

**City of Maple Heights
Special Meeting of Council Minutes**

Maple Heights Senior Center

July 27, 2022

SPECIAL MEETING OF COUNCIL

Council President Jackson called the meeting to order at 6:53 p.m. with the following Council members present: Jackson, Shenett, Tatum, Anderson, Madden and Trojanski. Councilwoman Jones and Councilwoman Agee were absent and excused. Also present were Mayor Annette M. Blackwell, Law Director Frank Consolo, Ex. Lt. Brian Kevern on behalf of Police Chief Todd Hansen, Human Services Director Linda Vopat, Finance Director Tinita Tilman and Clerk of Council Leonette Cicirella Johnson.

Councilman Trojanski made a motion, seconded by Councilman Shenett to dispense with all regular agenda items except for the Legislation.

ROLL CALL on the motion to dispense with all regular agenda items: Shenett: Yes; Tatum: Yes; Anderson: Yes; Madden: Yes; Trojanski: Yes. The motion passed by the vote of five (5) ayes to zero (0) nays.

LEGISLATION:

RESOLUTION NO. 2022-72

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO DELINQUENT TAX PAYMENT CONTRACTS WITH THE COUNTY FOR PERMANENT PARCELS NOS. 784-11-001; 783-11-001; 781-13-068; 781-13-001; 781-10-018; 781-06-016; AND 781-05-013, AND DECLARING AN EMERGENCY.

Mr. Trojanski made a motion, seconded by Councilman Tatum, to suspend the rules and pass this Resolution on emergency. Mr. Jackson asked if there were any questions or discussion regarding this legislation.

Mr. Shenett said he was impressed with the information from the Law Director regarding the issues presented by this legislation and his communication with Council. Mr. Shenett said he was concerned however if the Law Director was not present at this meeting and appreciated his attendance.

Mr. Shenett said that because of the seriousness and importance of what Council was discussing tonight he was uncomfortable with not all of the Council Members being present. Mr. Shenett said he understood the need for special, emergency meetings, but with the short notice last week he said he felt his back was against the wall. Mr. Shenett said the deadlines did not allow for extensive review of these issues.

Mt. Shenett said he did not understand if some of the listed properties were necessarily being used for municipal purposes. He said for other properties it was obvious that they were being used for municipal purposes, such as the Police Station.

Mr. Shenett said he wanted to put his concerns on the records and that he understood that this problem was not something from the present administration, but had been an on-going problem.

Mayor Blackwell said in 2016 when she took office she saw a stack of property tax bills in the Finance Department and was told that this issue would be addressed. The Mayor said in 2017 she was told again by the Finance Director that this issue would be addressed. Mayor Blackwell said the City's next Finance Director still had not addressed this issue so in 2017 she gave this project to Mr. Consolo.

The Mayor said the Tax Commissioner was requesting the documents required for the tax exemption process but the process was done. Mayor Blackwell applauded Mr. Consolo for understanding the seriousness of this problem. The Mayor said the City has exhausted all relationships to resolve this situation, including asking State Sen. Yuko for help.

Mayor Blackwell said she did not know why the process was not followed, why the forms were not filed, but now the City was left paying the taxes in the agreements or face the public humiliation of the City Hall and Food Pantry being foreclosed.

The Mayor said the City has wired the tax payments for July 11, 2022 and will file the necessary exemption forms. She said the City will fix what went wrong and will be paying the bills. Mayor Blackwell said what the City needed to do, it needed to do quickly to pay the bills and save the City properties. She said the City will never let this happen again.

Mr. Jackson asked if there were any questions or comments regarding this legislation.

Councilwoman Madden said she concurred with Mr. Shenett that Council needed to fix something at the last hours, that was presented at the last minute. She said Council was not made aware of this prior to the meeting being called. Ms. Madden said she hoped that in the future things will be addressed in the proper way.

Mayor Blackwell asked Mr. Jackson if Mr. Consolo could address Council's concerns.

In response, Mr. Consolo said that with regards to the urgency of this issue, he did not want Council to think the properties would be foreclosed on immediately. He said only seven (7) City-owned properties were involved and that the largest portion of the outstanding tax was the City Hall property which included the Police Department and jail. He said this property accounted for approximately 90% of the taxes.

Mr. Consolo said the City may have to pay the taxes but that this was not expected and was not probable, until June of this year when he met again with the County Budget Commission, the County Prosecutor and the County Appraiser. Mr. Consolo said the County did not know why the properties were considered "taxable" or made taxable properties. He said that there was no

tax due on the City Hall or Police Department. Mr. Consolo said the large amount was due because of the jail that was built in the 1990's. He said this was the main cause of the problem and was not expected by the County.

Mr. Consolo said that in 2017 he filed for exemption with the State and it was determined that the City properties were exempt, but in order to grant the exemption the City needed to pay the back taxes first. Mr. Consolo said that over the years the County Fiscal Officer changed and there were changes in the County Fiscal Commission. He said at the June meeting with the Budget Commission, the Commission removed the assessments on all the properties but it took from June to July 19 for the County to make these decisions.

Mr. Consolo said some of the items have already been paid up. As an example, Mr. Consolo said the back taxes have been paid on the Watercrest property that has the cell phone tower.

Mr. Consolo said it was the intention of the Law Department to still move forward with the exemption process, but the County would still start foreclosure procedures. He said the payment plans will give the City "breathing room" and give it a chance to go back and look at these properties such as the jail which is a municipal purpose. Mr. Consolo said once the City entered into the payment plans, the County Prosecutor will work with the Law Department to assist with the State process to make all of the properties exempt. He said the process had a "look-back" period of three (3) years that removed that amount of taxes. Mr. Consolo said the deadline to make the first payment plan payment will be August 1st and July 29th was the deadline to submit the signed documents for the payment plans.

Mr. Consolo said the Administration has reached out to the former Economic Development/Community Development Director Ms. Leslie Gambosi regarding this matter. He said Ms. Gambosi said she did file for the exemptions.

Mr. Consolo said the property at Lee and McCracken was an unbuildable lot that included the Clear Channel billboard so he will contact the company and ask them to pay these property taxes in the amount of approximately \$40,000.00.

Mr. Consolo concluded his comments by assuring Council that the City was not done with this matter.

Mr. Shenett said he appreciated Mr. Consolo's response but that he was still uncomfortable though for the reasons he previously stated. Mr. Shenett asked Ms. Tillman for additional information regarding the three (3) year "look-back" period that Mr. Consolo mentioned.

In response, Ms. Tillman used the example of a tax bill in the amount of \$20,000.00. She said if the City made the first payment on the payment plan and worked with the County and State for exemption, then the State would look back three (3) years and reduce the tax bill by \$8,000.00 if the exemption was granted. Ms. Tillman said that for each property, the City will file an application that will go to the State and if approved for the exemption, everything charged for the past three (3) years will be removed.

Ms. Tillman reiterated that these tax fees were not probable from an accounting standpoint.

Mr. Shenett said so if the State agreed to the tax exemption, then they will “look back” three (3) years and credit or remove those fees from the payment agreements to which Mr. Consolo responded in the affirmative.

Mr. Consolo said while he was working on this issue there had been a change in the municipal law which he had explained in his e-mail to Council so that if the City is under a payment plan they do not need to pay all the back taxes if the exemption was granted. He said each payment plan included a cover sheet that explained the process. Mr. Consolo said he wanted Council to understand that the foreclosure will not occur immediately, that City Hall will not be padlocked, but if there was a delay after August 1st to start paying on the payment plans, an 8% penalty would be added to the delinquent taxes after this date.

Mr. Consolo said the Law Department therefore respectfully requested that Council pass this legislation on emergency to avoid this 8% increase.

Mr. Consolo said if for any of these properties the County and State determine that the City made money off of them, then those properties would not be tax exempt. He said an example was the billboard property, which would be taxable. Mr. Consolo reiterated that he will contact the billboard company regarding this matter.

Mr. Shenett asked if the City was not tax exempt.

In response, Mr. Consolo said any real property owned by the City for municipal purposes was tax exempt and the City was also tax exempt for the purchase of goods and services. Mr. Consolo said the Senior Center was tax exempt itself, but the land was owned by the City.

Mr. Shenett asked if this would affect the food pantry to which Mr. Consolo responded in the negative. He said that was also owned by the City.

Mr. Shenett said there would be several ways then for the City to recoup these taxes.

Mr. Consolo said with regards to the vacant land parcels, the Law Department has prepared the deeds to transfer these properties from the City of Maple Heights to the Maple Heights Land Reutilization Program.

Mr. Jackson asked if there were any other questions. There being no other questions or discussion, Mr. Jackson asked for the vote to suspend the rules.

ROLL CALL on the motion to suspend the rules: Shenett: Yes; Tatum: Yes; Anderson: Yes; Madden: Yes; Trojanski: Yes. The motion passed by the vote of five (5) ayes to zero (0) nays. Mr. Jackson asked if there was any discussion on this Resolution. There being no discussion, Mr. Jackson asked for the vote for passage on emergency.

ROLL CALL on the vote for passage on emergency: Shenett: Yes; Tatum: Yes; Anderson: Yes; Madden: Yes; Trojanski: Yes. The motion passed by the vote of five (5) ayes to zero (0) nays. The Resolution passed on emergency and will become law upon the Mayor's signature.

ORDINANCE NO. 2022-73

AN ORDINANCE PROVIDING FOR AMENDMENT NO. 4 DATED JULY 27, 2022 OF THE ANNUAL APPROPRIATIONS FOR THE FISCAL YEAR 2022, AND DECLARING AN EMERGENCY.

Mr. Trojanski made a motion, seconded by Ms. Anderson, to suspend the rules and pass this Ordinance on emergency. Mr. Jackson asked if there were any questions or discussion regarding this legislation.

Mr. Shenett asked Ms. Tillman if the appropriations needed to be adjusted for the expenditures regarding the payment plans to which Ms. Tillman responded in the affirmative. Ms. Tillman said the increase in the appropriations in **Ordinance No. 2022-73** will take into account these monthly payments for August through December, 2022.

Mr. Jackson asked if there were any other questions. There being no other questions or discussion, Mr. Jackson asked for the vote to suspend the rules.

ROLL CALL on the motion to suspend the rules: Shenett: Yes; Tatum: Yes; Anderson: Yes; Madden: Yes; Trojanski: Yes. The motion passed by the vote of five (5) ayes to zero (0) nays.

Mr. Jackson asked if there was any discussion on this Ordinance. There being no discussion, Mr. Jackson asked for the vote for passage on emergency.

ROLL CALL on the vote for passage on emergency: Shenett: Yes; Tatum: Yes; Anderson: Yes; Madden: Yes; Trojanski: Yes. The motion passed by the vote of five (5) ayes to zero (0) nays. The Ordinance passed on emergency and will become law upon the Mayor's signature.

Mr. Jackson thanked all of the residents who attended tonight's meeting and announced that there will be no Special Meeting of Council on Thursday, July 28, 2022 since these items of legislation were passed by Council at tonight's meeting.

There being no further business to come before this Council, Council President Jackson adjourned the meeting at 7:25 p.m.

Passed: September 7, 2022

ATTEST:

S/S

Leonette Cicirella Johnson, Clerk of Council