

## Summary of Discussion 5-11-20

Representatives from the State Auditor's Office, State Attorney General's Office, Village of Amelia, Batavia Township and Pierce Township participated in the conference call.

After introductions, the State Auditor asked for an update on convening Village Council. Village law Director Kathy Ryan chose not to proceed with convening council after discussions with Renee Gerber's attorney, and it was determined after those discussions that the Village would file a declaratory judgement suit asking the Common Pleas Court to determine two items:

- 1) Confirm that the village income tax is valid; and
- 2) Composition of the village council and the mayor (former members and mayor, or November 2019 elected members and mayor)

Due to the declaratory judgement lawsuit planned to be filed, no council meeting will be scheduled at this time.

Kathy Ryan will request of the court to expedite the lawsuit and will try to stipulate the facts to avoid discovery and a trial.

Mary DeGenaro, State Auditor's Office, stated that only the court can make a final determination on who is seated on council and who is the mayor. She reiterated that the State Auditor's Office's role is only to facilitate and follow Ohio law. The State Auditor's Office's interpretation is that council is the body who must vote off the income tax levy. Individuals who are seated on council is not their call.

It was then stated that without any court intervention that the outstanding issues related to the village income tax and payment of outstanding debts would most likely be wrapped up in a couple of months, but any court action will definitely lengthen that. Ms. Ryan stated she would reach out to Ms. Gerber's attorney one more time to discuss the planned declaratory judgement lawsuit.

Bill Gilpin, Village Fiscal Officer, indicated that he paid the quarterly interest payment on May 6 for the 2018 Road Bonds associated with the Premier development. Additionally, on April 24 he paid the Kroger TIF interest.

There have been no new claims submitted per today's meeting date. The only two outstanding claims being considered in financial scenarios to date are the employee lawsuit and the workers' comp claim.

It has been determined that since the council needs to reconvene that the townships can not resolve the employee lawsuit and can not effectively negotiate any settlement, due to the needed approval of the village council.

The village fiscal officer, or any fiscal officer for that matter, can not pre-pay debt without the authority of council in writing. Mr. Gilpin can not issue payment for the outstanding debt until the State gives him permission or the village council, due to the risk of a finding being made in the final audit.

There was some brief discussion about the ESID and that at this point the payments are just a pass through until the transition is complete and then the County Auditor will be responsible for taking over making the payments.

Mr. Gilpin stated that he talked to a representative of the bond holder for the 2018 Road Bonds to confirm the interest payment address and during that discussion the representative stated they were willing to accept pre-payment for the debt even though the bonds are not callable. This information is in agreement with previous conversations Brenda Wehmer has had with the bond holder representatives.

Discussion took place regarding the status of the townships dividing real and personal property. It was reiterated that the real property has already been transferred to either township for those properties still maintaining a public purpose and the other properties have been transferred in joint ownership between the townships per the 65/35 division. Those jointly owned properties are expected to be sold. Fee simple appraisals will be needed to determine market value and it is likely that the vacant properties will be sold first. All the structures still contain numerous personal property items that need to be inventoried and divided or disposed of. In addition to the personal property items in the buildings, the townships are finalizing the list of vehicles and larger pieces of equipment to determine values for dividing between the townships and/or disposal on Gov.deals.

Mr. Gilpin stated that Todd Hart was reimbursed \$100 for re-issued vehicle titles that were needed in order to transfer the vehicles to the townships. Todd Hart's credit card was cancelled in 2019 after the certification. Loretta Rokey, Pierce Township Administrator, stated that there were still 2 outstanding vehicle titles that needed to be submitted to the townships.

Mr. Gilpin also stated that the Hylant Group was able to secure continuing bond and public officials liability insurance for Mr. Hart and Mr. Gilpin through April 30, 2021. The premium cost was \$11,000, which is about \$6,000 less than last year's premium.

Kathy Ryan brought up the Palliatech lease on the Amelia CIC owned property and that the company has gone silent in their communications with her. Per the CIC bylaws, the CIC board has to authorize the transfer of the property to the townships, however the CIC board is made up of 3 members, two of which are members not re-elected in 2019, the mayor and a council member. Because the composition of the CIC board is determined, in part, by who sits in the council and Mayor's seats, no further action can be taken to resolve the CIC matters until there is a determination made regarding the composition of those CIC board seats.

Dave Frey, Batavia Township Law Director, spoke about his and Adele Evans, Batavia Township Administrator, attempts at finding Palliatech's license on-line through the Department of Commerce in order to determine its expiration date and how that relates to the validity of the lease on the property. Bob Hinkle, State Auditor's Office, stated they will assist in providing a good contact at the Department of Commerce to obtain a copy of the license in question.

Final discussion revolved around two financial scenarios provided by the State Auditor's Office on when the income tax could end as enough funds would be collected through all sources of revenue streams and still allow enough funds for ongoing operating expenses. These scenarios assume that most of the revenue and levy funds become unrestricted and would be transferred to the general fund for payment of debts. The first scenario date presented was May 31, 2020 and the second date was June 30, 2020. These scenarios would need to be reviewed by Village Council and then action on the termination of the income tax would need to be taken.

It was determined that the next working group meeting would be June 8.