

**WESTFIELD TOWNSHIP
BOARD OF ZONING COMMISSIONERS
REGULAR MEETING
APRIL 12, 2011**

Vice Chair Kemp called the regularly scheduled meeting of the Westfield Township Board of Zoning Commissioners to order at 7:35 p.m. Board members Brewer, Anderson, Kemp, and Miller were in attendance. Board member Zweifel sat in for a full board. Alternate Board member Brezina was also in attendance. Other individuals in attendance: Ron Oiler, Zoning Inspector Matt Witmer, Larry Bensinger, Gary Harris, Carolyn Sims Jill & Kevin Daugherty, Michael Schmidt, Tim Kratzer, The Drakes, Frank Galish, Daryl Kubilus, Nancy Schleich, Karen Fisher, Deb and Den Hoops, Bill Thombs, and Carol Rumburg.

Presentation by Cloverleaf School Superintendent Daryl Kubilus on school funding.

Superintendent Daryl Kubilus stated he spoke with Mr. Scheetz several weeks ago when he brought in some documents to the School board about the proposed development at interstate 71 and 76 and what that would mean financially to the Cloverleaf School District. He continued that Trustee Likley also contacted him and asked him to document his thoughts in writing on this subject which resulted in a letter. However, in doing so, Mr. Kubilus stated it opened himself up to all sorts of interpretations especially about school funding. School funding is a very complex subject. Mr. Kubilus continued he received a letter today from gentleman who did a lot of homework on this issue and was impressed with his knowledge on the subject. Mr. Kubilus commented that it was not his intent to endorse or oppose this development but just to offer some facts as it relates to the Cloverleaf School District.

Mr. Kubilus stated that the state of school funding is in flux right now. We went from the funding model we used for years to an “evidence based model.” The current governor has stated the “evidence based model” was going to be done away with. Mr. Kubilus stated he did not know what changes would possibly be made but based his letter on what he knows and is aware of currently.

Mr. Kubilus read his letter dated March 25, 2011:

I was asked to provide an estimate of the impact a proposed \$100 million property investment in Westfield Township would have on the finances of the Cloverleaf Local School District. Please understand that this letter is in no way intended to be an endorsement or an opposition of the proposed project. I will provide a number analysis followed by a narrative explanation of key components:

Effect of \$100 million project on Cloverleaf Local Schools

Assessed Valuation Increase	\$35,000,000 (7% increase)
The District encompasses 119 sq. miles.	
1 mill Levy Collection:	\$503,000 (\$35,000 increase)

Effect of \$100 million project on Cloverleaf Local Schools

Increased \$ to schools (no abatement):	\$950,000/year
# of mills \$980,000 would generated:	1.94
Increased 4 to schools (50% abatement)	\$490,000
# of mills \$490,000 would generate:	.97
State Revenue loss w/o funding “guarantee”:	\$700,000
State Revenue loss with funding “guarantee”:	2% (same as current rate)

Mr. Kubilus stated it was common for such developments to ask for abatements and knew the District has been in the newspaper lately and has created some controversy over the abatement issue.

In general terms, the more property wealth a school district has the less state revenue the district will receive. Transversely, the less property wealth a district has the more state revenue it will receive. With a \$100 million dollar investment, the valuation of the District will increase, thus the state revenue received could potentially decrease. A \$100 million investment would increase our assessed property valuation, thus, decreasing the amount of revenue the school district would receive from the state if the district were not on the funding guarantee program. Without the funding guarantee, Cloverleaf School District would loose \$700,000.

What is the funding guarantee? The primary indicators of state funding are property wealth (the ability of a district to subsidize its schools) and student enrollment. During the last two years, the State has said because there are so many school districts on funding guarantee instead of it being 100% it is only going to be 99%. Now it is 98%. Mr. Kubilus commented he hoped it would stay capped at 99% but the future is uncertain.

Mr. Kubilus stated his letter read that the state revenue loss with funding guarantee would be 2% (same as current). The reason he did not put a dollar amount was because it was not caused by a development. It is caused by State funding. The 2% really meant 2% of \$9million or \$180,000.

Mr. Kubilus stated he also addressed in his letter what a \$100million investment would generate per year to the Cloverleaf School District with abatements and without. The District would lose \$700,000 if not for the funding guarantee program. Cloverleaf has been on this program for several years and he commented he had no need to think it that would stop in the near future.

Another consideration is that the mileage would go up. Mr. Kubilus said that was a good thing that instead of collecting \$468,000 per mil, the District would collect \$35,000 more than that figure with a \$100 investment. That means the District would need to ask for less millage when we went to the ballot. In an emergency levy situation, that is a fixed dollar amount so the millage changes. For example a current 6 mill emergency levy

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collects \$2.8 million annually for the District. With an additional \$100 million investment the same levy upon renewal would collect at 5.56 mills; which would save the owner of a \$100,000 home \$13.48 per year upon renewal.

Mr. Kubilus concluded that other considerations he did not have enough information to calculate are that any employee hired to work at the proposed project who resides in the Cloverleaf School District will pay the .5% earned income tax. Additionally, the district will receive its portion of the .5% Medina sales tax that is collected in sales generated from the proposed project. The current proportion of the Cloverleaf School students to all Medina County students is 10%; therefore the district receives 10% of what is collected in the entire County. These sales tax proceeds are to be used exclusively for permanent improvements.

Mr. Kubilus stated the letter he received read that it was not a "lights on" lights off immediate \$100 investment and he did not address that in his letter. Mr. Kubilus continued that this project would more than likely be done in phases and in no way was trying to make that analysis or promote or oppose the development.

Ms. Kemp stated if the District was receiving 98% of what it did the previous year, then it would decrease every year. Mr. Kubilus responded it was decreasing because of a drop in school enrollment. The State assigns a dollar amount to what it takes to educate a student which right now is \$5800 (in no means is this a literal figure of what it takes to educate a student it is much more). Take that amount and multiple it by approximately 3,000 students. That result is the community's contribution to pay for education. The State says it is going to take \$17,400,000 to educate 3000 students. It began at 23 mills and will be going down to 20 mils. That is what the State is going to use to base what the community share of education will be. The approximate figure for Cloverleaf is \$9,360,000 (the charge off.) What is left is \$8million dollars-that is what the State is going to pay. (contribution). In Cloverleaf we are paying \$9000 a student and the average for the State of Ohio is over \$10,000. There are districts out there paying \$18,000.

Mr. Miller asked for confirmation regarding a \$100 investment project, if the money to the schools with abatement was \$490,000 a year that the loss of State revenue to the schools would be \$700,000? Mr. Kubilus stated no, because of the funding guarantee. Without the funding guarantee that would be true.

Ms. Kemp asked about tax abatements and the fact that they are usually for a specified amount of time. Mr. Kubilus stated that was correct and he did not make reference to that in his letter. For example if there is a 15 yr. abatement once year 16 hits, with a 50% abatement that revenue will double. Often money is given to the school in response to the abatements.

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Ms. Kemp then asked, don't the schools get involved with the negotiations regarding the issue of abatements? Mr. Kubilus answered, yes. Depending on the abatement and location, some abatements are automatic but in working with Economic Development and especially CRA's the school district is sitting at the discussion table.

Mike Schmidt-School Funding

Mr. Schmidt stated he had nothing to address now as Mr. Kubilus covered what he was going to present to the Commission.

Reading of letter by Mr. Larry Bensinger on school funding

Mr. Bensinger stated he was a Cloverleaf school graduate and the author of the letter referenced by Mr. Kubilus this evening. He began by stating his comments were meant to be constructive and not demeaning in any way and were solely his opinion. (See attached to approved meeting minutes).

In sum:

1. The analysis does not include the property taxes which Westfield Twp. would contribute toward the JVC Career Center as a result of the \$100million investment
2. I believe a brief discussion regarding the nature of economic development. Investments are most likely to occur in a stair step pattern and over a period of time. Abatement fundamentally represents a public investment which is expected to produce a positive, long term return. Given the difficulty projecting the investment timing, the CLSD estimates represent static extremes based on an immediate \$100 investment. Actual results would be expected to build from a reduced level and annually move toward a completed \$100 million investment without abatement. The impact to the CLSD would also evolve accordingly.
3. The amount of time spent on State funding guarantees leaves the reader confused and uncertain. Is the implication the Township must be careful to avoid economic development because the CLSD may lose State Funding Guarantees? Using the same logic, should the township also restrict residential development that results in increasing student enrollment? These raise fundamental questions about the wisdom of the State funding guarantees. Reason argues for self-sufficiency. The Township has a responsibility to foster and advance a solid self-sustaining foundation which provides a broad and diverse revenue stream to meet the community's requirements. The CLSD has been struggling since 1999. State Funding Guarantees are not free; they originate from tax payers. As a long term strategy, reliance on transitional aid does not address the fundamental issue.
4. Ultimately, the letter indicates that due to declining enrollment, "it is not anticipated CLSD would be removed from the guarantee in the foreseeable future." However the issue of abatement is assumed and the inclusion of the

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inapplicable State Funding Guarantee further reduces the benefit to a loss. What is the reader to conclude?

5. Finally, it greatly concerns me that two of the five school board members signed the petition in opposition to the requested text and map amendment for the Greenwich Rd. corridor especially in the context of the last 12 yrs.

While I appreciate the complexity of the issue, the school board and its officials have a responsibility to provide clarity-not fear, uncertainty or doubt. A more united and proactive approach seems appropriate and overdue. The same courage the board summoned in its decision to support a school tax initiative, needs to be invoked with respect to the potential benefits of a successful economic development.

DISCUSSION AND APPROVAL OF MEETING MINUTES

January 11, 2011 meeting minutes

Mr. Anderson made a motion to approve the January 11, 2011 meeting minutes as amended. It was seconded by Ms. Brewer.

ROLL CALL-Kemp-yes, Brewer-yes, Anderson-yes, Miller-no, Zweifel-abstain (not sitting).

February 15, 2011 meeting minutes

Mr. Anderson made a motion to approve the February 15, 2011 meeting minutes as amended. It was seconded by Ms. Brewer.

ROLL CALL-Kemp-yes, Brewer-yes, Anderson-yes, Miller-yes, Zweifel-abstain (not sitting).

February 22, 2011 meeting minutes

Mr. Anderson made a motion to approve the February 22, 2011 meeting minutes as amended. It was seconded by Ms. Brewer.

ROLL CALL-Kemp-yes, Brewer-yes, Anderson-yes, Miller-yes, Zweifel-abstain (not sitting).

The meeting minutes from the Commission's March meetings i.e. March 8, 2011, March 15, 2011, and March 29, 2011 would be resent out to the Commission members for review and approval.

Comp Plan Discussion and Possible Vote

Mr. Miller stated that the Comp Plan Steering Committee did a lot of work and the Zoning Commission negated a lot of items from their draft. As a result, the Steering Committee draft and what the resident survey stated were not reflected in the draft of the Zoning Commission. Ms. Kemp responded as legal counsel has stated, the Comp Plan needs to reflect the entire Township. Mr. Miller stated he has provided several examples of other Township's Comp Plans in Medina County and the forwarding statement in them

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say that the document is what the residents want and desire for the Township. Ms. Zweifel stated she agreed with Mr. Miller comments and that the recommendations of the Steering Committee should be followed. She added she understood legal counsel's opinion, but she did not want to go back and retrofit the Comp Plan especially as it pertains to the text and map amendments as they would probably be going to referendum.

Ms. Kemp suggested the vote be tabled to the Commission's next meeting to give the Commission members the chance to review

She added she handed out a copy of an article that was in the Wall Street Journal about the various states wanting to cut *funding to the Park Districts* and the expense of such Districts. (See attached to approved meeting minutes).

NEW BUSINESS

Discussion on wind turbines, wood burners etc. would be tabled. Zoning Inspector Witmer stated he would bring definitions to the Commission about "junk" as well as pool and fence regulations and asked that it be tabled until the Commission's next meeting.

Ms. Sims questioned the advertisement of tonight's meeting as she felt it was the continuation of the public hearing on the Comp Plan Update. The Commission stated they believed the public hearing was closed. She asked the status of the public hearing. Ms. Kemp stated it was closed. Ms. Sims asked when the March meeting minutes would be approved. Secretary Ferencz stated it appeared the Commission would consider them at their May meeting date. Ms. Sims asked if there was a document of the list of changes that were made or were going to be considered for the Comp Plan Update? Ms. Kemp stated those change/recommendations were in the March 29, 2011 meeting minute and the Commission would review those changes/minutes accordingly.

Ms. Sims provided to the Commission the information on tax abatements Mr. Scheetz provided to the school board on the issue of a \$100 tax investment for the record. (See attached to approved meeting minutes.) Ms. Sims asked for an agenda for the meeting. Ms. Kemp stated one was prepared for this evening.

Adjourn

Having no further business before the Commission, Mr. Anderson made a motion to adjourn. It was seconded by Mr. Miller.


ROLL CALL-Anderson-yes, Miller-yes, Kemp-yes, Brewer-yes, Zweifel-yes.

The meeting was officially adjourned at 8:30 p.m.

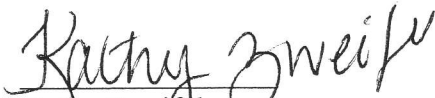
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Respectfully Submitted,

Kim Ferencz, Zoning Secretary




Jill Kemp, Vice Chairperson



Kathy Zweifel



Susan Brewer



Scott Anderson

John Miller