



the income tax increase was approved by voters, the economy began to turn around and it worked out well for the Village. Mr. Wynne noted that from 2010 to 2019, annual income tax revenues increased from \$10.8 million to \$20.3 million, and that 64% of that revenue came from Progressive Insurance. In 2020, the pandemic hit and, while full income tax collections were received until 2021, revenues began to decrease. In 2022, income tax receipts were down to just over \$9 million. Income from Progressive went from \$14 million in 2020 to only \$3 million in 2022, and the Village also paid \$2 million in tax refunds in 2022. Mr. Wynne stated that, "The Ohio Supreme Court ruled that no refunds were due for 2020, which saved the Village about \$3 million. The budget for 2024 projects income of \$10 million as there is currently no sign that significant changes are expected."

The second page of the handout shows expenditures for the same period. Mr. Wynne advised that these expenditures are day-to-day operating expenses and that 70%-80% of expenditures are personnel costs. Over the years, the Village decided to hire more full-time employees as they are more dependable than part-time workers and, especially during and since the pandemic, part-time workers are harder to find. Mr. Wynne stated that essentially all unnecessary spending stopped in 2020 and since then, expenses have remained fairly constant. The Village has actively controlled spending since the pandemic, knowing that revenues are suffering. The "All Funds" column in the handout includes project and debt payments.

The third page of the handout shows fund balances. Mr. Wynne stated that this is essentially the Village's savings account. The Village has made a conscious effort to build the balance and have held it for several years. He noted that this has been helped by high interest rates but noted that is not going to continue forever. The current General Fund balance is \$42 million.

The fourth page of the handout is the Village's outstanding debt. Mr. Wynne explained that it went from \$16 million in 2009 to less than \$2 million in 2023. The Village currently has \$2.3 million in a fund to cover the debt but he doesn't feel that it makes sense to pay the debt early given current interest rates.

Mr. Gessner asked if he was reading the handout correctly and that the Village is currently spending more than it is bringing in. Mr. Wynne responded that in 2021, the General Fund actually increased and explained that Mr. Gessner is looking at the "Total All Village Funds Balances." Mr. Wynne stated, "Money was put in other funds to pay for projects that are now happening and those funds are being drawn down. There are no big revenue sources for those project funds and money must be transferred from the General Fund or the Village will have to take on debt. The Village may be in that position next year."

Mr. Haycox commented that it appears to him that the Village has enough reserves for 2-1/2 years, if no revenues were taken in. Mr. Haycox added, "Obviously that is not going to happen, but I think we are in an enviable position compared to other cities." Mr. Wynne agreed.

Mrs. Batcheller asked about expenses for the coming year. Mr. Wynne advised that everything is covered for this year, stating, "The biggest project coming up is improvements to Beta Drive. That project is being planned for 2025 and is still in the planning stages."

Mr. Batcheller commented about the reduction in outstanding debt, saying, "I wish we could do that at our house." Mr. Wynne described that the Village paid down debt early when we could and some earlier projects had required payments.

Mr. Gessner asked, "During the next 1-5 years, what do you think will be the biggest challenge to control?" Mr. Wynne responded, "Income taxes for sure. With a \$10 million drop, we can't replace that overnight." He added that interest revenues are really helping and, without that, the Village would likely be deficit spending. He explained that TIF revenues are currently \$1.1 million per year but will expire in three years. Mr. Wynne added, "On the expense side, we do a good job of monitoring. As employee's retire, each position is analyzed to determine if it should be refilled. Most recently, we have not filled one position in Recreation and one in the Police Department. We are reducing the head count that way."

Mrs. Calo asked if expenses have historically been 70% to 80% in personnel costs and Mr. Wynne responded that they have.

Mrs. Nadeau thanked Mr. Wynne for addressing this Committee every year, stating, "We appreciate your stewardship of our tax dollars." Mrs. LaRiche-Goldstein commented, "Yours will be hard shoes to fill." Mr. Haycox and the members thanked Mr. Wynne for attending and for his years of service to the Village, wishing him a happy retirement.

### **Economic Development Update**

Mr. Haycox introduced John Marquart, the Village's Economic Development Manager. Mr. Marquart began by describing the Village's "least best-kept secret"-- that Progressive's Campus 1 is on the market. He provided some background, explaining that when both campuses were filled, there were about 8,000 employees coming into the Village daily to work. Since Covid, those employees are mostly working from home. Department managers decide if employees are coming in and only 600 to 800 are currently doing so. Despite that, Mr. Marquart stated that Progressive is still the Village's largest taxpayer. "The loss of income tax revenue is a lot for a small community to absorb. Ron has done a great job."

Mr. Marquart advised that a year ago, Progressive's claims facility on Beta Drive was sold to Preformed Line Products. "The next big shoe to drop is the sale of Campus 1 on Wilson Mills. The site has approximately 40 acres of land, and 600,000 sq. ft. of office space. Since Covid, this amount of office space is virtually impossible to fill." Mr. Marquart described that this site is approximately the size of two Cleveland Convention Centers, the Beachwood Mall, or the Terminal Tower. Describing the current office market, he stated, "The TRW headquarters at Richmond and Cedar Road had no takers. The building was razed and the property was placed on the market because it is easier to sell the dirt."

Mr. Marquart stated that the marketing of Campus 1 is an exciting opportunity to get new revenues into the Village. He described that the property currently has three buildings, three parking garages, a creek and a flood plain and that ultimately Campus 1 is not going to look like it does now. "The work from home model is not unique to Progressive, Allstate sold all its real estate two years ago and is strictly remote. Fortunately, Progressive is keeping Campus 2 on SOM Center Road and the data center. The company is doing great and their stocks are up. They are consolidating employees at Campus 2 and we may see a few more people."

Mr. Marquart continued, "As the marketing of Campus 1 progresses, it is important to remember that the company's goal may not be the same as the Village's. Their interest is selling the property for the best amount they can. Our perspective is different—we want the best for Mayfield Village. There has been some initial talk about retail or residential use, but we have been pushing medical use. We have three hospital systems in town; Hillcrest is packed with long wait times. Metro has been expanding in suburban locations. We are pushing Progressive's brokers, CBRE, to

market to the medical community. They expect to market the property formally around Memorial Day. I wish there was a Fortune 500 company to take it, but there is not. It is important to realize that office space is a thing of the past and that the community will be involved as the zoning will likely need to change.”

Mr. Gall asked how the property is zoned. Mr. Marquart advised that it is zoned “office/lab” which is one of the Village’s most restrictive classifications. “We may have to look at the possibility of several different uses there.” Mr. Gall asked, “Is there only one access drive?” Mr. Marquart said yes.

Mrs. Batcheller asked if Progressive is responsible for maintaining the buildings and grounds. Mr. Marquart responded that they are and added that they are excellent property managers and he has no worries about that. Mrs. Batcheller asked, “What if they tear it down?” Mr. Marquart advised that Progressive is free to do that, adding “If the search goes long, they could decide to do that, even though it will be expensive.” Mrs. Batcheller asked how residential use could be controlled. Mr. Marquart responded that he believes it would be too expensive right now for a property developer to raze the existing buildings for a residential development.

Mr. Haycox commented that he believes the buildings could be converted to medical use pretty easily. Mr. Marquart stated that the building closest to Wilson Mills is the least likely to be converted and he believes the back buildings are easier and more suitable. Mr. Haycox asked if the site would have to be rezoned for medical use. Mr. Marquart responded that it would. “That involves Planning & Zoning, a public hearing and three reads of the rezoning ordinance at Council before going on the ballot—a 9-to-12-month process. We made that clear to Progressive and their brokers last week.”

Mr. Gall asked if the Village would lose property taxes as medical facilities are tax exempt. Mr. Wynne responded that the majority of property taxes go to the schools. “The Village only gets 5 cents for every dollar. Revenues to the Village come from the 2% income taxes of people working in the Village.”

Mrs. Fabrizio asked for a Mt. Vernon update. Mr. Marquart advised that Mt. Vernon recently changed hands to a family-owned company that is local to Cleveland. He believes this change is a good thing. “They intend to invest in the property. They currently have 40 active leases. We will be talking about modernizing and they have indicated they hope to take advantage of the large parking lot and may expand into the SOM frontage.” Mr. Marquart added that no one has taken advantage of the Beta Overlay yet, but he believes it will pay dividends down the road.

Mrs. Batcheller asked about the occupancy rate on Beta. Mr. Marquart advised that it was approximately 92% occupied pre-Covid. “We are taking some hits now. Rockwell recently consolidated in Mayfield Heights.”

Mr. Haycox asked if CBRE is indicating any strong medical interest in Campus 1. Mr. Marquart responded, “They said UH is off the table and Cleveland Clinic and Metro will be their first effort. We tried to reach out to them previously with no response. The broker may have more luck.”

Mr. Marquart advised that he wanted to provide the Committee with an update on the vacant CVS location. “They are paying rent through August. The property owner has indicated that the 12,000 sq. ft. space will likely be divided into two or three spots. The landlord tried other drugstores, but that industry is struggling and they all require drive-thru’s. The Village’s code prohibits them, making another drugstore unlikely.”

Mrs. Syracuse asked if the Village is getting a bakery. Mr. Marquart advised that the Village Butcher was talking about that but changed their mind and is now opening a smokehouse. Mrs. LaRiche-Goldstein commented that a coffee shop would be wonderful. Mr. Marquart advised that coffee shops generally have the same desire for a drive-thru.

Mr. Haycox thanked Mr. Marquart for attending the meeting and stated, "We are navigating through challenging times."

### **Hometown Heroes Banner**

Mr. Haycox advised that he and Ms. Wolgamuth have gathered some information on the banner program previously discussed. Ms. Wolgamuth provided the Committee with a handout about Hometown Heroes. She advised that Highland Heights is part of this program. They charge \$200 for the initial banner, then \$25 to renew it for additional seasons. There is a minimum order of ten with Hometown Heroes and the Committee agreed that any less than that would really not be notable or make a statement. The Committee discussed that the Village already has flags and baskets on the poles in the center of town. The banners could be located in a different area of the Village or would have to be coordinated with those items. Mr. Haycox stated that there are other questions to be answered—who could be honored? Just Mayfield Village residents and their families? Would the banners be limited to members of the military or would first responders be included?

Mrs. McNally suggested that since the families are paying for the banner, they could be for people outside of the Village. Mrs. Calo suggested the program be limited to military rather than including first responders. After discussion, the Committee agreed that an article should be put in the VOV to gauge whether there is enough interest to proceed. Mrs. Fabrizio suggested that residents also be reminded about the ability to purchase bricks at the Historical House as many of the existing bricks honor members of the military.

### **Council Report**

Mrs. Juncisek provided the following report:

- The new Finance Director, Angie Rich, was sworn-in by Mayor Bodnar. Angie is a CPA and has municipal experience. She starts this Wednesday.
- The Mayor gave the annual State of the Village address. A copy will be included in the VOV.
- The new Grove restroom remains on track to open in time for the summer season.
- The traffic light at Aintree North and SOM has been adjusted to avoid long wait times during non-peak hours. Mrs. McNally asked, "What are non-peak times?" Mrs. Juncisek replied, "Evenings. Mornings for school will see no change."
- Pancake Breakfast and Cruise Night are coming up and volunteers are needed. The sign-up sheet was passed around.
- May 18 is Shred Day.
- The proposed ordinance regarding prohibiting cannabis sales and cultivation in the Village will be on third read at the Council meeting on May 20. Mrs. Juncisek encouraged members to plan to attend the meeting if they would like to comment. Ms. Wolgamuth added that an article from the Law Director is in the upcoming VOV. A copy of the article was provided to members and provides that comments can also be submitted by email to the Council Clerk prior to the meeting.

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There being no further business, the meeting was adjourned at 8:10 pm.

Diane Wolgamuth

Mayfield Village Director of Administration

Village Financial Update  
Citizens Advisory Committee  
April 29, 2024

# Mayfield Village Receipts 2009-2023

Year	Income Tax	Total General Fund	Total All Funds
2009	\$9,521,249	\$12,342,010	\$15,773,658
2010	\$10,852,132	\$13,208,127	\$16,243,424
2011	\$14,582,595	\$17,353,502	\$19,687,843
2012	\$14,977,106	\$18,037,178	\$20,344,031
2013	\$16,062,517	\$18,384,214	\$20,621,241
2014	\$15,819,278	\$18,100,726	\$21,306,310
2015	\$16,740,664	\$18,969,935	\$22,217,296
2016	\$17,416,653	\$19,739,268	\$22,094,164
2017	\$18,520,139	\$20,848,528	\$23,191,586
2018	\$19,867,262	\$23,416,330	\$25,997,475
2019	\$20,311,310	\$24,757,906	\$26,773,573
2020	\$21,051,875	\$24,934,947	\$27,150,434
2021	\$19,368,383	\$23,391,133	\$24,154,763
2022	\$9,017,128	\$13,701,380	\$15,731,142
2023	\$9,811,100	\$16,271,743	\$19,039,881



# Mayfield Village Expenditures 2009-2023

Year	Total General Fund	Total All Funds
2009	\$11,339,497	\$15,605,206
2010	\$10,919,970	\$18,404,988
2011	\$11,434,531	\$15,829,517
2012	\$11,803,623	\$16,082,699
2013	\$12,365,180	\$16,458,776
2014	\$12,317,525	\$18,029,093
2015	\$13,314,374	\$21,683,651
2016	\$12,859,772	\$18,794,401
2017	\$13,603,645	\$18,073,592
2018	\$14,817,097	\$21,685,934
2019	\$15,939,744	\$21,023,780
2020	\$14,589,631	\$18,384,000
2021	\$15,889,420	\$17,555,728
2022	\$15,509,606	\$18,507,929
2023	\$15,731,075	\$20,315,819

# Mayfield Village Fund Balances 2009-2023

Year	Total General Fund Balance	Total All Village Fund Balances
2009	\$1,687,215	\$6,807,952
2010	\$2,907,322	\$4,646,388
2011	\$6,813,292	\$8,504,714
2012	\$10,125,941	\$12,773,445
2013	\$10,681,114	\$16,941,215
2014	\$12,546,062	\$20,222,257
2015	\$12,282,277	\$20,755,902
2016	\$14,609,789	\$24,055,665
2017	\$17,729,672	\$29,173,659
2018	\$21,460,313	\$33,485,200
2019	\$24,828,475	\$39,234,993
2020	\$33,623,790	\$48,001,427
2021	\$41,125,503	\$54,600,462
2022	\$41,967,277	\$51,823,676
2023	\$42,157,945	\$50,547,738

# Mayfield Village Outstanding Debt 2009-2023

Year	Total Outstanding Debt
2009	\$16,317,184
2010	\$14,958,524
2011	\$13,267,634
2012	\$11,785,808
2013	\$10,010,668
2014	\$7,881,128
2015	\$5,956,899
2016	\$5,649,056
2017	\$4,960,513
2018	\$4,264,486
2019	\$3,826,355
2020	\$3,425,305
2021	\$2,920,993
2022	\$2,453,672
2023	\$1,974,862