graves, Ms. Palazzolo and Mrs. Rankin.

Mayor Policastro read a letter from Ms. Schwartz requesting her absence be excused. Mrs. Rankin moved, seconded by Ms. Graves to excuse the absence of Ms. Schwartz. On roll call; five ayes, no nays.

Mayor Policastro asked for any amendments to the minutes written for Regular Council Meeting November 26, 2018. Mr. Bartlett requested that they be amended to read "Mr. Bartlett asked that the matter of new software and systems for the Tax Department be referred to the Finance Committee." Mr. Bartlett moved, seconded by Mr. Brown to accept the minutes as amended for Regular Council November 26, 2018. On roll call; five ayes, no nays.

Mayor Policastro read the following communications:

- From Police Chief Hines: November 2018 Monthly Report
- From Assistant Fire Chief Kiefer: November 2018 Monthly Report
- From Service Superintendent Scherpenberg: November Monthly Report
- From Building Administrator Keyes: November 2018 Monthly Report. Mr. Keys said we have been notified that Building Inspector Tensi is retiring at the end of 2018 and he is working with Bill Fiedler, who is currently our back-up Inspector, to take over the role. We will see how this works and if Bill has time to do all of our inspections with his work at Madeira and Terrace Park. Mr. Keyes is looking into a new back-up Inspector.

- From Tax Administrator Busam November 2018 Monthly Report. Ms. Palazzolo Requested clarification on our low November 2018 collections relative to November 2017 collections, and would we be expecting this to be made up for in December 2018? Ms. Busam asserted that she did not believe that December would make up for it and that collections being down this month relative to 2017 was actually due to November 2017 being abnormally high. That was the month before 2018 federal legislation changed, making local tax payments non-deductible on federal returns. So people pre-paid for 2018 in hopes of deducting it from their 2017 federal returns. Fiscal Officer Borgerding commented that we may see extra income in January 2019 due to changes in federal law. Assistant Fiscal Officer asked about House Bill 51 SERP language. Ms. Busam explained that SERP stands for "Supplemental Retirement Plan" and that the language changing its deductibility had been removed from HB51 due to municipal outcry, however we may see it crop up again in 2019. Ms. Busam went on to explain that SERP income was not easy to separate out of regular income so we would have no way of knowing how much revenue we stood to lose with a change to the taxable status of SERP income.

- From PNC Bank, letter dated November 8 2018 regarding OPCS changes. Fiscal Office Borgerding explained that this agreement is something we re-affirm every 4 years with PNC. In this case, this year Mr. Brown explained, there has been a change in State law regarding the Ohio Pooled Collateral System (OPCS) rules. In this case we need to affirm an agreement wherein PNC is required to maintain 102% collateral on pooled public deposits, a change from the previous law requiring them to hold 105% collateral on pooled public deposits.

Ms. Brenda Wehmer from Dinsmore & Shohl LLP was granted permission to address Council regarding the PNC agreements and financing procedures for refinancing our building addition note and the ordinance resulting from this financing. Ms. Wehmer explained that we had remitted grant money to pay down our original note and it comes

due December 20, 2018. As we are still waiting on grant money remittances we will be taking out a second note for the reduced current remaining balance. Once all grant monies have been received and paid toward this new 6 month note, we will convert this short term note into long term financing for the balance.

Mr. Brown and Ms. Wehmer discussed the details of the note, grant and financing. Mr. Brown asked why we bothered paying our received grant monies toward the 12 month note balance ahead of time if we were only going to end up extending it with another 6 month note before permanent financing. Ms. Wehmer explained that the IRS requires that tax exempt entities only borrow the tax exempt monies that they absolutely need. So that as we received the grant money we were legally obligated to pay it toward our tax exempt note.

Mr. Brown additionally asked if we could avoid this interim note by paying off what we expect the grant to remit and going directly to the long term financing, as he is somewhat confident that the grant monies are on their way. Mr. Brown asserts that we have satisfied all of the requirements to complete the grant and that Ms. Singleton has received affirmation that everything required by the grant committee has been received and is approved. Ms. Wehmer explained that it would have been an option three weeks ago; but the decisions were made, and paper work drawn, and approvals granted for this interim note before we had any indication that grant monies were going to be shortly available. She did not believe that we now had enough time, before the December 20th due date, to have all approvals and paperwork re-done to proceed differently. Had we not been prepared by December 20th we would have been in default. She went on to add that while notes typically are for 12 months, this new interim note was a 6 month note as Fiscal Officer Borgerding had communicated that he was confident that we did not require another 12 month note. Ms. Wehmer went on to add that should the monies be received before the new note comes due in June that we may approach PNC to pay off the new note and proceed to permanent financing early. She stated that this was between the Village and PNC but that it was possible. She feels that were our permanent financing to be secured through PNC as well that they may be favorable to terminating the note early. Mr. Brown asked if there was a pre-payment penalty in the interim note. Ms. Wehmer responded that while her company had not inserted any pre-payment penalty language that she was not sure what Fiscal Officer Borgerding had discussed with PNC. Fiscal Officer Borgerding indicated that his conversations with PNC covered pre-payment and he was assured by PNC that our note did not include a pre-payment penalty.

Mr. Brown asked if there were fees associated with this interim note. Ms. Wehmer indicated that there were Dinsmore & Shohl LLP fees but that the fees were half of what they would have been for a 12 month note. She said that PNC was not charging fees for the interim note. Fiscal Officer Borgerding explained that we did have a choice in the beginning of the process as to how to break up the financing notes. An option was to get a long term and a short term, and pay the fees for two separate notes, while carrying two notes at once. Another option was to get one note knowing that we would be renewing it and paying fees for the renewal. Mr. Brown asked why we couldn't just do a long term note now, Mr. Borgerding explained that we did not have the grant money in hand.

Mayor Policastro asked Mr. Brown if he really thought that the State was going to have our grant money in a few days. Mr. Brown said that he was confident that we have complied with all of the requirements but he himself has yet to have a conversation with the grant coordinator.

Mr. Bartlett asked for clarification about the details of the paperwork we have received, specifically the "Certificate of Maximum Maturity" which states a 10 year term but we are intending to use a different term. Ms. Wehmer explained that citing a 10 year term allows the Village flexibility should we run into problems paying our note off in our intended, shorter, term. Mr. Bartlett asked about the actual financing ordinance he had received, and why there were two different interest rates cited in two different paragraphs. Ms. Wehmer replied that per Ohio state law that we may only issue short term notes if we are intending to issue bonds in the future. She continued, that the language in the ordinance "Section 1 laid out estimates for a bond issue that we are not quite ready to issue," just citing an interest rate of 5% as a placeholder for what the interest rate for the future bond will actually be. The state requires this language indicating the intention to issue future bonds. Mr. Bartlett asked why the term cited in the ordinance was 20 years. Ms. Wehmer explained that, again, these were placeholder citations of terms for a future bond that we had not decided upon terms for and that the Section 3 refers to the actual, current terms, of this new interim note.

Mr. Bartlett asked for an explanation of "Section 8" of the new ordinance that talks about a tax levy. Ms. Wehmer explained that per Ohio State law "you cannot issue debt unless you levy a tax to pay for it." In this case,

she explained, we are not issuing a new tax to pay for the debt but certifying that we have enough inside millage to cover the debt. We do not need to technically use our inside millage revenue to pay the debt, but that we have the millage to cover it, should we default. In the case of default the County Auditor can intervene and essentially garnish our inside millage to pay the debt to the bond holders.

Mayor Policastro asked how the grant money applied to this. Ms. Wehmer replied that the paperwork referred to “other revenues available” and that the grant money would be other revenue that is applied toward this debt. She explained that should the grant money not arrive we would be liable for the paying the debt out of our General Fund and should we fail to do this the County Auditor would garnish our inside millage to pay the debt. She explained that in order to issue the debt we are required to a “10 mil Certificate” from the County Auditor stating that there is enough inside millage due to Mariemont to cover the debt. She received that certificate from the County today.

Mr. Bartlett asked about the ordinance “Section 9” which states that we are ‘not anticipate issuing more than \$10 Million dollars of qualified tax exempt debt.’ Ms. Wehmer explained that the IRS limits the amount of tax exempt debt banks are allowed to take an interest deduction on. “Section 9” basically certifies that this (our) debt is “bank qualified” which means it is below the \$10 Million threshold and that banks may deduct the interest from this debt. The issuer (the Village) has to issue less than \$10 Million in tax exempt debt per year in order for the debt to be considered “bank qualified.” The “bank qualified” designation makes our debt more attractive for a bank to purchase. Discussion ensued as to the nuances of publically issued debt, which this debt will not be.

- From Police Clerk Maupin: November 2018 Monthly Report
- From Assistant Fiscal Officer Wendler: November 2018 Treasurers Report
- From Fiscal Officer Borgerding, email dated December 14, 2018 re: 6 month note payable to PNC

“A Supplemental Ordinance to Make Appropriations for Current Expenses and Other Expenditures of the Village of Mariemont, State of Ohio During the Fiscal Year Ending December 31, 2018” had a first reading. Mr. Bartlett moved, seconded by Mrs. Rankin to suspend the rules to allow for the second and third readings. On roll call; five ayes, no nays. Fiscal Officer Borgerding explained that he had made a mistake in doing this year’s appropriations and had neglected to include the 27th payroll period that occurs every 7 years. As such, there were more supplemental appropriations than usual, with an additional \$110,000 in payroll expenses and an additional \$50,000 in Workers Comp insurance we paid early for 2019 in order to receive a rebate. Mrs. Graves asked if this was to move the money between funds, Mr. Borgerding responded that this was merely to authorize the spending of the money, not to move any money. Ms. Palazzolo asked that Mr. Borgerding run down for her the biggest supplemental appropriations. He cited the payroll, Workers comp, pool repairs as well as a Maintenance Department account that was \$57,000 over budget which he had not had the opportunity to discuss with Superintendent Scherpenberg. There was also \$16,000 in income tax refunds, he said, as well as the police cruiser and police car radios that were paid for out of various funds. Mrs. Rankin asked how much the missed payroll expense was, Mr. Borgerding answered that it is \$90-100,000. Ms. Palazzolo asked if we can get detail on the \$57,000 from Superintendent Scherpenberg so we can budget better in the future. Mr. Borgerding answered in the affirmative. The Ordinance had a second reading. Mr. Bartlett asked Fiscal Officer Borgerding to estimate how much of the supplemental appropriations were actually supplemental and Mr. Borgerding responded an estimate of \$200,000. The Ordinance had a third reading. Mr. Brown moved, seconded by Mr. Bartlett to adopt the Ordinance. On roll call: five ayes, no nays. Ordinance No. O-26-18 was adopted.

Mrs. Graves moved, seconded by Ms. Palazzolo to pay the bills as approved by the Fiscal Officer, Mayor, and Chairman of the Finance Committee. On roll call: five ayes, no nays.

Ms. Palazzolo moved, seconded by Mrs. Rankin to accept the recommendation of the Safety Committee which met November 26, 2018 at 6:30 p.m. Present at the meeting were Committee Chairman Avia Graves, Committee Members Maggie Palazzolo and Kelly Rankin. Also present was Council Member Rob Bartlett, Village Engineer Chris Ertel, Chief Rick Hines, Village Superintendent John Scherpenberg and Mayor Dan Policastro. The Committee recommends that the Village install new crosswalk signs that promote stopping at a crosswalk for pedestrians to cross at the following intersections:

- Wooster Pike at Plainville Rd., West St., Indianview Ave., East St., Beech St. and Pleasant St.
- Madisonville Rd. at West St.

- Miami Rd. at Rembold
- Plainville Ave. at Chestnut

In addition the Committee recommends an additional crosswalk on Madisonville Road in front of the Livingood Condominiums. Mayor Policastro indicated that the President of the Homeowner's Association of the Livingood condominium had called him thanking the Village for adding a crosswalk and asking if there would be additional signage, like the other new signs going in. Mrs. Graves indicated that we would not be putting the "Stop Here for Pedestrian Crossing- State Law" at this new crosswalk as there was another crosswalk about 200 feet away at West St. and the committee did not think the redundant signs were necessary. On roll call: five ayes, no nays.

Mayor Policastro read the following miscellaneous announcements:

The Village offices will be closed December 24 and 25th 2018, and January 1, 2019.

The Permanent Improvement Fund meeting will be Monday February 11, 2019 at 6pm.

Mr. Bartlett moved, seconded by Mrs. Rankin to nominate Ms. Palazzolo and Mrs. Schwartz as to the Fireman Department Dependents Fund. On roll call: five ayes, no nays.

Resolutions:

"To Appoint Marcia Duval as a Member of the Parks Advisory Board for the Calendar Year of 2019" had a third reading. Mr. Bartlett moved, seconded by Mr. Brown to adopt the Resolution. On roll call; five ayes, no nays. Resolution No. R-38-18 was adopted.

"To Appoint Joan Vago as a Member of the Parks Advisory Board for the Calendar Year of 2019 and 2020" had a third reading. Mrs. Rankin moved, seconded by Mr. Bartlett to adopt the Resolution. On roll call; five ayes, no nays. Resolution No. R-39-18 was adopted.

"To Appoint Andrew Seeger as a Member of the South 80 Trails, Gardens, and Park Advisory Board for the Calendar Year of 2019" had a third reading. Mr. Bartlett moved, seconded by Mr. Brown to adopt the Resolution. On roll call; five ayes, no nays. Resolution No. R-40-18 was adopted.

"Resolution Adopting the Hamilton County Multi-Hazard Mitigation Plan" had a third reading. Mrs. Rankin moved, seconded by Mr. Bartlett to adopt the Resolution. On roll call; five ayes, no nays. Resolution No. R-41-18 was adopted.

"Resolution to Designate PNC Bank as Depository of Active and Interim Deposits of the Village of Mariemont Beginning January 1, 2019 and Ending December 31, 2023; and to Declare Emergency" had a first reading. Mr. Bartlett moved and Mrs. Rankin seconded to suspend the rules to allow for the second and third readings. On roll; five ayes, no nays. The Resolution had a second and third reading. Mrs. Rankin moved, seconded by Mr. Brown to adopt the resolution. On roll call: five ayes, no nays. Resolution No. R-42-18 was adopted.

Ordinances:

"Ordinance Providing for the Issuance of \$626,148.08 Building Improvement Bond Anticipation Notes, 2018 Renewal, By the Village of Mariemont, Ohio in Anticipation of the Issuance of Bonds and Declaring an Emergency." had a first reading. Mr. Brown moved, seconded by Mr. Bartlett to suspend the rules to allow for the second and third readings. On roll call: five ayes, no nays. The Ordinance had a second and third reading. Mrs. Rankin moved, seconded by Mrs. Graves to adopt the Ordinance. On roll call; five ayes, no nays. Mr. Bartlett moved, seconded by Mrs. Graves to invoke the emergency clause. On roll call; five ayes, no nays. Ordinance No. O-27-18 was adopted.

Mr. Brown detailed the remaining financial details of the payment to Perkins Carmack on the building addition. So far we have paid \$803,000 with a remaining \$30,000 for which we have been billed and we will be

negotiating with regard to the punch list. Paying this full amount will bring our total to \$834,704 which is very close to our original estimate of \$797,000. That overage is small for a project of this scale and represents out change orders. We have received \$223,851 of our \$400,000 grant money leaving a balance of approximately \$176,100 yet to come. The artifact cases are being custom made locally in Madisonville which saves the Village money. We should have artifacts installed by the first of the year.

Mayor Policastro asked about money being refunded to the Village for the damage caused by Perkins Carmack to existing infrastructure and contents. Mr. Brown responded that those damages should be part of the final negotiating of that last \$30,000. Mr. Brown indicated that he, Mr. Rich and the Planning and Zoning Committee would be meeting to decide what portion of the remaining work was the Village's responsibility and which portion remained to be completed by Perkins Carmack.

Mayor Policastro asked about the damage caused by DeBra Kemple to the electronics due to the electrical surge. Mr. Brown responded that it was separate from the Perkins Carmack punch list and that DeBra Kemple had given every indication that they would be paying those damages, which he recalls being around \$5,000.

Mrs. Graves asked whether we would be having a ceremony to inaugurate the museum once it is finished? Mr. Brown answered in the affirmative. Mayor Policastro indicated that he would put it in the Mayor's Bulletin when we decided on a date.

The meeting adjourned at 7:51 p.m.

Dan Policastro, Mayor

Anthony Borgerding, Fiscal Officer

