

**PUBLIC HEARING
AGENDA**

**BEDFORD CITY COUNCIL
STATE OF OHIO
COUNTY OF CUYAHOGA**

**DATE: June 29, 2015
TIME: 7:00 P.M.**

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **NEW BUSINESS** (1st Reading 5/18/15-2nd Reading 6/1/15)

Discussion of Ordinance No. 9271-15 levying assessments for Garbage/Refuse/Recycling for 1, 2, 3 family dwellings

4. **ADJOURNMENT**

Mayor Koci called the **Public Hearing** to order at 7:10 P.M.

Present: Koci, Mizesak, Genutis, Pozar, Saunders, Zolata, Spinks. Also present City Manager Michael Mallis, Finance Director Frank Gambosi and Clerk of Council Lorree Villers.

Discussion of Ordinance No. 9271-15 levying assessments for Garbage/Refuse/Recycling for 1, 2, 3 family dwellings

ORDINANCE NO. 9271-15 AN ORDINANCE DECLARING THE NECESSITY OF ASSESSING THE EXPENSE OF GARBAGE/REFUSE COLLECTION, RECYCLING AND DISPOSAL WITHIN THE CITY OF BEDFORD AND CERTIFYING TO THE COUNTY AUDITOR THE COSTS DUE TO THE CITY OF BEDFORD FOR GARBAGE AND RUBBISH COLLECTIONS PLACED ON FIRST READING MAY 18, 2015 AND SECOND READING JUNE 1, 2015 AND DECLARING AN EMERGENCY

Mayor Koci and City Manager Michael Mallis welcomed everyone; there were over 100 residents present this evening. The reason for the Public Hearing was to inform the residents of the potential residential assessment that would be on their 2016 Tax Duplicate. The assessed cost would not be included on the Water bill.

Finance Director Frank Gambosi handed out financial materials to the audience. (See attached) His Financial Presentation showed the General Fund Revenue Analysis, the Schedule of Revenues, Expenses and changes in Cash Balance if there was no refuse fee paid by the residents, the Schedule of Revenues, Expenses and changes in Cash Balance if there was a refuse fee paid by the residents, the many State of Ohio Budget cuts and the negative impact of the closing of Ben Venue Labs (BVL). BVL employed 1,100 tax paying employees and Hikma/West Ward employs 85 employees. Mr. Gambosi explained the City was losing \$5,000 per day. The State continued to cut more monies from the municipalities, counties, libraries and schools. If the City didn't address these serious issues in various different ways now, the City's General Fund would be out of money by 2019. The costs for the assessment would be \$14.00 for a single family dwelling, \$28.00 for a two family dwelling and \$42.00 for a three family dwelling. (Example: \$14 x 12 months = \$168 per single-family (\$84 per half year), \$366 for a two-family dwelling and \$504 for a three-family dwelling per year divided by two (2) assessed installments due in January and July)

It was explained several times the need for the residential assessment for one-family, two-family and three-family dwellings was because of the severe cuts the City had experienced due to the many State of Ohio Budget Cuts and the negative impact of the closing of BVL. The residential assessment was for rubbish and recycling for one-family, two-family and three-family dwellings; not multiple (4+) dwellings/apartments or businesses. After a recent area survey was completed, it showed many of the areas did not have free rubbish for their residents any longer.

Mr. Mallis stated if any of the residents had attended the last two years State of the City Address and the two years of Ward meetings and/or any Council meetings the message has been consistent with the State of Ohio Budget cuts and the negative closing of BVL. BVL itself was approximately \$2.3 million per year

which was a challenge plus the hurdles of the Consent Decree of the new owner not being able to produce the same drugs in Bedford that BVL previously produced. The residents were made aware that the financial dilemma was not going to fall solely on the employees or solely on the residents. Everyone was going to have to work together as a team to defray the costs. Years ago a levy was passed by the residents and 71% wanted to maintain the services which the City had accomplished. Keeping the levy in mind, the City services were being adjusted accordingly to save money and the work was being addressed more efficient with less employees. The residents were still receiving the services they expected; however, the services were being prioritized to assist in saving costs. With the recent health care changes, the employees were paying a higher premium for insurance, increased co-insurance and larger deductibles to save \$250,000 starting in 2016. The Administration and Council had been working on several avenues looking at the big picture in order to keep the City's coffers sustainable. The idea of continually spending money and driving the City into a financial crisis was not the answer and was not going to happen. Laying off a large number of employees to save money was also not an avenue the City wanted to take and that was why everyone needed to take some of the financial burden. It was necessary to implement the residential rubbish assessment to assist in softening the financial issues the City was experiencing. The reality was "times have changed" and the normal mind set needed to change as well.

The Administration was working on trying to get new businesses in the City and keep the ones that were currently here. The City had a lot of positive things happening within its boundaries; US Bank, the Automile, University Hospital and other businesses were doing well. Hikma/West Ward was not even close to being considered a Ben Venue but they currently employed about 85 employees in their Research and Development Lab working diligently on developing new drugs for approval for production. The Automile Association was gracious enough to fund the City's new K-9 Officer in the amount of \$18,000+.

It was made very clear the residential assessment would be placed on the 2016 Tax Duplicate for one-family, two-family and three-family dwellings and assessed as \$14.00 for a single family dwelling, \$28.00 for a two family dwelling and \$42.00 for a three family dwelling. Currently the collection service was being paid out of the General Fund in an amount of approximately \$675,000.

Council and the Administration urged the residents to recycle more items in order to reduce the rubbish tonnage expenses. The more tonnage that was being collected only increased the cost of rubbish. Discussion was held regarding yard waste such as grass clippings and branches which were heavy materials and costly to dispose of because of the weight. Residents were urged to mulch and not bag their grass clippings.

In addition to the residential assessment (Ordinance No. 9271-15), the City recently contracted with Kimble (Ordinance No. 9275-15) through the bidding process for the best and lowest bid. The Kimble contract was a five (5) year contract with a possible two (2) year extension for unlimited automated rubbish and recycling which included the cost of the containers. The residents were shown the new rubbish and recycling containers that would be delivered to their homes starting in August [Correction - September 1, 2015]; however, the residents could request smaller containers by contacting Kimble directly at 1-800-201-0005. The City would not be ordering any more blue recycling bags for the residents after the current stock was depleted. The containers were assigned to the address/home not the homeowner/renter. If a person/family were to move out of Bedford the containers were not theirs to take; the containers belonged to Kimble.

The floor was opened for questions pertaining to the residential assessment:

- What were the assessment costs? - \$14.00 for a single family dwelling, \$28.00 for a two family dwelling and \$42.00 for a three family dwelling.
- Who paid the residential assessment for Section 8 homes? The property owner/landlord; the same person who paid the real estate taxes.
- A resident asked since the City's outlook didn't look that great was there a guarantee the residential assessment would not increase? No, there was no guarantees but Council members being residents themselves also had to pay the assessment as well. The City had to charge the assessment accordingly per the ORC.
- Will the cost be assessed on the taxes? – Yes, similar to the street lighting assessment twice a year.
- Are the vacant homes included on the assessment? – Yes.
- Are condo owners going to be assessed? – *[Incorrect] No, only 1, 2, and 3 family dwellings.* [Correction - if the Condo Association was currently included in the contract they will continue to be and would be assessed or determined by Kimble.]
- Will businesses be assessed? – No, residential only.
- Was this assessment permanent? – The Administration and Council would like to consider the assessment as a temporary assessment and adjust the cost accordingly.
- When will the assessment be applied to the Tax Duplicate? – Starting in 2016; twice a year in January and July.
- Two residents had concerns they would not be able to afford the assessment. – They were told the cost would still be applied to their Tax Duplicate in 2016.
- Was the assessment topic going to be on the ballot? No, it's an Administration and Council decision.
- Was the residential assessment cost for both rubbish and recycling? – Yes.
- Was the assessment going to be billed on the Utility bill? – *[Incorrect] Yes.* [Correction - No, Mr. Gambosi, again, clarified the assessment process.]
- Was this residential assessment temporary or permanent? The City would monitor the General Fund accordingly and make adjustments as needed.
- Has the Administration and Council “pretty much decided” the residential assessment was necessary? The City knew what needed to be done; however, the final vote on Ordinance No. 9271-15 would be July 20, 2015. Mayor Koci stated he was going to vote in favor of the residential assessment. If the assessment failed the City would have to start laying off employees which only created more problems. The City was looking at the assessment as a temporary assessment. An assessment was easier to remove than a tax increase.
- A resident asked if the Historical District rental apartments would be included in the assessment. No, they would have to contract with a private hauler, again, the assessment was for 1, 2, and 3 family dwellings.
- Does the assessment apply if a rental was vacant; not rented? Yes.

See the attached draft resident letter received in the Council Office on July 8, 2015 for updated information that was corrected in the minutes by using [brackets].

Additional items also addressed at the Public Hearing:

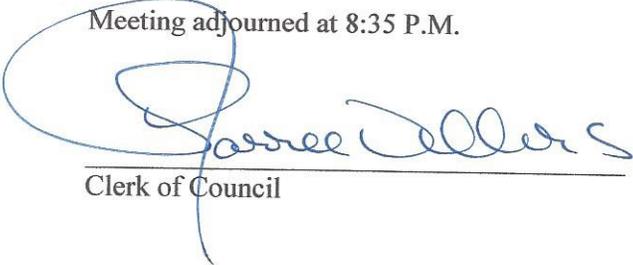
- A resident strongly suggested the residents who don't recycle start recycling to decrease tonnage costs. Discussions with Kimble proved through history that showed the amount of recycling increased after residents received the container because it was easier to recycle.
- What happens if a container was damaged? – Call Kimble at 800-201-0005.
- Were apartments included? – No, they will contract with a private hauler.
- Is the rubbish/recycling limited? – No, the service was “unlimited”.
- What could be done about an overcrowded rental? – Call the Building Department.
- Will the residents be penalized if they don't recycle? – No, however, the Administration, Council and Kimble strongly urge recycling to save in tonnage costs.
- Where should the placement of the containers be if there were snow piles? – Within reach of the Kimble truck extension arms for pickup as instructed by Kimble.
- Is it okay to place large items (stoves/desks/chairs) on the tree lawn for pickup? – Yes, the service was “unlimited” and some large items were permissible as instructed by Kimble.
- How much does Wal-Mart contribute in taxes? – Approximately \$420,000.
- During a remodeling project can/should the resident use a dumpster? – Yes, dumpsters were encouraged; [constructions materials will not be picked up].
- Who do we contact if we have questions? Kimble or the Service Department.
- Does the recycling have to be sorted? – No, put all the recyclables in the provided container; [not in the blue recycle bags].
- Can the residents continue to use the blue recycling bags? – *[Incorrect] Yes, blue bags will be available until the current stock was depleted.* [Correction - No, place the recyclables loose in the provided container; do not continue to use the bags].
- How were the residents going to be informed? Kimble will be mailing each resident the information or the residents could call Kimble direct at 800-201-0005. (See attached letter received in the Council Office July 8, 2015)
- Why didn't the City piggy-back with Highland Heights? Highland Heights denied the request from the City of Bedford.
- Can raccoons knock the containers over? – Most likely not; they are constructed well. [Per Kimble the containers have attached lids and are animal resistant].
- How long was the contract? – Five (5) years with a possible two (2) year extension.
- If residents recycle will it save money? – Yes, the rubbished tonnage would be less; the City and Kimble encouraged recycling.
- Will the City put information in the upcoming Utility bill insert? – Yes, the City has been proactive in putting information in the insert.

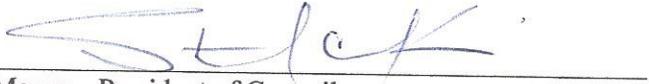
- Can we order smaller containers? Yes, make the arrangements with Kimble.
- Can residents still use garbage bags? [*Incorrect*] Yes, place them at the curb as you normally would. [Clarification – additional bags and/or other trash receptacles can be used only if the provided container was full. It is only necessary to place the provided container(s) at the curb after they become full].
- Are the Kimble trucks going to be larger and possibly cause damage to the tree branches? No, Kimble's truck size will not change; their current trucks were outfitted to pick up the containers.
- If a resident has a possible bill discrepancy who do they call? Kimble; City Hall staff will not know the situation or the answers.
- Is there a weight limit for the containers? No, the outfitted truck arm will pick up the containers.
- A resident appreciated the efforts made by the Administration and Council to maintain the City's budget; however, was tax dollars still going to pay for elected City Officials travel expenses or were they going to start paying for their own trips? She wanted to know who was paying for the August 2015 NLC convention at City Hall. Mayor Koci explained as the Chairman of this committee, the NLC First Tier Suburbs convention was not going to be paid by Bedford tax dollars; it was paid by NLC and sponsors. Council continued to have a budget for travel expenses paid by tax dollars; however, at these conventions was where Council members were educated on how to assist in conducting City business. Council's Travel allotment was \$15,000 [\$24,500] and he felt this was a well needed organization. The NLC Prescription Program saved the residents in 2013 \$21,000 in prescription costs.
- A resident encouraged the residents to attend the monthly Council meetings to stay informed of their own City's business.
- A resident asked since Kimble was going to supply the containers; what were the residents supposed to do with their current rubbish containers? Kimble would inform the residents of that process in their mailing.
- Was "extra" rubbish allowed on the tree lawn? Yes, the rubbish was "unlimited".
- A resident suggested traffic laws be enforced to generate additional income.
- It was clarified the assessment was not for the "containers"; the containers were a separate issue (Ordinance No. 9275-15) which was the contract with Kimble. The residents were getting the containers whether there was an assessment or not. A few years ago Kimble's pricing for the containers alone was \$500,000 in addition to the \$700,000+ rubbish removal costs. At that time, the City chose not to purchase the containers; now there available with the new contract.
- A few residents had concerns as to where they were going to store the large containers. It was determined they do take up room and the residents would have to adjust to their size. [Per Kimble the containers take up less floor space than 2 or more rubbish cans].

- A resident suggested the City pay for/supply the resident's paper bags for their yard clippings.
- A resident thought he understood from his Ward meeting the residents were not being charged for the containers. It was clarified, again, the contract with Kimble and the containers were a separate issue from the assessment. The residents were not being charged for the containers; the containers were owned by Kimble not the landlord/property owner of the residential dwellings.
- A resident asked what if a renter/person decided to use the recycling container for rubbish. Kimble would handle this situation; not the City. [Per Kimble do not use the recycling container for extra rubbish].
- A resident asked who Kimble was mailing the information to, the renter or the property owner/landlord. Kimble would contact the property owner/landlord. The City would inform the residents through the Utility bill. [The Kimble letter was addressed "Resident"].
- Are containers being delivered to the vacant homes that the banks own? Kimble would handle this situation; not the City. The City provided a list to Kimble of the vacant homes it was aware of and Kimble would address it accordingly.
- How are the people moving out of Bedford dealt with when they load up the tree lawn with refuse? *[Incorrect] The driver reports the address to Kimble and they are billed.* [Correction, Kimble will not pick up the large amounts of rubbish and it will be up to the landlord/property owner to hire a dumpster company for removal].
- One resident pointed out the Public Hearing this evening was to address the residential "assessment" not the Kimble contract or the containers.

Mayor Koci asked if there were any further comments. There being no reply, Mayor Koci, City Manager Michael Mallis and Finance Director Frank Gambosi thanked everyone for the attendance and participation this evening.

Meeting adjourned at 8:35 P.M.


Clerk of Council


Mayor - President of Council