

COVENTRY TOWNSHIP BOARD OF TRUSTEES
Special Meeting of June 30, 2011

The Coventry Township Board of Trustees met in special session on Thursday, June 30, 2011 at 10:03 a.m. in the Coventry Township ADA Room, 68 Portage Lakes Drive, Akron, Ohio, to discuss financial matters, County Fiscal Officer Certification and levy funds, ambulance fees, 2012 CDBG application approval, and meals reimbursement for Road Dept. employees. The media was notified as required by law.

Chairperson Tom Seese called the meeting to order and asked Fiscal Officer Joni Murgatroyd to record the following Trustees present: Dave Bulgrin, yes; Brenda Patterson, yes; and Tom Seese, yes. All Trustees were recorded present. Fire Chief/Township Service Director David Calderone, Road/Maintenance Superintendent Lael Stouffer and Deputy Fire Chief John Dolensky were also in attendance.

Road/Maintenance Department Meal Reimbursement

110630-01 Dave Bulgrin made a motion to approve the reimbursement of meals in the amount of \$43.32 for Road/Department staff to Lael Stouffer in order to complete the emergency repairs on Snow Avenue. Brenda Patterson seconded the motion. Roll call: Dave Bulgrin, yes; Brenda Patterson, yes; and Tom Seese, yes. Motion carried 3-0.

Tom Seese stated good job over there Lael.

2012 CDBG Application - Cove Blvd.

Joni Murgatroyd explained that she and Lael completed a CDBG Application this week for Cove Blvd. We have issues over there with regard to the road deteriorating plus there is extra traffic as a result of that ramp being over there, plus we've had flooding issues that have contributed to it. She explained that the deadline was today, so we went down and filed that on Tuesday for \$20,000.00 for materials and labor. We are hoping we can get that to offset our costs especially in light of what we have coming with regard to our financial issues.

110630-02 Dave Bulgrin made a motion to approve the 2012 CDBG Application for the Cove Blvd. Project effective June 28, 2011. Tom Seese seconded the motion. Roll call: Dave Bulgrin, yes; Brenda Patterson, yes; and Tom Seese, yes. Motion carried 3-0.

Joni Murgatroyd noted that the motion will be as stated in the agenda, effective June 28th, the day we filed it.

Ambulance Billing

Tom Seese stated we have some discussion about ambulance billing. He asked if there was anything in writing.

Joni Murgatroyd stated that first of all, as you know, we have a financial tidal wave coming in towards us with regard to every aspect of our finances. She stated that she's gone to all of the department heads over the last couple of months as she's advised to look at everything we do. We have to be looking at fees. A lot of our fees haven't changed. We have kept ambulance fees somewhat current, but David did another review and determined that there are a couple areas where we can increase our ambulance fees to bring in more revenue. She reminded everyone that with non-residents, if we don't get the payment it goes to collections. With resident ambulance, the insurance pays that. If they don't have insurance it is waived, if there is a balance it is waived. She stated that David can explain to you the cost that we are looking at here.

David Calderone stated that there are a lot of numbers here and we won't focus on all of them but he would try to lay out the schedule here. There are three levels of charges that we have. There is BLS service, which is Basic Life Support, ALS-1 which is Advanced Life Support and then ALS-2 which is Advanced Life Support with, lets just say on steroids, if you

will. It's a higher level of advanced life support. Then, our mileage that we charge for loaded miles on transport. So, beyond the BLS, ALS-1, ALS-2 then you can break it down into sub-categories of resident and non-resident as we have in the past. So, that's the left column. The next four columns are comparatives of Green, New Franklin, Springfield and Barberton, our contiguous neighbors, to get a sampling. He stated then the boxed column has the averages. Then, immediately to the right of the averages is what Coventry currently charges. Immediately to the right of that are at least for beginning discussion points are his recommendations of changes, and that is what he will discuss. He stated that the final column shows how much of a change that reflects. The bottom section, where it says 'Recommended Increases' if you just drop down to the bottom part there, what he is recommending is an estimated increase in revenue of close to \$73,000.00, not counting that's at a complete 100% cost recovery, and we don't we're about 80%. He stated that he can map that out to about 80%, so we are talking \$56,000.00 roughly. He asked them to go back to the boxed column, looking at Coventry charges. He stated that before he does this comparative, the last thing, it's been quite a few years that we initiated revenue building, at least 12, maybe 15 years that the reason that we differentiate between resident and non-resident in our charges for review, is because the residents already pay taxes. They pay for baseline services where a non-resident contributes nothing to our Township operation and so thereby we've always reasoned that they should pay more. Or, put a different way, residents should pay less. He stated that he still believes that is a valid position to take however, he thinks there is some compromise to be had. If you look at BLS, the average for resident and non-resident of our neighbors is \$510.00. We charge residents \$506 and non-residents \$675. You'll notice that all of our neighbors charge residents and non-residents the same. He doesn't agree with that. ALS-1, which is what we do the most of. He explained that we do very little, less than 10% of our calls are ALS-2. We charge residents \$506, and the average for ALS-1 resident, is \$650. For non-residents we charge \$675. Moving on to ALS-2, the average is \$668, we charge \$506 and \$675 respectively. That next column, what he is recommending and why. He stated going back to the top, to BLS he is recommending, just for roundness that we take our charge for residents from \$506.25 to \$510 and not change it. We'll leave non-resident where it's at because it is above the average but he thinks, still fair, because they don't pay any base tax to us. ALS-, this is the area that he changed actually since he talked to Tom, and he thinks there is some cost compromise here. \$506 is really low if you look at the average of \$650 but to give deference to our taxpayers he is recommending that we consider some sort of in-between ground and take it to \$575 which is an increase of \$68.00. He is not recommending a change to ALS-1 non-resident. With ALS-2, the same thing, he is recommending that we take the \$506 ALS-resident-2 to \$600 and that we take non-resident from \$675 to \$700. If you notice, Green and New Franklin, who just revised their rates are at \$700. So, not to start behind the curve, \$700. Then finally the mileage, we charge \$10 per mile and the average is \$10.75, he is recommending we go with the average of \$10.75. He stated that it is all summarized below on what the affect would be, with pretty good estimates. Our run numbers change from year to year but we estimate, and he should have put that on there that we are talking about with those increases, now mind you, that still insurance pays, that it will pull in a \$50,000.00 increase to help augment our operation.

Tom Seese asked if we know what a good insurance carrier will pay for a transport?

David Calderone explained that there are limits. Medicare and Medicaid, there are limits. We could charge \$1,000 and they're only going to pay the base rate and he doesn't know what it is. This is all within that and actually it's more than what Medicaid pays. He asked Joni if she knew off the top of her head what Medicaid pays?

Joni Murgatroyd stated no, not a lot. There is a lot that we have to adjust off. If they have only Medicare we have to accept what Medicare pays and we have to waive the difference based on what they consider a waiver. The same with Medicaid. With our insurances, a lot of them pay a good portion, but it depends on the plan. All the plans are different so to say there is one average, they are all different. We had \$300-some thousand, \$302,000 in resident receipts last year, which is very good. Non-residents always average \$50-60,000 a year. That is a sizeable amount of money to be receiving over time.

David Calderone stated that the majority of the insurances do pay what we ask. There are exceptions. It's just we are preceding that if someone is in a hardship and they can't pay, we forgive them. It's that soft-billing thing.

Joni Murgatroyd stated that she wanted to note, because it is critical, our residents don't see any of this activity. When this was established, especially with retirees, they tend to want to pay everything right away. So, like a lot of times you'll get a notice from your doctor that this is what is being sent to your insurer, and not to pay it, but a lot of times they would pay it. So, she explained that she just stopped the billing entirely and it is handled between us. If we need to get more information we send letters to them so there is no confusion. The only time we have to go after residents is some providers will not enter into a contract with us to pay us directly. The resident will get the check and knowingly, and sometimes they don't realize it because they are overwhelmed by illness or something, but a lot of times, these people just pocket the money. We have to send those people to collections because by law they owe that money to us. We are not here for them to make money on ambulance runs. We have some that have three runs back to back, up to \$1,200, and we've had to file them to collections to get that money back. Those are the situations, which are not the norm, they're a small percentage. So, residents don't even see the activity going on behind the scenes. They have a run, we get their insurance information, if for some reason the insurance information isn't valid we will send them a letter getting the valid information and that will be the extent of it. Usually a very simple process for them.

David Calderone stated that the increased revenue will help offset our SAFER employees increases because each year we have to pick up a larger and larger share of that. There are increases overall. We have to get the money some way and this just appears to be reasonable based on fairness and comparativeness. It seems to be reasonable and still recognizes our contributions from our residents, and it's been, he could look but it's been what, five years since we adjusted this last, Joni? Four years?

Joni Murgatroyd stated she was thinking it was in 2008, or around that time.

David Calderone stated that sounds about right, but it's been several years since we've adjusted and it is what it is. If we don't do this then we are going to have to find this money in a tax.

Joni Murgatroyd stated that she wanted to correct what she said earlier, we don't get \$300-some thousand on the resident. That is overall. Like what we collected last year was \$300-some thousand for both. It's still a lot of money. You can look at it as several firemedics. Obviously all the medics do that, but you can quantify it by looking at what it does provide. There is no pain to the residents. She stated in fact, she knows other communities who have never done any billing and have now just instituted it, and they are some of the affluent communities. They're realizing, my gosh, and this is a way that if you are looking at levy millage as well, this is a great offset because it's in their plans. It's not as if you're doing something you're not allowed to do. It is permitted. We have to follow state and federal guidelines.

David Calderone explained that he made the numbers red of the changes and he stated that they wouldn't offend him, they can jack it up a little bit or take it back. He was just trying to throw something out there for discussion.

Tom Seese asked if there was any discussion from the Board members?

Dave Bulgrin stated that he thought it was pretty good, considering.

110630-03 Dave Bulgrin made a motion to approve the recommended increases. Brenda Patterson seconded the motion.

David Calderone asked if they wanted to put an effective date in the motion?

Joni Murgatroyd stated we can do August 1st, or something to give everyone an opportunity.

Tom Seese stated wait, do we have to wait to do this at a public meeting?

Joni Murgatroyd stated this is a public meeting.

David Calderone stated we're good.

Tom Seese stated okay. He clarified that the motion is to approve the increases as provided and explained to us and it would be effective August 1, 2011. Brenda Patterson seconded the motion. He asked for the roll call. Roll call: Dave Bulgrin, yes; Brenda Patterson, yes; and Tom Seese, yes. Motion carried 3-0.

Financial Discussion and Levies

Joni Murgatroyd explained that she has worked and worked and worked on all kinds of handouts, but decided she wasn't going to hand them out because things have been literally changing this week daily. She stated that what she is going to get into, as she has been explaining in the meetings. The Senate Bill has passed and there was a conference committee that had come out and we were hoping for some changes there that would have been more positively reflected for the Township. They had considered a statutory change in the formula for the LGF that may have been more favorable for the Townships, but that did not pass. We are still facing the situation that she has been reporting on. She explained that she is going to give everyone one schedule and it will be the easiest thing for her to explain to begin with. She stated that she has looked at all the levies very, very closely, and she just needs to get the Board's feedback on this as to where we are proceeding. She stated she and David met on Fire. We have three levies that their last tax year is this year, with the last collection year next year. She stated that in the past we have had difficulty passing replacements and increases. We had our General Fund levy last year which was a renewal that did not pass by a lot. She stated that concerns her. Not only are we going to be losing the Tangible Tax, which was basically on personal property, and ended last year, and then the State was going to reimburse us based on a commercial activity tax that they instituted as a phase out until 2018. Apparently the commercial activity tax has not yielded what they expected it to. Therefore they have accelerated the phase out for the majority of us to this year. Basically, right now with what the State of Ohio has released, we are losing it this year. We'll have one half of what they initially had proposed for us. The Estate Tax has been repealed as well and that will be effective a year from now. The thing is with that, this year we received \$100,000.00. Over the last several years we have been pretty fortunate and have gotten a couple of years where we've gotten a hundred-thousand dollars. This is great for residents, but it's another source of revenue that we are losing. This was money that we were able to use to offset other costs and we're losing that now. Another big hit, and this is still being determined, is the property re-evaluations. She handed out a schedule, because it will be the easiest way for her to explain it. She stated she has run over the numbers and looked at them over and over again. She stated that she doesn't see any other way, based on, like our Road Department. She explained this is our Schedule B, which is what the County issues every year that shows our values. If you look up at this corner right here, that's our Resident/Agricultural values, up here in the top right hand corner are other real values that they calculate and then they show your Public Utility/Personal Value. Currently our total Real and Public Utility value is \$249 million. She stated that she tried to get a call in. County-wide they are forecasting an 8.3% reduction. Initially when it was first reported they thought possibly our suburban areas might see a 7% reduction. She explained that she was not able to get that exact number because the finals won't be done until the end of the year. This is where it has become very detrimental. If you look at all of our levies, each levy including our inside millage which are the two items, last two columns above the total, General, Road and Bridge, that is inside un-voted millage. If you go to the very end where you see there is a total of \$181,000.00 there, if we see just a 7% reduction in our values, that is going to go down to \$169,000.00. On the Road and Bridge, if you take out that 7%, instead of \$341,000.00 it will be \$317,000.00. Now, mind you these are not exact numbers. She stated she is giving them what the estimates are now. We can't live by this. Also, if you see each one of our levies, every one of our levies there, if you go to the two middle columns, where it says Reduction Factor and Effective Rate. As you know, each levy that we pass, it's either a 1 mill or 2.5 mills or whatever the millage is. What is happening right now is pretty unprecedented at least in our lifetime, or at least in our lifetime as officials. Our values in the past have continually gone up. When we had the last re-evaluations we really didn't have a decrease,

we were somewhat flat. We didn't see that. In the past, if you look at these effective rates to these levies and then there is a reduction factor, if your property value goes up, the reduction factor therefore is done to make sure you are consistently receiving the amount that people have voted in. This is what is going to be bad. If our value drops 7%, our millage that you see, for example with the fire or police levy. Let's look at the police levy, number 2. You'll see it's still at 2.5 when we did the replacement back in 2006. That's generally unusual. This year with the re-evaluations they can't raise that millage so we continue to receive the \$622,000.00. We are actually going to get less. They'll have to leave that effective rate at 2.5, but because the value is going to drop, likely considerably, we're going to be getting less in every single one of our voted levies and our inside millage. She advised the Board that they need to consider this. So, she stated she is not going to hand these out yet because she has a lot of different scenarios, but what she needs from the Board is, she's run different scenarios backing out our losses of the State reimbursements. She explained that she is doing re-evaluation adjustments to see what we stand to lose. She doesn't see how we can do any of these levies at renewals or just replacements. Generally our values have gone up so a replacement actually gave us what we needed. That is not going to happen this year or even next right now with the way it looks. We are going to have to look at replacements and increases on all three of those levies, the Road, Police and Fire. She stated that she and David talked and thought it probably would be best to hold Fire off until the primary election next May. Therefore, we are left with Police and Road this year to try and put them on the November ballot. She stated she would be very concerned to try to put all three of these on next May. She thinks we would really face a dilemma there, trying to pass three replacement and increases. She stated that she wanted to show, she's got so many schedules here because it's just somewhat overwhelming when you work with it every day to just try to explain it to everybody in a nutshell, but I am going to try and show you. The Road Levy, for instance has never been replaced. It has been done as a renewal since it was effective back, I believe, in 1992. That has just continued to go down every year. At this point we've only collected, they're saying, about \$134,000.00. That is what is in our certificate. Now, that is the primary levy that we have utilized to do our chip and seal program. Our chip and seal program for the past several years has been about \$110,000.00 estimated. With what we see increasing with hot mix and oil costs and things of that nature, we know that is going to increase if we want to stay on our rotation of doing the roads like we have planned to do those in the past. If we keep cutting out, if we keep taking them over time and extending it and reducing the amount of roads that we are re-chipping, then she thinks we are just going to see a lot of deterioration much faster. She asked Lael if he agreed that he sees that as well.

Lael Stouffer stated yes, and just that chip and seal is more or less just preventive maintenance once the roads become un-uniform as in troughed. They're not crowned anymore. Chip and seal doesn't prevent or correct any of that like 405 motor paving. There are two different types of pavement that we could try down the road. The roads were crowned initially when they were first oil and chipped back in the '50's. It's literally been that long ago and everything is getting to the point to where we've done some stuff, we're doing some stuff this year, but a lot of the roads aren't going to sustain that chip and seal. They require re-crowning. Chip and seal just won't cut it with some of what we are seeing right now. Two years ago oil prices went up, hot mix, chip and seal, everything goes up with the cost of oil. He stated that he thinks we hit 100% cost. He stated that he thinks in 2009 we had a real spike in it, costs went up almost 100%.

Joni Murgatroyd stated that with some preliminary numbers that she's run, she really doesn't want to hand this out right now because she is waiting on some phone calls and is trying to keep the confusion down for everyone else. She stated that she would just give a scenario here with the Road. If we would do a replacement and a half mill increase, instead of the \$134,000.00 that we are proposed to get this year, the proposal would be that we would be getting \$347,000.00 a year. Now, what she has to do is back-out, that would be \$238,000.00 more a year, without the change in valuation. If the valuation goes down the 7% we would only be getting \$212,000.00 more a year. Now, she also has to consider the loss of revenues. This isn't considering what he is going to lose on the Road and Bridge inside millage. Although that might sound like a lot that we are increasing it annually, we have to be able to absorb all of the losses of funding that are going to happen in the Road Department. The General Fund

will no longer be able to transfer dollars out to these other funds to sustain them like we've done in the past. We have to bring the General Fund expenses down to meet the revenue shortages that we are going to be having. The carry-overs have to be sustained as long as possible especially for the General Fund. We just did a General Fund renewal last fall that hasn't even kicked in yet. We did a renewal, so therefore we won't be getting any additional money from that. We are going to be losing another half basically of our Local Government Fund. The Local Government Fund has been what has really helped us sustain our services. For instance, we have been helping the Fire Department. We did a renewal several years ago with our main levy with the idea we would help supplement it with the General Fund. That is going to be impossible going forward. We can not run out the General Fund revenues and put ourselves in a state of fiscal emergency. Every fund will have to become self-sustaining with no assistance from the General Fund. Further, there has been different costs, for instance Ron Adams, we've always just paid his salary out of the General Fund as the Equipment Maintenance Supervisor. As we go along the line here, it doesn't have to happen this year, we could probably handle out of there next year, but in coming years we are going to have to allocate his cost based on the work he does for both departments, Road and Fire. The other thing is even the Fiscal Office staff, she explained that she and her staff spend a lot of time on ambulance billing. Most of the time, the primary handling of that has come out of the Fire Department. We pay all of that out of the General Fund. Up to now it hasn't been a problem but in the future it will become a problem. She stated that is another thing that she has to look at as to charging each department exactly for what it is incurring. Certain things we were able to do that, we had the funds, you're allowed to do that. There is just no way of increasing revenues now in the General Fund, except through levies. In the past the people were open to us. You know when we went for the General Fund several years ago, the levy prior to the one last fall did pass as a replacement and decrease. We were able to increase that. That is where our parks and senior center are maintained. That is where zoning, George's salary is paid from. A lot of our big capital projects are paid from that fund. We've given the Fire Department anywhere from \$125,000.00 to \$175,000.00 the last several years. That helped pay for one of the ambulances. As you can see the loss of these Local Government Funds are going to be very catastrophic especially given the fact that now we've lost the Estate Tax. Although you could never budget it, that was kind of like icing on the cake and was great for those types of projects. We've been giving \$25,000 to the Road and Bridge Fund, which doesn't sound like a lot, but when you take all of these other losses of revenues, it is a lot that we're losing. It's just compounding with this re-evaluation. She stated she knows that all of this probably sounds confusing but this is about as easy as she can explain it. She explained that she needs the Board's concurrence that we have no other alternative, but to proceed and get estimates for a replacement and increase for Road and Police. We will then have to have another meeting, and it will be done as conservatively as possible. Keeping in mind now with our Police contract we have three provisions within that contract that are somewhat open-ended. In the past, for fuel, vacation salary, etcetera, if somebody is off, they do say that they do try to fill with a float, but technically they can bill us for filling the vacancy of that person. They have not done that in the past, but the problem is that the County is losing a lot of money with these Local Government Fund cuts. It's huge. It's in the millions. Therefore, they may not be able to give us that benefit of that float anymore. They may have to take their staff down in such a way that those floats really won't exist. So, when we do pass these levies we have to consider building in those allowances if we get billed for it. Right now we have a carry-over and we are fine at this moment with it, but we can not just go with a straight replacement. It will not absorb even the existing contract, let alone, you know we also had to reduce our Deputy coverage when they instituted the dispatching two years ago with the first LGF cut. She asked if there were questions.

Tom Seese stated he wanted to say that he is not personally going to be in favor of putting a replacement or an additional levy on. He stated that he thinks that our voters and statewide voters are pissed off. When they can get a million signatures against a piece of legislation easily that they are trying to attack police officers and teachers and fire fighters and public employees, something is going to happen. He would be in favor of putting renewals on to at least guarantee that we are going to get something and then put an additional levy on for the difference in case we lose that one. If you put a levy on and you lose it, you're done.

Joni Murgatroyd stated well, no. This is the tax year, we have next year.

Tom Seese stated to do it again. If they're not going to do it this year, they're not going to do it next year.

Joni Murgatroyd stated this is the thing Tom, if we do renewals you would have to do three additional levies.

Tom Seese stated that he understands that. We can explain additional levies because we can explain the losses that we've had from the State House. The State House is telling us that the people ought to make up the difference for what they've taken away from them.

Joni Murgatroyd stated that is correct, they have said that if the people want the services then we have to go back to them and if they want that. But then, keep in mind all of you sitting here need to understand that if you just pass renewals.

Tom Seese stated we have some cuts to make.

Joni Murgatroyd stated serious cuts.

Tom Seese stated that he understands that.

Joni Murgatroyd stated you all need to understand this. This is serious. It can't just be one department. Lael is as trim as he can be, he has four guys. You take him down one guy and it's going to really limit what they can do. They were just able to do that Snow Avenue project and saved us a lot of money by doing it in-house. Those are the things that you guys really need to take a hard look at. She stated that she lives and breathes this.

Tom Seese stated that he doesn't want to lose it all though. I'd much rather get 3/4 of it and lose a quarter, than take a chance of losing 100% of it.

Dave Bulgrin asked how this works with Summit County now on the road over by North Reservoir, the repairs. Do they handle all of that.

Tom Seese stated yes, that's theirs.

Dave Bulgrin stated we don't have to.

Tom Seese stated that's a County highway. That's their's.

Joni Murgatroyd stated that doesn't have anything to do with this. The thing is you have to understand, the first calculation she did, it wasn't a huge increase. The one was approximately \$30 a year. The thing is, if we throw three more levies out there then that means the next time they come around then she'll have three levies the one year, then three levies the next year, plus the one we just had for the General Fund. Having so many levies makes it very difficult.

Tom Seese stated we all know that renewals are easier to sell.

Joni Murgatroyd stated but it's not realistic right now.

Tom Seese stated that additional taxes at this time with everyone being pissed off about their property values being reduced, they can't sell their house, they're way overboard. The mood of the people, they don't care about how we run this Township.

Joni Murgatroyd stated that she understands that but they have to understand that if we are forced to cut services, you'll have to explain to them that the pothole in front of their house may just be sitting there for a while, or a long while.

Tom Seese stated that he has said since he's been on this Board for two years, just like the police protection. He wants to do a renewal for police protection, but he wants to do another levy for additional police protection. If people turn us down then we can say that they don't have it because they don't want to pay for it. He stated that he doesn't want to try to get more police protection in a different kind of a levy.

Joni Murgatroyd stated that we're not even doing that. A replacement and a slight increase right now will just be to maintain what we have, which is one Deputy. How do you go down to half a Deputy? Do they just patrol eight hours a day? That's scary.

Tom Seese stated, you know what the Sheriff's Office said, their job is to protect the jail.

Joni Murgatroyd stated that they're also to protect the public peace.

Dave Bulgrin stated the other thing, Lael was mentioning, if you are driving around on the streets, along the edges is where the concrete is all, there is no crown no more. That's all the main thing right there, because the cars go over that and hit that.

Tom Seese stated that it looks like the new environment in Columbus is that they want us to merge services with neighboring communities. He stated that he has a thought that we should meet with Springfield and New Franklin and try to apply for a grant that we do their maintenance. That Ron does their maintenance. If you get money for that then it's paid for. That's the only kind of State money that you're going to get if it's a grant where you're doing combined services.

Joni Murgatroyd stated but that's still going to be small dollars compared to the overall cost of the services. That's the thing is. She explained that she feels we need to give the people the opportunity to entertain those and we have to explain it.

Tom Seese stated let me ask you, if we were to do what you said and they all fail. Then are you going to come back to us again and say, let's do it again.

Joni Murgatroyd stated no, no, no, I'm looking at, no. She stated if you want to keep our services that are bare bone right now in Road and Police, like they are, we have to adjust those levies somewhat because of the reductions she just explained to everyone. The renewal that she had last year is not going to give her the same as a renewal this year with the new valuations. We are going to lose money, we are actually going to lose money across the board. She stated that we will have to make immediate cuts to everything. That means definitely implementing some furloughs if we can. Those are the things, or we prepare to reduce an employee. The same is going to be with fire. Now, we have a SAFER grant. There's a big glitch right there with SAFER. We can not use SAFER to fill vacancies. SAFER is only to provide additional staffing, not replace staffing and we have a couple more years left on that. So, we have some hard decisions to make.

David Calderone stated we are in the last year of getting anything, next year we're on our own.

Joni Murgatroyd stated right, but we're still having to fulfill that grant.

David Calderone stated oh yeah. We have two more years.

Joni Murgatroyd stated that is her point. We have two more years of obligation.

David Calderone stated we're on the bad end of it. It was good on years one and two.

Joni Murgatroyd stated so you guys really need to take, she's looked at all of this, and it's very, very depressing. We have services that our people have come to understand and if we make these cuts and we don't give them the opportunity to at least talk about it. Have a

forum, or send something out to them and say we know all of you are struggling as well, but that they need to understand that we are going to be hit so hard from every aspect that we will have no choice but to reduce services. That means everybody. Understand a lot is going to go with that. There are a lot of efficiencies that we've gained over the years because of what we have. You know we have the Summit County Sheriff, where a lot of communities have their own police department. We have the regional dispatching and a lot of people haven't even thought about that yet. We've already been living it. We've brought in hundreds of thousands of dollars in grants in this community for the last fifteen years. The thing is, we've been the model for showing people how to share services. David has been working with Green trying to get a dialogue with the County dispatching. That doesn't mean, we just talked this week, that we're going to see any more reduction in cost. At a point, you're about as low as it's going to go. The thing is, are people going to be ready, road especially is the one that concerns her. She explained, you take one more guy out of Lael's staff, how is Lael going to do the administrative stuff. How are we going to do the grants. She stated she and Lael did that. It used to be, Val used to do grant work. Are you guys willing to step up and do some administrative work? Fill out grant applications and things like that? That's what used to happen before. Understanding that it's not just about telling people that you're going to do this. It's who is going to do it? Who is going to do it? You guys have a lot of thinking to do here. She stated that she's already been there, she's read this. She's been reading it and has talked to everybody, she went down to the County Round Table and fought for our funding in front of all of our legislators. Last week she was on the phone calling down there to that committee saying please vote for that statutory change, so that the local townships continue an increase in their funding. The Counties stand to get casino money and we're not going to get any of that money. She stated that she has done everything as a Fiscal Officer to fight to try to protect our funding. It's because of the State's situation, they had to cut costs and unfortunately it's gone on all of our backs. With a Township like Coventry, we have always lived tight to the cuff. We have never lived extraordinarily. We don't have our little fiefdom where we have to have our own police department, we've got to have all of this. We have run very lean. As lean as you can basically go. The realization in her office. The time that she gives. She gives a whole other administrative position for free. She stated that she doesn't work just fifteen hours a week, she works 40-plus. This is the thing, who is going to pick up the slack. She stated that if she cuts one of the gals upstairs, the efficiencies we've gotten on audits, we've had excellent audits for fourteen years. She stated that she's had excellent audits, perfect. The thing is, we save. There is a SAS-70 audit out there that is required for ambulance billing. She stated it would cost \$10,000-\$20,000. She's talked to CPA's about what it would cost. Because of the controls that she has put in place with David's staff and her staff, we have that waived because our controls are so tight. That saves us \$10,000 - \$20,000 every year or two years. You get rid of staff, something's got to give. There isn't anybody to pick it up. We really have some tough decisions to make here. Are you prepared to do that? Or do we want to give the people an opportunity with a well informed presentation, and that is what we've always done. Any time we put a replacement or an increase on the ballot, we explain it very, very thoroughly. There is no guesswork as to why we are doing this. She stated that she is appealing to the Board and that they need to really sleep on this. She stated that we'll need to meet again to determine what we are going to do. The State did ask us to delay any requests to the County because they have to turn these around in five days, the certification from the County Fiscal Officer on the levy. She stated that she told them we would wait because we got a lot of estimates from them. It's pretty monumental, and to try to throw all of these out on your desk is going to be more confusing. If you are all in agreement, you just think we should do just renewals, which is basically, even a replacement is going to be like a renewal now because our values are not going up, you need to be prepared for the next step. Where are you cutting, and the biggest expenses are staff. You need to keep that in mind that if you try to keep us status-quo, we can't keep everything else status-quo, because we can not exhaust the funds we have and run ourselves into fiscal emergency. She stated that would just sicken her. She explained that when she took office back in 1997 we had negative balances in the Fire Department and only \$200,000 in the General Fund. She stated that was scary that we did not have the money to operate. David couldn't even pay the police contract because our police levy failed back in 1996 and had to carry over several months that were due in 1996, for 1996 services into 1997 because it couldn't be paid. She stated that is just nonsense. We have to have the money to operate the services that we provide our residents. If we're not, then people have to

understand, to take it down any further on our police protection is really scary. Already, every time the Deputies come in they're saying that they're just tapped out. She stated that she is pleading for them to please give this some thought. She doesn't feel that they should just make a decision today that we're only going to do replacements or renewals. A replacement right now is not going to give us any more money, it will still reap less because of the decrease in the values.

Tom Seese stated that it's going to give us a lot more than if they turn it down.

Joni Murgatroyd stated, the renewal you're saying?

Tom Seese stated he's just saying if, he doesn't think.

Joni Murgatroyd stated that a renewal or replacement, it used to be a replacement gave us more money.

Tom Seese stated that she seems to think that we can convince the Coventry residents to support us and he doesn't. He's sorry.

Joni Murgatroyd stated no, what she is saying is that we owe it to them to make that decision.

Tom Seese stated he thinks they're tapped out. They're pissed off and they're tapped out.

Joni Murgatroyd stated that they may be tapped out and they may be.

Tom Seese stated that he's been working for the polls for ten years and he can say that everyone that walks in to the voting booth says if there is any tax increase, I ain't voting for it. They're open about it. They want everybody to hear them in the line.

Joni Murgatroyd stated she just wanted to say that we have always lived up to what we have said. We have never lived fat and happy. We have never mis-spent funds. We use our funds so optimally. We have had so many things and all she is saying is that we should at least offer it out to the community. If they all fail in the fall, then they go back on as renewals in the spring. At least give them an opportunity, or think about it.

Tom Seese stated okay, then if they get a little mad at ya then they'll say okay, I didn't give you the increase you wanted, now I'm not going to give you the renewal either.

Joni Murgatroyd stated they could still vote the renewal down too.

Tom Seese stated I know, then where are we at?

Joni Murgatroyd stated well, then we don't have services.

Tom Seese stated that he was here thirty years ago and when he came back on board in 2009 he was pleased to see how much money this Township had. Because it wasn't this way when he was here. It wasn't as big as it is today. We didn't have offices. We had a clerk and three trustees and they ran the Township, and a lot less money. He stated he was really happy to see how financially sound we were, and we still are.

Joni Murgatroyd stated that's right, but if we do not make sound decisions right now that will not remain. She stated her point is that we have to plan. We have to plan five years out. We can't just sit here and say that we're not going to worry about tomorrow. We do have to when we are signing two and three year contracts with the police department. We're entering into contracts with our union. The point is, if you don't have the money to give it, you people made promises for things that really could barely be paid. Before, the idea was to run a levy into a negative balance. You just shouldn't even think that way. If you have those people

that you've hired to be there, you should never run a fund into a deficit balance. She asked David how many times did you have people go off in the beginning there, injury after injury and we had to go double overtime to fill their vacancy and you have to plan for that kind of stuff. You can't say okay, this is the perfect scenario, I'm going to have \$100,000 this year that I plan on spending and I only need \$100,000 of revenue. Those scenarios, we've lived it too many years.

Dave Bulgrin stated those days are over.

Joni Murgatroyd stated that's just not realistic thinking to think that way. She asked them to sit on this and think about it. Everybody needs to really think about it all three and everybody needs input. Keeping in mind that if we cut staff, all of you need to start doing paperwork. She stated that it can't just fall on herself here as Fiscal Officer. Everybody has to learn how to do just like she does, go call the grant agency, fill out a grant. Those are the things. There are a lot of grants out there for things other than just fire or road. Something else that might benefit us. Take on a project if you see it will benefit us and do the work for it. It can't be just saying give it, because we're going to all be tapped out just doing the things we already do. If we get to that point that if we cut this up here, do we shut the office down, get rid of the staff? She stated she can't carry all of that load any more. She stated she used to do a lot more of it, but that just isn't realistic. We now have the most excellent audits this place has ever had. We meet all of the criteria. We have more laws than ever to follow both Federal, State and Local that she has to follow. It changes constantly. The bills that are being passed in Columbus right now are mind-boggling. She stated that immediately, as soon as it's signed by the Governor she is going to have to, all of the Departments and herself, are going to have to sit down and see how it's going to impact us going forward. This is what's coming. She stated that this isn't her saying that the sky is falling. It's here. It's happened. It's passed the Senate and now it just has to be signed by the Governor. This is heavy stuff. It's detailed, it is what it is and she just needs everyone to think long and hard about this as to what we are going to do. If we do just straight renewals we need to prepare where we are going to make the cuts. We have one zoning inspector, do we take him down to half? We have four road people, do we take it down one, or three? Let's think about it. Fire, what are we going to do with fire? So, just think about that. The Senior Center, what are you going to do with the Senior Center, we need to think about all of these things. The Parks, are we going to change some things with the parks because we spend the money on maintaining those. There is a lot of money that goes into the mowing and all of those other things. She asked them to think long and hard about everything. It's everything. Every service we offer. Where do you want to cut and how much do you want to cut. That's what everybody needs to really think about.

David Calderone asked if he could speak for just a moment regarding the Sheriff's Office. He stated we just didn't get to this yet and Joni will cover this but they did give us numbers this morning. He stated that he's been trying to get them for weeks and they look pretty good, actually. Joni is right that we are exposed and there are some open exposures in the current contract with overtime and costs. Perhaps what we can do, based on the numbers that they've given us, perhaps what we can do is negotiate, or close some of those gaps or maybe put some caps on them. The Sheriff is offering a three year proposal that is less than what we pull in on a three year renewal. But, that is not with enough float if we had the gaps covered. If we could cover the gaps, that levy might be one that we can say okay, let's do it at 2.5 again because it's effective rate is 2.5, provided we close our exposures. He stated and then, and personally he likes the idea, and we're going to talk about an expansion and giving the community an option. It is in effect, we do make the decision collectively, with all respect, you guys make it about how much law enforcement we have. He stated that he personally likes the idea of we're going to maintain what we have in a renewal and based off of the good numbers that they got us, provided that we can close and cap our exposures. A renewal might work on police and then add whatever. Then what we need to be thinking about, and he's just talking about law, what we need to be thinking about is what are we looking at as far as expanding or increasing. Then we'll put a number to that and what we might be able to do is in November is run a law renewal, maintain what we have, we don't think that is enough, not to put words in anybody's mouth. We think this is a good option, what do you say? They say no? Then the reason we only have one Deputy is because they voted for one Deputy. If they yes? Then we

say okay, that's important, now that's off the table. He stated he's just trying to throw out a strategy.

Joni Murgatroyd stated right, but what she is trying to explain here is that renewal is going to actually go down. What you see sitting there is not going to be that much next year. It's going to go down based on our valuation. That was what she was trying to explain.

David Calderone stated you're saying 7% of the \$622?

Joni Murgatroyd stated that the 7% is going to be against the \$249. She didn't have time to re-run that number because she had hoped to have heard from that guy. It's going to be just like she showed with the General Fund. We have a \$12,000.00 decrease with the re-evaluation. That is actually going to go down. You're not going to keep getting that \$622, it's going to be down to maybe more like \$590. So, think about that for five years, it's about \$150,000 less. She explained that is what she is looking at when she is doing this. She is not just looking at this straight because she knows now based on what she was told this week that we are not going to collect that again.

David Calderone stated that is understood and explained that he is not suggesting a five year levy, he's suggesting a three year levy.

Joni Murgatroyd stated okay, then you can't change that levy. That levy would have to cease.

David Calderone stated it would have to be a renewal for the same time period? You can't change that?

Joni Murgatroyd stated no, no you can't do that.

David Calderone stated well, okay. He wasn't aware of that but it's in the ballpark, it's close. If we see that 7% reduction, you're looking at \$1.8 million and that is what their contract is. He thinks it ought to be close enough to that, and he agrees, we have road issues, we have fire & EMS issues. This one appears really close. It may not be our druthers, but that appears close enough that we could limit our focus on how we handle on road and how we handle on fire and EMS.

Joni Murgatroyd stated okay, but just, we need to keep enough there. She stated she'll just tell you, we've always used the General Fund when we've been short in other areas. That mind-set is gone.

David Calderone stated that it's not a long term solution but it appears at a 7% reduction which is what that levy is, you're going to pull \$1.8 million. The contract they put in front of us is \$1.8 million.

Joni Murgatroyd stated that she doesn't know that it will be the 7%, I am just telling you they are still finalizing those numbers. They said 8.3% county-wide and the last other thing that she read was 7% in the suburban areas. She stated she really doesn't know what that percentage will be. She said that I would pray that it will only go down 1% or 3%.

David Calderone stated that will take some time for that.

Joni Murgatroyd stated no, that will happen next year. Next year, January 1.

David Calderone stated that they will just do a mass reduction of property value or the will evaluate?

Joni Murgatroyd stated, yes.

David Calderone stated or they'll evaluate.

Joni Murgatroyd stated yes.

David Calderone stated interesting.

Joni Murgatroyd stated yes.

Dave Bulgrin stated that the property values may go up.

Joni Murgatroyd stated that she's waiting on the other calls to see. Here you go, right now Akron is 10% down. They said, though, that we're not going to be hit as hard as Akron, but that is what Akron is already preparing for.

David Calderone stated that if that happens then we'll deal with it. We have tough decisions and there are no good answers.

Joni Murgatroyd stated that there may not be any good answers, but we have to pass some legislation to get some things on the ballot.

David Calderone stated that it appears that law is close enough that we could remove it from the discussions of the strategy. He stated that was just his two cents.

Joni Murgatroyd stated that is where we still need to talk to Fiscal , because she has already been told that the tax collection fees are going up. She is going to have to increase that number to plan for that. The tax collection fees are the fees that we are charged by the County for managing the monies that come in from our levies. She stated she would guarantee that you're going to see that more-so. It's already out there. It's already been announced that they are looking to charge us for more things relative to what the County provides to us. Even though they do get 20% of our taxes, they are looking at more fees. That is why when you look at these numbers you've got to keep in mind those other variables that if they go under, then you'll have to adjust. We'll have to pay those, she doesn't have a choice. Right now the election expense isn't in there. She explained that she's never billed that, in the past it's always just come out of the General Fund. They're passing legislation where we can apply that to the fund it applies to and they're going to give us those calculations and we should then. Once the General Fund gets to a point, it's not going to be getting any new revenues. What is there is going to have to be maintained and we've got to get the costs down to live within the revenue and expenses.

Dave Bulgrin stated and the other thing is that the schools are in terrible shape, money-wise too. People are getting older so we've got all those battles to fight.

Joni Murgatroyd stated that a lot of people just had that big increase this year that took effect. She stated that she knows we're up against a lot, but we have to look at Coventry Township right now, and what our services are and really give it a long hard thought process. She stated her concern is that the more levies we have out there, the more confusing it is for people. If you have three levies this year, we had one last year and then we try to go for three additional next year. The thing was when we tried to do it, and this was when the community, everybody was living pretty good, these were the good years, and we went on to try to do an additional police levy for more deputies and it failed miserably. The replacement passed though, the last replacement passed.

David Calderone stated more good news, just for your consideration, is that the Fire Department is facing \$1 million dollars worth of capital equipment vehicle needs over the next several years. He stated that he just thought he'd add that. The last time, the way we dealt with that was with a very low millage equipment levy. We told them what we were going to buy, they passed it and that is exactly what we bought. So, when we talk about the Road Levy, the Fire Levy, the Law Levy, an additional Law Levy option, and at some point, over the next, we don't need to eat this all at one time, but he's projected out here actually for twenty years, but the crunch comes up in the next seven years. We know where we are at with the tender, the tanker right now, but that just needs to be out there too. He stated that he agrees with Tom

that the consolidation, the sharing, the group purchasing, the shared services, shared employees are solutions, but those take time and continual effort. He stated he's been living it for 15-20 years and nobody wants to talk. Most people don't care about where the next gas station is on the turnpike until their gas gauge is on E. He stated he thinks we are approaching that with a lot of communities their gas gauges are going towards E.

Joni Murgatroyd stated and just to tell you, since she's been here as Fiscal Officer, there hasn't been one expense that she hasn't looked at. She has everybody looking at everything. She explained that she had everyone go through it two years ago, had them do it again last year and we're all going back through everything again as to where we can cut. What can we cut, where can we reduce it, tell them this is where we are at, where can we cut, everything, down to \$5. That might sound silly with an \$8-9 million dollar budget, but that is how hard we are looking at everything. She stated she is just saying to all of them to please think long and hard at what we want to do here. She explained that she needs some direction because when we need to meet, she would like to do at least a request for certification of a levy for road and police in the July 14th meeting. Then we'll have to meet again to do the second resolution that has to go before the Board of Elections to put that on the ballot. She has spoken to the Board of Elections and they have asked that we get that down there as early as possible. She always tries to get those down there a week and a half before the deadline because if there are any nuances that the new Secretary of State wants, and this has happened, if they get something they just feel even though it's been the same language forever, and it's exactly what the code says, they come up with something they want and they want to change something. So, it has to get down there. She stated she never waits until the couple days before. She always gets it down there at least a week early, if not earlier, so we have time restraints here.

Tom Seese stated that for the next two years you are going to have record levies on the ballot all over the place. Everybody is looking to make up the mistakes of Columbus.

Joni Murgatroyd stated what she would like to do is maybe look at a quick special meeting July 12th to get your feedback as to where you want to be. She stated she has to have something to go to the Fiscal Office with to request. She asked them all to give this some thought.

Tom Seese suggested that maybe after this meeting if the other two Trustees have time, we stay around and chat amongst ourselves to see what we a...

Joni Murgatroyd stated you can't do that you have to talk about it in a public meeting. You guys can't discuss.

Tom Seese stated we can go into executive session.

Joni Murgatroyd stated no, not for that item you can't. You can't.

Tom Seese stated okay, then I'll take care of it some other way. Alright.

Joni Murgatroyd stated no, Tom really, the Trustees have to discuss this in a public session. That's the point of the Sunshine Laws.

Tom Seese stated that we're not going to take no action.

Joni Murgatroyd stated it doesn't matter.

Tom Seese stated we can go into executive session.

Joni Murgatroyd stated no, you can not. That is not an item that you can go into executive session about. She stated she's just saying, she's read that.

Tom Seese stated he can call a special meeting of the Trustees.

Joni Murgatroyd stated that she needs to be there as well though with that as the Fiscal Officer.

Tom Seese stated Joni that is not true. The Trustees have a right to have a private meeting.

Joni Murgatroyd stated no they can not.

Tom Seese stated yes they can.

Joni Murgatroyd stated no they can't.

Tom Seese stated he'll take care of that part. So, let's go. So, you want to meet July 12th, what time?

Joni Murgatroyd stated let's say 10 a.m., because right now she cannot do anything else until she gets their feedback.

Tom Seese stated July 12th is a what?

Joni Murgatroyd stated it's a Tuesday.

Tom Seese stated okay, that's good, I'll be in Canada until then. Okay.

Dave Bulgrin stated what time, 10 a.m.? Okay.

Tom Seese asked if there was a motion to adjourn.

Motion to Adjourn the Meeting

Dave Bulgrin made a motion to adjourn the meeting. Tom Seese seconded the motion. Roll call: Dave Bulgrin, yes; Brenda Patterson, yes; and Tom Seese, yes. Motion carried 3-0.

There being no further business the meeting was adjourned at 11:05.



Chairperson



Fiscal Officer

Fiscal Officer's Note: After the meeting was adjourned, Tom Seese advised the Board members and Fiscal Officer that there would not be a special meeting on Tuesday, July 12, 2011.

