

KIRTLAND CITY COUNCIL MINUTES

April 17, 2023 – Work Session

The work session meeting of Kirtland City Council commenced at 6:35 p.m. Council members present were: Ronald Fenstermaker, Richard Lowery, Matthew Schulz, Joseph Smolic and Eric Ziegler. Absent: Scott Haymer.

Mayor Kevin Potter, Law Director Matthew Lallo, Finance Director Louis Slapnicker, City Engineer Douglas Courtney, Police Chief Brian McCallister and Senior Center Coordinator Teresa Szary were also in attendance.

With regard to the meeting agenda, Mayor Potter requested that Council pass the legislation confirming the reappointment of Louis Slapnicker as Finance Director; the current contract expires at the end of April. He asked that the ODOT salt contract legislation also be adopted, as the deadline for submittal to ODOT is May 1.

With regard to the legislation relating to culverts and drainage, Councilman Schulz noted that he provided some information to the Law Director for potential revisions. Mr. Lallo confirmed he will review the information and will have the edits done before the next meeting. Answering Mr. Schulz, Mr. Lallo confirmed that the legislation will not have to go back to the Standing Committee.

Council President Smolic inquired about updates to the codified ordinances. Mayor Potter noted that should be done soon.

Mayor Potter noted that he sent Council members the final version of the comprehensive plan; a title page and photos were added, and the document was made neater. Councilman Schulz inquired if page numbers were added; Mayor Potter said he will check on that.

Mayor Potter noted that Chief Hutton and Service Director Fornaro will not be present for tonight's meeting.

Finance Director Slapnicker advised that the sale of the note was done last week; the closing is April 19. The \$3,102,000 note was sold at a rate of 4.25 percent; the total interest cost is \$131,468.79. Mr. Slapnicker said that once the City closes, a premium of \$23,916.42 will be received; these are additional proceeds. With the interest rate and factoring in the premium, the yield comes down to 3.45 percent. Mr. Slapnicker explained how the premium works. Mr. Slapnicker advised that the OMAP application was approved as part of this process, noting that the City received the highest short-term rating of SP1+ backed by the full faith and credit of the State of Ohio. Mr. Slapnicker reviewed comparables of recent sales for Lake County and Lyndhurst, noting that the City received a very competitive rate compared to other recent sales.

Answering Councilman Schulz, Mr. Slapnicker said the fees for the bond counsel will come out of the proceeds. He noted that the cost of issuance is \$3,230.50 and the underwriter cost is \$5,428.50, for a total cost of \$8,659.00.

With regard to income tax, Mr. Slapnicker provided comparisons through April 30 of 2021, 2022 and 2023 (all income taxes are in for the month). For 2021 - the City received \$1,140,000; for 2022 – the City received \$1,440,000; and for 2023 – the City received \$1,608,000.

Mr. Slapnicker said he received a 40-page OML document regarding income tax implications of remote work-from-home. Noting that many studies were performed as part of this document, Mr. Slapnicker said there was a peak during the lockdown, and things are now starting to stabilize to

the pre-pandemic levels. He noted that Kirtland seems to be stabilizing over and above the pre-pandemic levels. He noted that they suggest that municipalities with high concentration of workers in insurance, finance, management, professional, scientific and IT could experience high revenue loss. Mr. Slapnicker said Kirtland has seen a benefit from the work-from-home.

Councilman Schulz inquired about Kirtland's numbers from one year ago relative to the work-from-home situation. Mr. Slapnicker advised he can provide some numbers.

Mr. Slapnicker noted that the end-of-month cash fund balance report has been distributed; the other reports will be forthcoming.

With regard to property tax, Mr. Slapnicker said the City came in at 59 percent collections; the revenues are where expected at this point.

Councilman Schulz inquired if the Federal Reserve has issued any guidance or warnings regarding banks and deposits. Mr. Slapnicker advised that they have not issued anything. In addition to FDIC insurance, Mr. Slapnicker explained the pulled collateral in the State of Ohio, which provides additional protection. He noted the City is protected for 102 percent. Answering Council President Smolic, Mr. Slapnicker said the bank deposits are in Huntington, and there are investments in Star Ohio.

Mr. Courtney advised that work began this week on the Old Town sewer project. He noted that an old abandoned septic tank was found in the staging area by Saxon. The Health Department went out and confirmed it was abandoned, and it was crushed and filled.

Mr. Schulz noted he sent Mr. Courtney a message regarding driveway widths. Mr. Courtney said he will take a look at it.

Mr. Lallo advised that everyone should complete Sunshine Law training once every two years. He noted that for elected officials it must be done at least once per term.

Mr. Lallo said the City has been asked to re-address the ordinances relating to the Recreation Park and the entrance and exit to that park on Russellhurst Extension. He said that a couple residents expressed dismay with allowing pedestrian, bicycles and golf carts on that road. These residents said they felt that Council was not fully aware of the changes. Mr. Lallo said he will review the history and the changes, and Council can decide whether to address it further.

There was brief discussion regarding the Council vacancy due to the resignation of Mr. Ruple. Council President Smolic noted that a meeting has been scheduled for Monday, April 24 at 7:00 p.m. to hold interviews.

There was no further discussion, and the work session meeting adjourned at 7:00 p.m. upon the consensus of Council.

President of Council

Clerk of Council