

President of Council  
MICHAEL KLINE  
Vice President of Council  
TANYA TAYLOR DRAPER  
Council Clerk Pro Tem  
NICHOLAS AIELLO

# City of Willoughby Hills

Council  
JULIE A. BELICH  
JOE JARMUSZKIEWICZ  
DANIEL KNECHT  
VICKI MILLER  
KATHLEEN SIVO

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## Working Committee of Council and Rules & Legislation Meeting

### Minutes of June 24, 2024

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Working Committee of Council and Rules & Legislation Meeting was called to order on June 24, 2024 at 6:00 p.m. in Council Chambers. **Council President Kline** presided.

**Call to Order 6:00 p.m. (0:03)**

#### ROLL CALL: (Audio: 0:33)

**Members Present:** Council President Michael Kline, Councilman Knecht, Councilwoman Vicki Miller, Councilwoman Sivo, Council Vice President Taylor Draper, and Councilwoman Belich

**Also Present:** Finance Director Bruce Scott, and Law Director Michael C. Lucas

**Absent:** Mayor Hallum, and City Engineer Pete DiFranco, and Councilman Joe Jarmuszkiwicz

#### BEGINNING DISPOSITION: (Audio 0:43)

- **Council President Kline** stated that Working Committee of Council and Rules & Legislation Meetings would be more formal going forward due to the addition of the new Council Clerk.
- **Council President Kline** stated that the rule where Councilmembers may be excused from meeting only pertains to Regular Council Meetings and attendance is not mandatory during Working Committee of Council and Rules & Legislation Meetings.
- **Council President Kline** stated **Councilman Jarmuszkiwicz** notified Council that he would not be present tonight.

#### LEGISLATION: (Audio 2:22)

#### ORDINANCE 2024-031 – FIRST READING

**AN ORDINANCE ESTABLISHING THE NEW SANITARY SEWERAGE RATE FOR THE CITY OF WILLOUGHBY HILLS COMMENCING JANUARY 1, 2024, AND DECLARING AN EMERGENCY.**

- **Finance Director Scott** commented a few Council meetings ago, he went through what had happened with the billing rates and not getting them updated with the County. The first quarter rates went out at

last year's rate. He proposed raising rates to the correct levels and applying that increase over three billing cycles rather than four. He stated that everyone would still pay the same amount of money and this would be corrected going forward. This would be an approximate \$62,000 change. He concluded by saying the correct rates will go out next year, and if Euclid changes, they will vote to a similar Resolution to ensure the correct rates go out next year.

- **Councilwoman Belich** asked if people would see an average increase.
- **Finance Director Scott** confirmed this saying 85 percent of the billing would have an effect of less than seven or eight dollars. He concluded saying it was not all for the bulk of the residents.
- **Council President Kline** emphasized that residents would not ending up paying more if the increase had been spread over four instead of three billing periods.

### **RESOLUTION 2024-015 – FIRST READING**

#### **A RESOLUTION AUTHORIZING THE ADOPTION OF AN ALTERNATIVE METHOD OF APPORTIONING THE LOCAL GOVERNMENT FUND FOR LAKE COUNTY, AND DECLARING AN EMERGENCY.**

- **Council President Kline** asked **Law Director Lucas** if he had any comments.
- **Law Director Lucas** stated that this Resolution was the result of a discussion between the County, the Auditor, and the governmental entities in Lake County. This came to be due to a prior arithmetical calculation regarding the apportionment of the Local Government Fund for Lake County. This was not broken down by population. This resulted in several smaller communities receiving an incredibly large and disproportionate share of the Local Government Fund. He stated that more populated entities in Lake County did not receive virtually anything. He stated that he attended several meetings with the Lake County Prosecutor's office, the governmental entity representatives, law directors, and the Auditor himself. He clarified that the compromise was the Resolution sitting before Council, which was an alternative method of apportioning the Local Government Fund. This is more in tune with the breakdown by population. The commissioners and Auditor requested that this Resolution be adopted. The prior method of apportionment only extends for ten years. He stated that this ten-year period would be "catch-up" years. Communities that have been disproportionately affected will catch up. After this ten-year period, this would be revisited again. The compromise was a disproportionate allocation of the Local Government Fund not based on population in order to bring everybody on equal footing for the next ten years.
- He explained that the reason this was appearing as a Resolution for Willoughby Hills was because the Commissioners and Auditors have requested that the approval of the alternative method of apportionment be set forth and this be adopted. He clarified that if it was not adopted by a majority of local entities in Lake County, the current method of apportionment—based not on population but on the prior fund that the local government was using before this year's discussions—would be put into effect.
- He explained that one of the downsides to the former calculation would be that it's at the discretion of the Board of Commissioners as to where the allocated amount of money for the Local Government Fund is to be made. He clarified that this would not be uniformly applied in various properties to the public entities of Lake County.
- He mentioned that at the last meeting the Auditor noted that local governments pass this Resolution, which is consistent across all communities in terms of deciding which type of Resolution to pass.

- He stated that if it is not passed and fails to obtain a majority of resolutions approving it, it would revert to the old calculation. He mentioned that Auditor noted that there would be no guarantee that there would be a distribution to every single public entity in Lake County. He said there would be a chance that some communities would not receive anything. It would be more equitable and more based on this population to have it done under this alternative calculation.
- **Councilwoman Belich** asked if the population and number being used was based on the most recent census.
- **Law Director Lucas** responded saying he didn't know for sure but believed that to be the case.
- **Councilwoman Belich** asked if prior to this the Commissioners made the determination as to the exact amount of money that was going to each town, city, and township. She asked **Law Director Lucas** to re-explain the process of moving away from the old calculation.
- **Law Director Lucas** responded saying that the prior calculation is the State/Local Government fund calculation. He said the only thing that this does is divide the total into a monetary amount. He stated that the money is there to be distributed at the discretion of the Board of Commissioners. The local government, excluding the City of Mentor, has no say in it. The City of Mentor is the only community that has a veto power in terms of the distribution of the money because of its size. They have taken the total amount and divided it up, as they deemed appropriate. This is based on need. He said he did not see a lot of this in effect. What he did see was communities getting disproportionate shares and not having what they need.
- **Councilwoman Miller** asked if it was the smaller communities getting too much money and if the Eastern half of the townships were struggling. She asked if this was need-based before, what needs they were based on.
- **Law Director Lucas** responded saying this was on an annual fact sensitive basis each year by the Board of Commissioners. He stated that the stark examples of this unfairness using the State calculation was with the Eastern end of the County. An ad hoc committee had been formed with other communities to explore alternative measures and reach a compromise. The only place with a strong objection to the proposed alternative method was the Village of Timberlake. Everyone other than Timberlake wanted to go with this alternative method.
- **Finance Director Scott** stated for the last ten years, the Local Government Fund revenue has been \$417,000. According to worksheet that was provided, last year was 495 this year is 499. Because of the population proportion, the new calculation would help to see that the revenue is growing for the next ten years. He expressed that he felt this was a positive idea.
- **Councilwoman Miller** asked if by the end of the ten years we would be back to where this should have been and if this would be a gradual re-dividing.
- **Law Director Lucas** affirmed saying that this ten-year period would be a catch up period to bring the counties back to where they should have been, according to the eyes of each public entities of Lake County with the exception of the Village of Timberlake.
- **Councilwoman Belich** asked why the calculations for Willoughby Hills goes down in 2025 and then goes back up in 2026.
- **Law Director Lucas** responded saying that this was changing depending on the ultimate Local Government Fund amount. The reason it went down in 2025 was because this was part of a compromise. He clarified that some communities were giving up a small portion at the beginning to assist in having a larger portion available to the communities that were effected disproportionately.

- **Council Vice President Taylor Draper** asked if there was a certain amount of time that Council had to render a decision. She asked whether this could go to Three Readings or if this was urgent.
- **Law Director Lucas** responded saying that the Auditor's Office would like this passed as soon as possible. He stated that an optimal window for this to be passed, according to his understanding, would be mid-July.
- **Council President Kline** stated that 12 of the 22 communities have to pass this Resolution. If 12 do not then this can't pass. One example of disproportionate distributions occurred in Concord Township. They were getting \$9.00 per citizen in the past and there were other entities getting \$350-\$400 per resident. He emphasized the disparity in the calculation being used in the past.
- **Council President Kline** stated that he understood it could be difficult to track numbers going across how they change on a spreadsheet. The percentages of funds communities get are based on the total funds available. He emphasized that you cannot see the actual formula for each line item on the spreadsheet. You would be able to see the dollar amount year by year, but various percentage factors such as the base being used in terms of revenue, were not available on that spreadsheet. He said that Council would have to accept the calculations in accordance with what the Committee had set out to accomplish. He mentioned that he was asked to get involved initially to critique the formula because the initial objective was to try and have as objective as possible computations. The reason for this was so that Council could run the numbers on any city knowing that they would not change from year to year in terms of the factors coming into play. He concluded by saying that the spreadsheet with formulas would be needed to determine the detailed computation.
- **Council Vice President Taylor Draper** asked if this would pass if 12 cities would have their Councils rule in favor of this Resolution.
- **Council President Kline** responded saying that this was the case, excluding Mentor, as Mentor is by itself.
- **Law Director Lucas** expanded on Tanya's comment clarifying that this was not just the cities but also the villages and townships.

#### **RESOLUTION 2024-016**

#### **A RESOLUTION AUTHORIZING THE FINANCE DIRECTOR TO ISSUE APPROPRIATE DISBURSEMENTS FROM THE CASH SEIZURE AMOUNT OF \$453,358.00 PURSUANT TO THE FORFEITURE DISPOSITION PROCEDURES OF R.C. 2981.12, R.C 2981.13, AND R.C 3719.11 OF THE OHIO REVISED CODE AND DECLARING AN EMERGENCY.**

- **Council President Kline** asked **Finance Director Scott** and **Law Director Lucas** if they had comments on this Resolution.
- **Law Director Lucas** commented this amount of money was seized as a result of a drug arrest orchestrated between the FBI, the Lake County Sheriff's Department, and the City of Willoughby Hills. The amount seized was \$453,358. This amount was ultimately surrendered to the City of Willoughby Hills and placed in the Willoughby Hills Trust Fund. This was to be held until a further decision would be made regarding the forfeiture procedures. Judge O'Donnell issued a final decision that a large portion of the money seized would be returned to the one who held the money initially. The remaining balance held would be divided between the Lake County Recorder's Office and the Lake County Prosecutor's Office. This represents 15 percent of the remaining balance. Willoughby Hills has a remaining 85 percent.
- He mentioned that because this was in a Trust Account with a forfeiture amount, it would be important for the money to be defined by a paper trail as it's periodically distributed. He mentioned that this is providing the disposition of monies in accordance with the decision of Judge O'Donnell.

- He stated there is no real certainty to require Council to approve the appropriation amounts because it has already been approved under the statute by the Lake County Common Pleas Court. However, for the interest of transparency for the residents and Council, he felt that it would be wise to lay this out before Council so that they would know where the money would be going, especially because this is a large amount of money. The Finance Director assisted in the preparation of this.
- **Law Director Lucas** turned this over to **Finance Director Scott**.
- **Finance Director Scott** had no comments.
- **Councilwoman Belich** asked where the money would sit upon its release to the City, in accordance with Judge O'Donnell's orders.
- **Law Director Lucas** stated it would remain in the Trust Account. He stated it would be analogous to retainers given to a lawyer to put into their Trust Account and remain there with tracking of distribution from that Trust Account. He emphasized that under the judgement entry, \$303,358 dollars would be returned to the defendant and the remaining 150 would be broken down. 85 percent would be retained in the trust account which equals \$127,500. The remaining 15 percent would be issued from the Trust Account to the Lake County Clerk of Courts and be in the care of the Lake County Prosecutor's Office. The larger amount has been ordered to be distributed by the City of Willoughby Hills to the defendant, and \$22,500 has been ordered to be issued to the Lake County Clerk of Courts. The remaining balance amount of \$127,500 would be retained in the Trust Account and be used for specific Police purposes from the Trust Account.

**PUBLIC PORTION 2: (Audio 27:48)**

**An opportunity for the public to address Council with any comments, issues, or concerns.**

Public Portion opened at 6:28 p.m.

- **Dave Reichelt:** Stated that he was petitioning the State for noise reduction walls along I-271 on the Eastern border that runs from Eddy Road to Chardon Road. ODOT has a procedure now for how this is supposed to play out. This procedure includes a Resolution from their Board, obtaining signatures on a petition from all our residents, an endorsement by the City, and other documentation. He asked the City Council to move forward on this. He stated he had a packet that would refer Council to page 19 for the purpose of being included in a new Resolution. If Council were willing to generate one, this would send it off to ODOT. He urged Council to submit this back to him in order for them to retain a copy in their records and send the original off to the state. He hoped that Council was inclined to move forward with this and emphasized that they would like to get this submitted as soon as possible.

Public Portion closed at 6:30 p.m.

- **Council President Kline** stated that Dave had forwarded the copies of this information in advance, which were then forwarded to Council. Council had a chance to review this briefly prior to the meeting. He concluded saying Council would take appropriate action immediately.

**LEGISLATION: (Audio 30:55)**

**Council President Kline** opened to Council for any Councilmembers to ask questions about the legislation, including wording or misunderstandings.

No one spoke.

- **Council President Kline** stated that because Working Committee Meetings will be more formal in the future, draft minutes are available. He asked Council if they wanted to approve them at the current meeting.
- **Councilwoman Miller** stated that she had not had the chance to look at them and would feel more comfortable approving them on Thursday's Regular Council Meeting.
- **Council President Kline** responded saying that going forward, if minutes are available for each Working Committee Meeting, Council can approve them during those meetings.

**ADJOURNMENT: (Audio 33:16)**

Motion made by **Councilwoman Belich**, seconded by **Councilwoman Miller** to adjourn the June 24, 2024 Working Committee of Council and Rules & Legislation Meeting

**Roll Call: AYES: Kline, Knecht, Miller, Sivo, Taylor Draper, Belich**  
**NAYS: None**  
**Vote: 6/0**

The meeting was adjourned the meeting at 6:33 p.m.

APPROVED:

Date

July 11, 2024

Michael Kline

Michael Kline  
President of Council

ATTEST:

Nicholas Aiello  
Nicholas Aiello  
Clerk of Council