

**COUNCIL MINUTES  
OCTOBER 18, 2004**

The regular Council Meeting was held on Monday, October 18, 2004 at 7 PM in the Euclid City Hall Council Chamber. President Sustarsic presided.

Members Present: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic, J. Sustarsic

All Present.

Others Present: Mayor Cervenik, Law Director Frey, Service Director Gulich, CS&ED Director Pietravoia, Finance Director Johnson, Police Chief Maine, Fire Chief Cosgriff, Zoning Commissioner Torowski, Housing Manager Petkovic, Deputy CS&ED Director Gliha, Mrs. DeAngelis, Sgt.-at-Arms Nagy, Clerk of Council Cahill.

Invocation was given by Pastor Andrew Rusnacko from Bible Baptist Church.

**COMMUNICATIONS**

Council received the following Communications:

A Resolution from the City of South Euclid expressing opposition to the draft health care preservation plan proposed by OPERS.

A memo from Director Gulich regarding Briardale Greens Golf Course Clubhouse Project.

A letter from Attorney Hribar regarding the Use District Exception for property at 20150 Lake Shore Blvd.

A letter from Andrew Pernell re: inspections done at 21877 Euclid Ave.

A letter from resident Marc Roeder requesting Council to Vote No on Agenda item #8.

A memo from Law Director Frey re: attachments to Legislation on tonight's agenda.

Finance Committee Reports from Finance Director Johnson.

**COUNCIL MINUTES**

Councilman Gruber moved to approve the Council Minutes of October 4, 2004 and Special Council Meeting Minutes of October 13, 2004. Councilman T. Sustarsic seconded. Yeas: Unanimous.

**ADMINISTRATION REPORTS & COMMUNICATIONS**

Mayor Cervenik – I've got a number of announcements tonight. As you do know the Senior Citizens Grand Opening will be this Sunday, October 24<sup>th</sup> from 2-5 and I have Kay Lada & Julia Graham, the Chair and Co-Chair of the Senior Advisory Counsel that will come up here and tell you what is going on for Sunday.

Ms. Lada and Ms. Graham made an announcement for the Grand Opening celebration of the Euclid Lakefront Community Center.

Director Pietravoia – I just wanted to add to what Julia was saying about the shuttle service that will be provided on the day of the grand opening. We intend to have shuttle vans running from about 1:15 through to 5:30. They'll run about every 15 minutes. They'll be picking folks up from the public parking lot behind the Lake Theater. We expect the parking lot at the Center itself will be full fairly quickly and we're encouraging seniors, in particular those that need handicap space to park at the close-in lot near the center itself and all others to plan on taking the shuttle from the municipal parking lot.

As Kay mentioned, the phone number of call if you have any questions is 289-2985. We are providing that day, door-to-door transportation service to the senior residents that have requested transportation in advance. You could call that same number if you'd like to arrange that transportation. Thank you.

Mayor Cervenik – I would like to congratulate Euclid Public Library on receiving the 2004 Hennen National Public Library Award. They've been named 4<sup>th</sup> in the nation amongst public libraries. There are over 530 libraries they were competing with. To come in 4<sup>th</sup> is a very, very good accomplishment. I know I'm not alone in saying that I'm very proud of our library.

I would also like to congratulate the Euclid City Schools Director of Business Affairs, John Clapacs. John was just named Business Manager of the Year by the Ohio Association of School Business Officials. I think John works very hard and if you take a look at what they've done to the new school buildings and the property behind the high school, John is well deserving of this award.

After a lot of hard work and planning the BRIDGES organization will hold their first session of Parent University on Saturday, October 23<sup>rd</sup> from 8:30-12:15 at the Euclid High School.

Parent University is a community collaborative that supports families by encouraging parents and adults to become involved and to participate in the education of our community's children and youths. A goal of the program is to provide support, guidance and nurturing to assure the realization of family success. During these sessions the courses will cover child care and promote a child's education, financial and budgeting skills, employment related issues, health care and also a course on city services that will be taught by myself. Parent University is free and they will have child care available for those that need a place for the children to stay for the hour. Parent University is free. Parent University has been a successful program in the State of Georgia and I really commend the BRIDGES organization for giving it a shot here in the City of Euclid. For further information and registration, call BRIDGES at 216 261-7032.

November 2<sup>nd</sup> is Election Day. Some of the Precincts in the City now have different voting locations. The Board of Elections is supposed to be mailing out cards to all registered voters stating your new locations. If you do not get a card, please call the Election Board, call City Hall or look on Channel 23. We will be listing and showing the various voting locations. A number of the schools, I believe Memorial Park School will no longer has voting participation that day. I believe most of those precincts are moved to the Mall and the Clubhouse?

Councilwoman Holzheimer Gail – Excuse Mr. Mayor, to the Henn Mansion. Precinct J moves to the Henn Mansion. Precinct L moves to the Euclidian Room at the Mall.

Mayor Cervenik – Ward 4 is the same thing. There's different places and we want to make sure everybody can vote. The best thing to do is if you don't get that card, make a telephone call so you know where to go.

We were very sorry to hear today about the death of our long-time friend Joe Paik. Joe Paik was 96 years old at his passing. Joe for many, many years was very, very involved in city politics and furthered a lot of people's political careers. We send our condolences and prayers to his family.

Director Johnson – Ballot Issue #35 which is the continued taxation of S Corporations, we've gotten a number of phone calls from people who really don't understand what this is. We have up to this point been able to city tax on residents who are owners of S Chapter corporations. According to House Bill 127 if this referendum is not passed by voters on December 31, 2004, we will no longer receive or be able to tax local income tax for owners of S Corporations. Tried to make it as simple as possible, we have been able to do that in the past and without this referendum in place, we will no longer be able to do it after December 31, 2004. If you have any further questions, I'll be glad to answer them. You can call me at 289-2700 Ext. 8357. Thank you.

Chief Maine – Trick-or-Treat is going to be on Halloween, Sunday from 6-8 PM. We'll have extra patrols, auxiliary police officers and our bike patrols out in the neighborhoods. Also the Fire Dept. might be making their presence as they have in years past.

We're still continuing to get some e-mail scams across the internet. I want to remind everybody that if you get an e-mail from a financial institution and when they come across your computer screen they look like real solicitations from legitimate financial companies. I hope I'm not infringing on any copy rights, but I know I've personally have gotten them from Sun Financial, 5/3 Bank, Smith Barney and Citi Bank. They're asking, it is usually something that says that they need to update your personal information and if you don't send back a reply with the proper information they are going to close your account. This is simply attempts to get your personal information, your account numbers to then try and get your money from your account. Please do not respond to them. If you have accounts with a company that you get a solicitation from, make sure that you call them and let them know that you are getting these solicitations. It is the latest and greatest in e-mail scams and I would hate to see anybody fall prey to it.

Director Gulich – Today in the City of Euclid, paving of E. 260, the leveling course is going down. Those of you that have to negotiate the castings the last few days, you won't have to be doing that. The leveling course should be going down fairly quickly. There will be another course of asphalt going down after those castings have been adjusted. That work is scheduled to be completed this fall.

We started today our regular leaf pick-up. We started on Monday's route today, usually a heavy route. Didn't see a whole lot of leaves out there and there wasn't much raking over the weekend with the blustery weather. But, when you do rake your leaves, leave them on your tree lawn please. We'll take them from there. We'll rake them out into the street shortly before we vacuum them up. If you have them out on the street, it does make a mess, block catch basins and does pose somewhat of a safety hazard as far as cars negotiating the piles. Please leave them on the tree lawn, we'll take them from there. One thing I can assure you with the bad weather is we will

fall behind. We'll try to watch our overtime very carefully. If you are patient and do cooperate, put them on the tree lawn, we will get them picked up guaranteed. Thank you.

Councilwoman Holzheimer Gail – I have a question when you were talking about the new Lakefront Community Senior Center. While we have the senior representatives here and the Director, I've had some questions and I know other people may have as well. Can you share with the audience how a new senior could become involved in the senior programs or come to lunch? We have the new center opened, would you please share the way that someone would come if they've never been part of the senior center before? Not for the grand opening to utilize the services.

Director Pietravoia – We do have a new booklet that was put out that's available through the number that I mentioned earlier. It explains all the programs that are available. Not only at the Senior Center but in general all the senior programs that we offer. That booklet can be picked up through Margaret Hastert-Wolf, our Manager of Senior Programs. Or at here at City Hall or by calling that number I mentioned earlier.

Councilwoman Holzheimer Gail – The senior center is open to all seniors and their various programs that they are eligible for.

Director Pietravoia – Even though we haven't had the grand opening yet, the facility has been up and running for a couple of weeks now.

Councilwoman Holzheimer Gail – Excuse the interruption, I just wanted to make sure people knew the center was open and that new seniors are able to take advantage of those programs.

#### REPORTS & COMMITTEE MINUTES

Councilwoman Holzheimer Gail moved to receive the Fire Report of August, 2004; Humane Officer's Report of September, 2004; Finance Committee Min. of September 29, 2004; Board of Control Minutes of Sept. 27<sup>th</sup> and October 4, 2004. Councilman Daly seconded. Yeas: Unanimous.

#### COMMITTEE OF THE WHOLE

Councilman Delaney moved to go into the Committee of the Whole for Legislative Matters Only. Councilwoman Mancuso seconded. Yeas: Unanimous.

Mrs. Dorothy Fike – 20271 Delaware Rd. On #1 & #2, and I'm tying them together because they are both tax incentives, granting them. I want to know if because this will affect the school system, if any arrangements have been made with the Schools to do something for them in lieu of the taxes that they will not be getting. I know other communities have and I think it has happened in Euclid also. I would like to know if the schools were involved and what if anything will be done to help them when the city is granting tax incentives.

By the way, please just answer as you discuss it, rather than try to answer me now.

#3, the incentive grant agreement with Marine Mechanical Corporation. I would like to know how much it is for and where is the funds coming from? If it is Community Development Block Grant funds, I would like to know when or if the Citizens Advisory Committee is going to be involved. I am on that Committee and we're supposed to be involved with any changes that might be made in the allocation for next year. I haven't heard until I saw the Agenda, I hadn't heard about any special incentive grant to be given to a company. I assume since it is a grant, that means does it have to be repaid, if it does, or if it does not. If it does, what are the terms of the agreement.

#16, although you say it is going to go into Committee, I'm agree with Mr. Meacham when he spoke about the vacation of E. 242. The streets in Euclid belong to the citizens. We have paid for their upkeep for all these years and I want to know are you just going to give it to, another one to K&D. Are you just going to give it to them or are you going to get some compensation for it? Also, once the streets are vacated, who, say a sewer line breaks or something, who pays for that? Does the owner? Or does the City since it was a city street, I assume the City paid for it. If it is now going to go to a private entity, who would pay for anything that might go wrong on that property?

I also have a question on #18, on the plans for Brandywine Dr. and the Balmoral pump station. I would like to know is that the one that's up off of Highland Rd? What's going to be done to it? It says to upgrade it, I assume that's the pump station that's up there. I want to know if its connected to the street that's really in Richmond Heights that the city and Richmond Heights are trying to work for those houses that the owners can't move in because there are no sewers.

I'd appreciate more information on that one. Thank you very much. I hope you answer them all when you get to the items on the agenda. Thank you.

Mrs. Madeline Scarniench – 1511 E. 221. #7, seeing that I'm up here already, I'll talk now, that way I don't have to get up later. This building has been an eyesore for quite a long time. Over the last couple of months it has been fixed up. It looks really great. I hope that Council goes ahead and passes this. I wish the Pernell family well with their business. It has been vacant for a very long time so I look forward to seeing them and when they get open, I'd like to go on a tour.

The real issue, #9, (221-04). I can understand what this is all about, but I have a real problem with this. How long do we keep giving things away? Someone said to me today do you remember when Wells Court was built, the infrastructure was done for free, the City did it. Why do we keep paying? If this is a hardship, why can't it just be extended? I know there is still 11 years to go on the original ordinance, so why can't we just add 10 more years and lower the price? If this was legitimately not the people who bought the property's fault, that they really didn't know this, is there not a way that they can sue the builder because they should have been told this up front? It's not the city's fault and I don't think the City, especially at this time, when we are so dire for every dollar we have that we should be giving anything away to anyone. I hope you will send this to Committee and really discuss it before you make any changes. Thank you.

Mr. Richard A. Williams – 232221 Bennington Hamlet. I am for supporting issue #9 that you have on the legislation. Thank you.

Mr. Marc Copeland – 23219 Bennington Hamlet Circle. I support #9. For the people that like to ask questions about giving things back, they can come and talk to one of the homeowners at Bennington Hamlet.

Mrs. Rebecca Conway – 291 E. 276 St. I have a few quick questions on #8, referring to the golf course. Mr. Mayor, does the architectural fee include architect approval supervision? If not, who's approving the contractor's work and what are the cost charged?

Mayor Cervenik – We'll handle that during the presentation.

Mrs. Conway – Can I have it answered now please?

Mayor Cervenik – We'll handle that during the presentation.

President Sustarsic – That will be handled during the presentation, being that there are a number of people here that have other comments this evening, we just best handle it at that time.

Mrs. Conway – I have two more questions that I would like answered, but I'll just kindly remind you that the Charter does say that I'm allowed to have the questions answered as I ask them here.

Does the \$1,250,000 construction fee include a 10% contingency?

Mayor Cervenik – We'll answer that during the presentation.

Mrs. Conway – I will kindly remind you that in the Charter I have the right to have my questions answered as I ask them. #3, does the contract include all landscaping costs?

Mayor Cervenik – We'll answer that during the presentation.

Mrs. Conway – Why do we have a Charter if we're not going to follow it? Maybe Mr. Frey can answer that.

Mayor Cervenik – She's out of order Mr. President.

President Sustarsic – Mrs. Conway, you are out of order. I might suggest, again as I indicated before, we have a number of people that want to make comments on various issues this evening. So as to facilitate that time to best get to the order of the agenda, I think it would be in the best interest to handle it when that particular issue comes up.

Mrs. Conway – Seeing that I have 3:17 left, many meetings ago because people were asking questions and they had to wait until the end of the meeting if they did receive an answer from it. I came up here and read, quoted the Charter, read it word for word. So I do not believe that I'm out

of order as I stand here and remind you that I have a right per the Charter to have these three questions answered. You took longer doing this than answering the questions.

Ms. Joyce Sowers – 23210 Bennington Hamlet. On #9, I would just like to say that the special assessment that we have on our homes is creating a negative input on our property values. I would like for you to support that legislation. Thank you.

Ms. Rose Mary Reed – 23224 Bennington Hamlet. I hope Council will favor us with a repeal for #9. Thank you.

Ms. Regina Strickland – 23216 Bennington Hamlet Circle. Also my mother, she's next door, 23218 Bennington Hamlet Circle. We were the first 2 people that were there. Item #9, she's a senior citizen and she's paying like \$3,800 a year in taxes and doesn't work.

Ms. White - 23218 Bennington Hamlet. I am for Issue 9.

Mr. Bill Cvetko – 23214 Bennington Hamlet. I'm from Bennington Hamlet too. I want to say that I support the ordinance to remove the special assessments from the homeowners at Bennington Hamlet. I already paid over \$11,000 in special assessments. A home is supposed to be a good investment, and my home is a loser. I just hope it will be a unanimous vote on the ridiculous situation.

Ms. Ernestine B. Williams – 23221 Bennington Hamlet Circle. I do support #9 ordinance issue here. I wish you people would really consider it because it is hard on us senior citizen. It is really hard. Thank you.

Ms. Lorna Christine Gregory and Ms. Gregory – We live at 23204 Bennington Hamlet and we're in support of Issue #9.

Ms. Judith Dillard – 23201 Bennington Hamlet Circle. Not only is it hardship on our senior citizens in our neighborhood, it is a hardship for all of us. Please, support #9.

Mr. Reginald Underwood – 23203 Bennington Hamlet Circle. I support #9 on this evening's agenda.

Ms. Linda Covington – 23205 Bennington Hamlet. My request is that you would support the legislation for Bennington Hamlet and #9 of this ordinance because it is a hardship. It is even hard to resell the units that are empty, to make sure that our units do stay up to par.

Mr. Jason Hill and wife Andrea, new baby and neighbors, I'll speak for them. We live at 23213 Bennington Hamlet Circle and they live at 23223. We moved to Euclid. We could have moved to any community we wanted, but we decided to move to Euclid to move to a nice working class neighborhood and give back to the community where we live. This is our first home. Honestly I work in an affluent neighborhood and honestly, lots of things are said about Euclid. We think Euclid is a great place. We would like to stay here, but with this tax its making it very difficult for us to afford living here. It just doesn't make much sense and we think its an unfair tax. It has to be one of the most expensive streets in the United States. Please do away with this. Work with us. We would like to stay here, but unfortunately we won't be able to if you can't do away with this ordinance. Please support #9.

Mr. Roy Larick – 23745 Lake Shore Blvd. I speak to #8. I urge that it at least go to Committee. That you vote no and to send it back to committee. A year ago Council and the Mayor, administration, had a plan to convert the Knuth Center into a fantastic facility. That was linked with the work at the senior center and we're all awaiting the greatness of the new senior center. We could be doing the same thing for the facility at Briardale Greens.

But, a year later, we have in the plans a much less of a facility and the price is going up. The price began at eight hundred and some thousand dollars. Went up to nearly one million dollars and now we're at \$1.25 million. The sum has increased. It may still increase and the plans for this facility still remain rather limited.

I urge you to think that the future of Euclid lies in attracting residents and businesses to a city that guards its assets, that makes use of its assets. And, I have argued before that Briardale Greens or the Knuth Center, the community center there, is a great asset. This is not over yet. You can still change your minds on this. So I urge you to think again about the value of renovating this

facility. I urge you to remember the Henn Mansion, Moss Point block, Fire Station 2, and the new senior center as building assets of the City, renovating to acclaim. Thank you.

Mr. Tyrone Collins – 23225 Bennington Hamlet Circle. I would just like to make a couple of points. The special assessment was enacted in 1996. There are 27 units in Bennington Hamlet and each one approximately pays for special assessment close to \$1800 a year. That's about \$48,600 per year. This has been since 1996. So over 9 years, looking at roughly \$437,000. The street wasn't given away to anyone who thinks that the city is giving something, it is not. It has been paid for. That's one thing.

The other thing is if you look at the history of the residents that have been living in Bennington Hamlet, there are several people who actually lost their homes because of this special assessment. You have one person in particular who owns over \$25,000 in taxes for 5 years, its ridiculous. Something needs to be done to eliminate this special assessment. Thank you.

Mr. Carl Bates and my wife Carla Bates – 23220 Bennington Hamlet Circle. We support the repeal of this special assessment and we ask you to support #9.

Mr. Michael Duane Johnson – I also reside at 23215 Bennington Hamlet Circle. I stand in complete support with my neighbors for #9 on today's agenda. The couple of speakers before me mentioned that you have to take the city's assets. Your city's best assets are your citizens. We need to remember that.

Mr. Carl Mills – 23226 Bennington Hamlet. I support ordinance #9. Thank you.

Mr. Robinson and my wife – 23208 Bennington Hamlet. In regards to Issue #9, I just want to echo the statements that my neighbors and request that you please support #9 in removing that ordinance.

Mr. Victor Goodman – 20201 Glen Russ Lane. I urge, urge this Council not to pass #8 and I'm going to tell you why. You will prove to the people of Euclid that you have no financial, what's the word I want to use, you have no financial responsibility. It was great when Euclid had money and I speak to you directly Mr. Mayor, because you sponsored this.

When Euclid has money, I'll be the first one in line to say spend it. But when you are ready to assess the citizens with added fees, because the City has no money, how can you in any respect, now say let's spend \$1.2 million to build a clubhouse. Take that \$1.2 million, Mr. Finance Director and spend it on leaf pick-up, spend it on garbage pick-up, spend it on repaving streets. Even if it's a different budget, you can't put this City in a \$1.2 million deficit again. You borrowed \$2 million just to make the budget. How can anybody here in good conscience vote to spend another \$1.2 to build a playground for those who play golf? I think its great, in the old facility, they didn't come to us for banquets, they came to play golf. They are still going to come to play golf.

When you have the money and this city is on its feet, and when you brought new business into this City, Mr. Mayor, and when you have brought new people into this city and when there is a tax base to deal with, spend all the money you want. But how can you put the city in this continued debt. The Clubhouse is an extra, it's a fringe. I need food on my table. I'm not going to go to Vegas because there's a good deal today. You have to be financial responsible people. If not, why are you here?

Ms. Gloria Brown – 23222 Bennington Hamlet. I'm a retired person. I have worked. I have owned three other homes and this is the first time I've been put through having to pay an assessment as large as we've had to pay. It is very difficult and I hope you will consider to wipe it off the slate.

Ms. Turner – 23217 Bennington Hamlet. I'm standing here for ballot #9. Thank you.

Mrs. Ann Raukar – 246 E. 272 St. Five minutes is not enough so I have to keep coming back. It's evident to me by my experience over a simple downspout what some people will do to show favoritism or have the nerve to cause destruction of your property to fill their greedy needs. There are some people in Cuyahoga County that have been forming groups of citizens that will keep these persons in control of County of government.

President Sustarsic – Excuse me, this isn't on anything on the Agenda. This is what this portion is for. You are welcome to speak to it at the end of the meeting, at the other Committee of the Whole.

Mrs. Raukar – I'm out of place. Sorry.

Mr. Tom Cooke – 25641 Edgecliff. I just want to speak in favor of items #1 & #2 on the Agenda. I do realize the benefits of, I believe this is a tax abatement, correct? Is that how this is labeled? I do understand the benefits of tax abatement in luring not only individuals and homeowners to this community, but also businesses. I do understand that you also have to compete with other communities like Twinsburg, Solon and Westlake and Rocky River, which for a lot of people, on the surface are more attractive, as far as places to do business and live. I am in favor of passage of items #1 & #2. I do believe that it is a very powerful tool and it has to be used sparingly and carefully. The long term benefits far outweigh the short term losses that maybe perceived as far as short comings to the school and other tax revenues.

Just out of curiosity, these two companies here, are they S Corporations or C Corporations? Do we know? Just kind of curious.

What I would like to see also is these companies are receiving a huge benefit over a long period of time. I do want to know what are they going to do for the City of Euclid? Has the question been asked, are they re-investing into the buildings or the offices with machinery or whatever they do? Are they re-investing that money that they are saving and turning that back over into the community? How are they involving themselves directly in the residents of this community? Because they are receiving such a large, I don't know what the exact dollars are, I'm sure you do, but that money is pretty huge. There should be, this is a two-way street. This just isn't a one-way street where we're throwing candy out for these people to come here and plant themselves. We do expect something in return. I do hope that will be addressed. Thank you.

Mr. Verhey - 23206 Bennington Hamlet. I'm here to request you to support issue #9. Thank you.

Mr. James Bernard – 23211 Bennington Hamlet. I'm for ordinance 9, to nullify the special assessment. Thank you.

Mr. Dennis Berzinskas – 20890 S. Lake Shore Blvd. Not Bennington Hamlet. I like how the people came out to help themselves. Remember this on voting day too. Help yourself then.

Points #1 & #2. Good for you. Since the State took away a lot of benefits to manufacturers for their equipment replacing so they could become competitive with overseas, with other countries, other cities, other states, it is a step forward. Good for you.

#8, on the agenda, bad for you, shame on you. You have a perfectly good building there, Bill. You always want to tear something old down. Why? Why is it your destiny to put a wrecking ball? Here comes the wrecking ball. Bill Cervenik, home of the wrecking ball, Mayor of Euclid.

Look, you've got the place stripped down, it needs flooring, roof, but so would a new building. You've got a structure there. Change the drainage away from that building. It is running to that building causing water problems. You people don't realize that. Every building you have around here, you build up, you put up asphalt and it runs towards the buildings. Then you can't cry that it is wet. You go along way to save a building if you keep the head dry, the roof and the feet dry, the basement, the foundation. Learn. Don't spend our money. We've had 25 years of promises for a senior center. With this administration and the last one, we wouldn't have gotten it. Thank you.

Mr. Jerry Corbran – 24250 Maplewood Dr. #8, (220-04) the Clubhouse. On tonight's, this (220-04), we have in it a proposed repeal of 71-2003 approved 18 months ago authorizing renovations of Knuth Center into a golf clubhouse. And the proposed repeal of Resolution 226-2003, approved 11 months ago, approving the final budget for golf course clubhouse construction and directing the administration to proceed with action and implementation. Both measures were signed into law by Mayor Oyaski.

This indirectly has eliminated the need for the Law Director to respond to my five month old questions regarding the Board of Control meeting of December 8<sup>th</sup>. The failure to implement 226-2003 at that meeting intentionally or unintentionally was totally improper, otherwise why the need to repeal it and 71-2003 tonight? Also proposed for repeal is 125-2004, passed on June 21 of this year, authorizing a bidding process necessary for his, that's the Mayor's, new clubhouse concept. Following a promise by the Mayor not to go forward with the project if the bids exceed \$974,439 including a 10% contingency.

At that time he indicated with the architect fees, soft costs, compacting test, etc. and I assume he included the \$338,000 already spent for the Knuth renovation. The total cost of the project would be \$1,550,650. Keep that figure in mind. That was on June 21<sup>st</sup>.

We now know all the bids exceeded the limit imposed by 125,205 requiring yet another repeal request of that. So that the Mayor could ask for new bids before moving the ceiling up to, up \$275,561 to tonight's, not to exceed \$1,250,000 price.

Here is the bottom line. If the Mayor publicly put a total project price tag \$1,550,650 on June 21<sup>st</sup> and he is asking \$275,561 more dollars tonight on this new ordinance (220-04), with a little math, it follows that the new project price tag is \$1,826,211.

The probably cost of construction for the abandoned Knuth Center renovation project and the approved Panzica bid package was \$1,879,704. Approximately \$54,000 more we would have already been moved into the newly renovated Knuth. Of course with the passage of time, that's no longer possible due to inflation. With all due respect, may I suggest considering Plan B, the Langman alternative. Thank you.

Ms. Carla Devontenno – 23209 Bennington Hamlet Circle. I'm also here to support the passage of issue #9.

Councilman Delaney moved to rise and report. Councilwoman Mancuso seconded. Yeas: Unanimous.

## LEGISLATION

### **Ord. 167-2004 (208-04) Trust Manufacturing**

An emergency ordinance authorizing the Mayor of the City of Euclid to enter into an Agreement with Trust Manufacturing for the granting of special tax incentives (75%-ten years personal property) for a project that will enable Trust Manufacturing to establish its operations within the City of Euclid at 20080 St. Clair Avenue and to create employment opportunities within an Enterprise Zone located in the City of Euclid. (Sponsored by Mayor Cervenik by request of CS&ED Director)

Councilwoman Hufnagle moved for passage, Councilman Gruber seconded.

Director Pietravoia – I'm very pleased this evening to bring forward to Council the projects that are at the beginning of our Agenda tonight. Two very important economic development projects that are beginning to bring forward the fruits of our labor over the past few months. I'm confident this is just the beginning and we'll be before you with other projects shortly in the near future.

The first item tonight is Trust Manufacturing. We are very fortunate as some comments were made by some of the residents prior to this portion of the meeting, to have established in 1994 and enterprise zone in this community. This has put us in a position to be able to be competitive, in this case, to bring a new company into this city. Trust Manufacturing is a company that will specialize in high-quality components that will be utilized in the military, energy and commercial industries.

The manufacturing processes at this new plant will include automated and computerized and manual turning. Automated and computerized manual milling and single and multi-spindle automatic screw machinery. I'm not going to try to explain that any further. The reps of the company are here, Mr. Timothy Corrigan and Michael Baker. If you have questions after I complete my comments, they'd be happy to address those questions.

This company will be occupying the former S Con building at 20080 St. Clair Ave. This building in its past history was the location of S Con which was a machine shop. It went vacant, they went out of business a couple of years ago, became a mini-storage and then the building became vacant entirely. So the good news here is that we are taking a vacant property and putting it back into productive tax generating use with the Trust Manufacturing located at this facility.

Over a three year period, to address one of Mr. Cooke's questions earlier, they will be investing about \$1.2 million and these are minimum projections in personal property investments in this particular property. That will generate over \$22,000 in new personal property taxes on an annual basis. They will create over a 3 year period 26 new full time jobs. These are new jobs that do not currently exist in the city of Euclid and they'll generate over a million dollars in payroll by the end of that third year of that third year period. That will generate about \$30,000 in new income tax.

I just want to emphasize that we are very pleased to bring this project forward. The enterprise zone is a tool that is very important to allow us to be competitive. We're offering a 10 year 75% tax abatement.

One final comment on the issue of the schools and the benefit to the schools, clearly when we bring a new company into the community, we're bringing new dollars in. Even though for the ten year period they'll receive just a percentage of those dollars, it is new money that they are not currently receiving. After that 10 year period, they'll receive their full percentage that they would normally receive. In essence, the largest benefit to the schools is the fact that we're bringing new revenue to the schools through this project.

There is a question that we ask on our enterprise zone applications of every applicant. Both projects have indicated in responding to that question. It relates to whether or not they would be willing to work with the schools to do special projects and things of that nature. Both applicants have responded yes to that question. At this time I'd be happy to respond, Bob Gliha our Deputy Director has assisted us in putting this package together. As I mentioned, the reps are here from the company, Mr. Corrigan and Mr. Baker.

Councilman Daly – I would just like to congratulate the administration, Mr. Pietravoia for this item plus the next two items. This is the way, the long term way we're going to get out of our budget problems. Thank you and congratulations and keep up the good work.

Councilman Langman – Director Pietravoia, could you tell us what other communities were competing for this company's location or other states?

Director Pietravoia – In this particular case we worked with the State of Ohio. They brought to our attention the company's interest in this particular building. So those early conversations were actually with the State of Ohio. I would let the company reps if they would like to respond to that to talk about what other locations they considered other than the City of Euclid.

Councilman Gruber moved to suspend the rules, Councilman Langman seconded. Yeas: Unanimous.

Mr. Mike Baker – 1422 Euclid Ave. Cleveland. Just in response to the question with other locations that were considered. I'm a consultant to Trust Manufacturing and they were looking at a site in Pittsburgh. One of the primary investors in the company does have a location in Pittsburgh. Also looking at Tennessee and Nevada based on where their customers will be.

Councilwoman Hufnagle moved to close debate, Councilman Gruber seconded. Yeas: Unanimous.

Councilman T. Sustarsic moved to suspend the rules, Councilwoman Mancuso seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Passed.

President Sustarsic – I would like to extend congratulations and welcome to the community.

**Ord. 168-2004 (209-04) Marine Mechanical Corp.**

An emergency ordinance authorizing the Mayor of the City of Euclid to enter into an Agreement with Marine Mechanical Corporation for the granting of special tax incentives (75%-ten years personal property) for a project that will enable Marine Mechanical Corporation to establish its operations within the City of Euclid at 24703 Euclid Avenue and to create employment opportunities within an Enterprise Zone located in the City of Euclid. (Sponsored by Mayor Cervenik by request of the CS&ED Director)

Councilman Daly moved for passage, Councilman Delaney seconded.

Director Pietravoia – Members of Council again, it is difficult for me actually to contain my excitement on some of these projects. This particular project we've worked with for several months as a team with the State, County, Team NEO and certainly our local council representative assisted in bringing this project to fruition. This is a company that has been in the City of Euclid for over 18 years. They actually grew out of Argo-Tech and they have through this application indicated that they will be investing over \$16.7 million over a 3 year period in new personal property investment at what was the former Rockwell facility. They will be leasing with an option to purchase. They currently are located in the Heritage Business Park complex. They will be moving from that location. They will be keeping a portion of their operation there, but a majority of their operation will move to the back building at the Rockwell complex, 200,000 sq. ft. facility. Most of you know it is a tremendous facility and there were significant investment even by the previous company in that building. It has been vacant for several years. This is a tremendous win for the community. Not only to occupy vacant building, but to keep Marine Mechanical here in the City to grow here in the City of Euclid.

Over the 10 year period of the enterprise zone abatement agreement that's before you tonight, they will generate approximately \$1 million in new personal property taxes as a result of that \$16.7 million in new personal property investment. They will create 38 full time jobs over a 3 year period with a new payroll of almost \$2 million associated with those 38 jobs. That alone will generate about \$54,000 in new income taxes. More importantly by keeping the company here in the community, we are retaining 245 full time employees with a payroll of nearly \$13.7 million that generates almost \$400,000 in yearly income tax to the city in particular with the income tax.

Also this will involve their retention of about \$211,000 in yearly personal property taxes associated with the present company. That doesn't take into account the growth that I was just explaining. Again we have representatives of the company here. Mary Pat Salomone, President and Ted Dalheim Vice-President/Chief Financial Officer and their Vice President of Human Resources Al Tusek. Between myself and Bob and the company reps, we'll be happy to respond to any questions you might have.

Mayor Cervenik – If I might add a thing or two. As Director Pietravoia says the excitement is very good that this project is coming to pass. I can't explain to you, I guess for better word, angst, when I found out that we had a possibility of losing a company of this stature in the City of Euclid. It's all about partnerships. We immediately put together the County, State, Team NEO, our Department, and we all sat down and had a meeting and in long run it all worked out very well. We are retaining these jobs. In this day in age in Cuyahoga County retainage is also very important. If you retain the jobs, they expand. That's where the 38 new jobs come in. This is a strong, strong, long, long term company with good solid individuals running the company. They care very much about Euclid, they know the advantages we bring to the table for manufacturing. The only probably down side to this move is that they will be leaving the majority of their Argo-Tech facility, Heritage Park. We met with Mr. Eichorn and have other meetings scheduled to see what we can do to strengthen Argo-Tech's position as a manufacturing facility. We will be working with the State and County and Team NEO and anyone else out there to make sure that the Argo-Tech facility stays strong because the Argo-Tech facility is actually acting as an incubator for companies such as this that nurtures them and let's them grow. When they are ready to have their own facility, it is done. I need to thank the director of this company for having faith in the city of Euclid and I need to personally thank our Director Frank Pietravoia and also Deputy Director Bob Gliha who spent countless, countless hours getting this job. Also on occasion we had our Ward 4 Council person there, Chris Gruber in there making sure that everything was up-to-snuff for his ward, and others. Again this is a great victory for the City of Euclid. This is what my administration continues to do. It doesn't happen over night. It takes time. These projects do take times. There's a lot of legalities that you have to follow. There's a lot of confidentialities that you have to follow. But I think in this short time we've had some good success and you are going to see a lot more of it. Again, as always, I ask for Council's support in doing things such as this. Now we'll turn it over to any questions you may have.

Councilman Gruber – I urge all my colleagues to support this item. I was happy to be involved with this in some degree. This and item #7 are going to be turning some lights on on Euclid Ave. in some buildings that have been vacant for quite awhile. The Rockwell building is a premiere facility and a premiere site in this city and with the improvements done across the street at the Lake Erie Lodge recently, the owner of that building has put a lot of money into the exterior of the building and making renovations. This is a positive for the community, a positive for the City of Euclid and I'm glad they're staying and I'm glad that we had a chance to see how things work out with a team like this. It was really exciting. Thank you. Thank you.

Councilman Gruber moved to close debate, Councilwoman Mancuso seconded. Yeas: Unanimous.

Councilman Delaney moved to suspend the rules, Councilwoman Hufnagle seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso,  
Sustarsic, Sustarsic

Passed.

President Sustarsic – Welcome to the City of Euclid or welcome back.

**Ord. 169-2004 (210-04) Incentive Marine Mech.**

An emergency ordinance authorizing the Mayor of the City of Euclid, Ohio or his designee, to enter into an Incentive Grant Agreement with Marine Mechanical Corporation (Hereinafter referred to as "MMC"). (Sponsored by Mayor Cervenik by request of CS&ED Director)

Councilwoman Hufnagle moved for passage, Councilman Gruber seconded.

Director Pietravoia – This is part of the package of incentives that we have been prepared for this particular company. A question was asked earlier about the competition that we face. In this particular case this company was looking out of state. Locally they were looking at Mentor, they looked at several other states as well. Where we have a difficult time competing particularly with the incentives that are offered by other states. In this case we offered what we are calling an Incentive Grant. It will be for the same term as the enterprise agreement for a 10 year period. In essence it will be an annual grant that will be paid to the company. It will be based on maintenance and improvement on the number of jobs and payroll taxes paid to the City of Euclid.

It is truly as the name implies, it is an incentive for them not only to maintain their current level but to grow over a ten year period. As they grow, their incentive grant will grow. We're estimating initially will be around \$50,000 for the first year and it will grow to about \$70,000 in the tenth year.

In large part, as you can imagine a company of this size with 245 employees and over 200,000 sq. ft. had some very significant moving expenses associated with this project, as well as ongoing operating expenses. In order for us to compete, particularly with the out of state incentives, we designed this particular grant specifically for this company and for this project as an inducement for them to stay and grow here in the City of Euclid.

Councilwoman Holzheimer Gail – Thank you Director Pietravoia and Asst. Director Gliha for putting these projects together for us. Mrs. Fike had asked a question about the Block Grant. As I understand it, this is not an eligible block grant activity, this will be from non-tax revenue. I just wanted to clarify that.

Director Pietravoia – Thank you and I'm sorry I forgot to respond to that. The source of the annual grant will be from the city's non-tax revenues. There will be no impact whatsoever on the block grant.

Councilwoman Holzheimer Gail – Just one further comment, I know we are faced with these decisions and unfortunately this is the market today. If we don't provide some incentive for companies to come here, we're not going to attract them. As much as its hard for our residents to hear that we're giving money back, we still have a net gain. I think its important for people to know is the City will have a gain, even in the first ten years, but then a much larger gain having the company here and then after the tenth year when the abatement goes away. So we do have a gain from this. I know its difficult for people to hear us foregoing some revenue or giving it back, but its unfortunately a necessary evil in today's economic development world. I congratulate you on your success and I welcome this company and wish them continued success.

Councilwoman Mancuso – Director would you just for the audience explain what it means that it will be from non-tax revenue that we're going to be paying this, so people understand where it is coming from.

Director Pietravoia – The City's sources of revenues come primarily from several different areas. Income taxes, property taxes and everything else that we collect in terms of permit fees and things of that nature are categorized in a third area called non-tax revenue. We were just trying to make a point and a distinction that the dollars to pay this annual grant will come from those other sources of non-tax revenues, not from income tax or real property taxes.

Councilwoman Mancuso moved to close debate, Councilman Langman seconded. Yeas:  
Unanimous.

Councilwoman Holzheimer Gail moved to suspend the rules, Councilman Gruber seconded. Yeas:  
Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso,  
Sustarsic, Sustarsic

Passed.

**Ord. (203-04) Rezoning 881 E. 222 St.**

An ordinance rezoning P.P. #643-13-008 located at 881 E. 222 St., from U-1 (Single Family) use district to U-4 (Commercial) use district and further amending Ord. No. 2812. (Sponsored by Planning & Zoning Commission)

Second Reading. Public Hearing November 15, 2004.

**Res. 170-2004 (165-04) UDE 26110 Euclid Ave.**

A resolution granting a Use District Exception pursuant to Chapter 1375 of the Planning & Zoning Code of the Codified Ordinances of the City of Euclid to Frank Zigman, owner of the property located at 26110 Euclid Avenue (Permanent Parcel No. 648-51-002), to allow a U-6 (Industrial & Manufacturing) use in a U-4 (Local Retail or Wholesale) Use District. (Sponsored by Planning & Zoning Commission)

Councilman Gruber moved for passage, Councilwoman Holzheimer Gail seconded.

Director Pietravoia – Andy Torowski our Planning & Zoning Commissioner is prepared with a report for this item.

Mr. Torowski – Confirmation by council is requested by Mr. Frank Zigman, the property owner at 26110 Euclid Ave., formerly the 84 Lumber building for a use district exception to allow a U6 use, which is industrial and manufacturing in a U4 retail use district.

The use district exception would be applied to the rear 9600 sq. ft. portion of the building only. The company which is intended on occupying this space is Sand Art. They are currently operating in Euclid and intend on expanding their operation and acquiring more space. Sand Art, colors sand, bags it and distributes it to businesses in the craft and toy industry.

The Planning & Zoning Commission voted unanimously to approve this to Council on June 15<sup>th</sup> on the condition that all occupancy violations were completed. As of today, Mr. Zigman has completed the majority of the violations and has agreed to expand his storefront renovation and continue to make improvements to the property. Mr. Zigman is here in the audience if Council has any questions or concerns.

Councilman Gruber moved to close debate, Councilman T. Sustarsic seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Passed.

Director Frey – Pardon me, Council President. I think you need to waive the rules on this. If this is the public hearing, you'll have to waive the rules on this as far as notice on this item.

President Sustarsic – Would there be any comments from the audience regarding this issue?

Councilman Gruber moved to waive the rules, Councilman Daly seconded.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Three reading rule waived.

**Res. 171-2004 (201-04) UDE Elks Lodge**

A resolution granting a Use District Exception, pursuant to Chapter 1375 of the Planning & Zoning Code of the Codified Ordinances of the City of Euclid, to Benevolent Protective Order of Elks of Cleveland – Euclid Lodge #18, for property located at 20150 Lake Shore Boulevard (Permanent Parcel #s 642-20-012 and 642-20-013), to allow a UR-2 (Church) use in a R (Institutional) Use District. (Sponsored by Planning & Zoning Commission)

Councilwoman Holzheimer Gail moved to waive the three reading requirement for Use District Exceptions. Councilman Daly seconded.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Three reading rule waived.

Commissioner Torowski – Confirmation from Council is requested by the Benevolent Protective Order of Elks for a use district exception for the property located at 20150 Lake Shore Blvd. The Use District Exception would allow a church use in an institutional use district. The building will be used as an assembly hall for a church by a small Masonic synagogue. The Planning & Zoning department has evaluated the property and determined that it meets the zoning requirements in the codified ordinances.

The use district exception application went before Planning & Zoning on Sept. 21 and was approved for confirmation by Council. Mr. Hribar, attorney for the Elks and Mr. Jeffrey McGaffick attorney for the synagogue are present if Council has any questions.

Councilman Langman – Mr. Torowski, will the Elks retain ownership of the property? Am I reading this correctly?

Commissioner Torowski – No, they will not.

Councilman Langman – They are selling the property.

Councilwoman Holzheimer Gail – I attended the Planning & Zoning meeting and there were several residents who had attended that meeting with questions and concerns and I believe they were all addressed that evening. This group will not be using this as a rental facility. They won't be renting it out for parties and other things. It is a similar use to what it has been used for the past 50 years. It is a very non-obtrusive use. It is a congregation of 20-35 people. The residents are anxious to have the building fixed up. My one concern that I would like to have on record and I believe they agreed to it at Planning & Zoning anyway was that parking will not take place on the grass and the grassy area in front, which is the setback, will not be used as parking in the future. They did not see the need, they do have ample parking at that location. Just wanted to bring those issues up.

President Sustarsic – We'll go out into the audience seeing that this is a public hearing. If you have any comments or questions relative to this item.

Mr. Hribar – I've been living at 19825 S. Lake Shore Blvd. since July of 1952. I believe you have the letter that I sent to the council members. I love Euclid. I think what we're doing here is asking for something that is excellent. We have a beautiful group of people coming in here, just about 20 members that will be using the property about the same way as the Elks Club and the Knights of Columbus have for years with a membership of over 100. These people are willing to come here and spend a lot of money and put that property in shape. Right now it is an eyesore. It is a 100% good thing. I think my letter explains all the facts there are. Mr. Jeffrey M. McGaffick the attorney for the buyers is here to answer any questions you may as to the use of the property and so on. This is a win/win situation, a good thing for Euclid to have people come here, spend their money and rehab a property which is now in bad shape. Thank you very much.

Mr. Jeffrey M. McGaffick - Attorney, office at 571 E. 185 St., here in Euclid also. Just to address the Councilwoman's comments. We have indeed, it is also our understanding with respect to the parking. Thank you.

Councilwoman Holzheimer Gail moved to close debate, Councilman Delaney seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Passed.

**Res. 172-2004 (202-04) UDE 21877 Euclid Ave.**

A resolution granting a Use District Exception, pursuant to Chapter 1375 of the Planning & Zoning Code of the Codified Ordinances of the City of Euclid, to Andrew and Chelsea Pernell, for property located at 21877 Euclid Avenue (Permanent Parcel #646-32-031), to allow a UR-1 (Daycare) use in a U-4 (Retail/Wholesale) Use District. (Sponsored by Planning & Zoning Commission)

Councilman Gruber moved to waive the three reading requirement. Councilwoman Mancuso seconded.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Three readings waived.

Commissioner Torowski – Confirmation from Council is requested by Andrew & Chelsea Pernell for a use district exception to operate a UR-1 day care in a U4 retail/wholesale district at 21877 Euclid Ave. Pernell's first presented their application to the Planning & Zoning Dept. on August 20, 2002. It was denied primarily due to the numerous violations on the property. The Pernell's then resubmitted and presented the application to the Planning & Zoning Commission in September. According to Pernell's, all violations were completed except for the fire alarm system which was scheduled to be completed by the end of September. Follow up inspection by the building department varied that all violations have been corrected. Planning & Zoning approved the Use District Exception unanimously with a condition that certified documents be presented stating that the asbestos and mold issue were corrected. Mr. Pernell has submitted a letter from abatement contractor stating the asbestos was properly encapsulated. Mr. Pernell has also hired a testing agency to verify that this is no visible evidence of mold on the property. They have also submitted the documents stating as much. If Council has any questions at this time, Mr. Pernell and his attorney are in the audience.

Councilman Langman – Just curious the dollar investment that has been made by Pernell's into the property?

Mr. James Hewitt – Legal counsel for Andrew and Chelsea Pernell. To the Councilman's question, they purchased the property, you should know that. Deed was awarded through bankruptcy court for a total purchase price of \$250,000. There are other violations that were needed to renovate the premises. They put in another \$60,000 on top of that in order to correct all code violations that were identified and to get the premise ready and would like to enter the premise quickly. In as much as they do own the property, renovated and they want to start their business.

Councilman Gruber – I would like to commend the Pernell's for taking on this project. This building has been an eyesore for quite awhile. It has been in and out of bankruptcy court a couple of times. There were some internal issues. They were very cooperative. They've done everything we've asked and then some. The building is starting to look very much more alive I guess you could say. The lights are on. It will serve a needed use in that community and it is another empty building that's now open and ready for business on Euclid Ave. They are to be commended for the work that they put in there. If you drive by there now, you can already tell the improvements from the exterior of the building and it looks wonderful. Happy to have you in our neighborhood. Thank you.

President Sustarsic – This is a public hearing. Any questions or comments relative to this project?

Councilman Gruber moved to close debate, Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

**Ord. 173-2004 (220-04) Golf Course Clubhouse**

An emergency ordinance authorizing the Mayor of the City of Euclid, or his designee, to enter into a contract with Whitehouse Construction and any vendor necessary for the construction of the Briardale Greens Golf Course Clubhouse project for an amount not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00), and repealing Ordinances 125-2004 and 71 – 2003 and Resolution 226-2003. (Sponsored by Mayor Cervenik)

Councilman Daly moved for passage, Councilwoman Holzheimer Gail seconded.

Councilman Daly – Tonight we're going to have a presentation by the architect on both golf course projects, Bernie Zofcin to answer questions and to give us a report on how the bid process finally ended. Look forward to hearing from him.

Mayor Cervenik – If you could suspend the rules, I would like to call Mr. Zofcin to give a short presentation to Council.

Councilman Gruber moved to suspend the rules, Councilman Langman seconded. Yeas: Unanimous.

Mr. Zofcin – I have past out a booklet that shows the current configuration of the Briardale Greens Clubhouse project based on bids that were received on October 4, 2004. First thing I'd like to do is go through that bid process, where we are with the project as it stands right now.

We received 7 bids that day for the clubhouse project. The low bid was received by Whitehouse Construction, as mentioned in the ordinance, for the entire project, which includes the general trades work, the demolition of the existing building, the pavilion and their base bid was \$1,095,000. We also took several alternates to help us control costs. I will tell you that when we add in all of the soft costs, the cost for the asbestos removal which has already been done, and the contingencies that this project as it stands right now is at \$1.4 million, \$1,442,000 approximately.

This compares to about \$1,790,000 for when we bid it the last time. That number is derived from the \$1,111,000 low bid that we received. That did not include the pavilion at \$154,000. It did not include the demolition. We received no demolition bids last time. That we estimated at \$125,000. Adding contingency and soft costs is how we arrived at that number. I should also say that bid at that time did not include furnishings or kitchen equipment.

The number that you have in front of you includes kitchen equipment. It includes the demolition. It includes the pavilion. It includes contingency. It includes the utility allowance. We have \$46,500 in kitchen equipment and \$25,000 for furnishings to arrive at our \$1.4 million. The first thing I want to go through is to explain the changes that we made to the project to get from the \$1.7 to where we are now.

Our goal was to reduce costs. We performed value engineering services at no cost to the city in order to help reduce the cost of the project. We consulted with builders, other design professionals in order to take a hard look at various components of the building and determine where we could save some money.

The changes to the building include, changing the roof from a metal roof to a 30 year asphalt shingle, which is perfectly acceptable. We revised the structural system to simplify it. It still has the same aesthetic look that it did previously. We also changed the pavilion from a tinsel structure to a standard gabled roof pavilion. The bids that we received we felt were way out of line for the tinsel structure so we scaled it back to a standard gabled-type pavilion.

All of these modifications were presented to the Architectural Review Board in late September and they approved the modifications. We are actually recommending acceptance of some alternates that actually enhance the project and add in some of the aesthetic appeal, such as the brackets around the pro-shop, the awnings and the reverse gable on the west-side of the building, which is as you approach the building from Briardale Ave.

Based on that, you can see the renderings that we did several months ago that showed the interior have not changed. The changes that have been made to reduce cost are all on the value engineering side and have not affected the aesthetics of the building. What you see on those interior renderings will still be in effect once the project is constructed.

I would also like to point out that how this compares to the bids that were received roughly a year ago, when we were working with Panzica Construction. I've been trying to give an apples-to-apples comparison. Those bids did not include a pavilion. When we add in the ADA fees for that and the landscaping allowance and furnishing allowance you get up to about \$2.1 million. So, as we stand right now, the project has been changed from \$2.1 to roughly \$1.4. We have recommended to the administration that Whitehouse Construction be awarded a contract for construction of the project again, which includes a contingency allowance, a furnishing allowance and kitchen equipment allowance and the electrical and utility allowance. At this point, I'll entertain any questions that you have and answer them to the best of my ability.

To answer that young lady's question from earlier, our contract with the city does include contract administration which is oversight of the project during construction and it does include a contingency.

Mayor Cervenik – As Mr. Zofcin just pointed out, when I first came on a Mayor, my administration was asked to support approximately \$2.1 million project. I wasn't willing to do that especially since a large part of the project included a party center. In duplication of what our \$4 million center that we are opening up on Sunday. We went back to the drawing board and we feel we came up with a plan that is much more efficient, it is much more utilitarian for the golf course and in fact is going to be much cheaper to maintain than the previous plan. Yeah, my numbers were a little off, not nearly off compared to the \$2.5 million original estimate to the senior center which has grown to over \$4 million. Which we have just put \$44,000 of landscaping into using Community Development Block Grant funds which I would have much rather have seen going to bring new businesses in.

This is not a priority. If this Council determines that they don't want to build anything, so be it. But when I came here I was told that we need something at the golf course and we need

something nice. We need something to show people that Euclid is an up and coming place. I believe we have that in this plan right here.

The previous Council passed legislation to borrow \$1.2 million. We're getting criticized because the Board of Control and this administration didn't award a project that would cost \$2.1. This Board was going to have to come back, your Council was going to have to come back and authorize an additional \$700,000 in borrowing to do that project. I don't feel that's appropriate.

The \$1.2 million that you originally appropriated is in our projections with our bonding agent, with our underwriters. It is in there in our projection over the next 10 years as to where our bond fund is going to arrive. Except for the \$50,000. I think this is a grand project. I think a lot of effort went into it. I think it will be an asset to the golf course, an asset to the city. We are also looking at ways, ways that don't tie up the enterprise fund of the golf course, but to put together a formula that as the golf course prospers and benefits from the additional revenue this building will give it, that a certain portion of that money, each and every year, will be transferred from the enterprise fund at Briardale Golf Course and deposited into the bond retirement fund to pay its share of the debt. I don't want to do that in a way that requires the golf course to put \$50,000-\$100,000 every year in there because if you have a rainy, wet season, they are probably not going to be able to do it. The last thing we want to do is bring the golf course fund down to zero. Things come up, we want to make it a good golf course. It is managed very well. We are going to look at that.

Ladies and gentlemen, look at it any way you want. The administration is asking you to spend \$700,000 less on the golf course for a nicer building and a very function able building. I'll answer any questions, Bernie, Hank, whoever has any questions, please feel free to.

Councilman Gruber – Mayor, could you elaborate on Mr. Goodman's question about where the money is coming from, why we can't use that to pick up leaves and other basic city services.

Mayor Cervenik – The money is coming to the bond retirement fund and under normal circumstances bond retirement fund is not used for those kinds of general fund services. They should be used for capital. However, if you extend it out further, that's not entirely wrong. Our real estate taxes that come into this community have to be pledged to payment of debt and notes and then some of that, the excess can be used for general fund. Indirectly and in a small way Mr. Goodman could be right. But we have, the money is budgeted. The money is there. Like I said, its not a priority. If we don't do this, I'm not going to turn around and say we should put \$2 million into the Knuth Center. I would veto that tomorrow if it came through. But, we have this money budgeted to do this project because we were told this project is important and that this project needs to be done. If you go over to the golf course and take a look at the building we've been operating at for years, it needs to be done. It needs to be done.

Councilman Langman – Mayor, Mr. Zofcin, does you cost include the scraping of the driving range and the fill and parking lot renovations?

Mayor Cervenik – There is no parking lot renovation at this time. We are going to do some minor redrawing of it but it does completely take care of the practice range. We will finally be able to have a green practice range again and we'll have practice, what do they call it, target tees or greens out on the range so you can practice your chipping. But the original plan to the best of my knowledge did not contain any pavement either. If you want that, if you're willing to say as long as we're doing this let's put another \$100,000 into it, we can entertain that at a later time. But I don't think we want to do that. That parking lot is not in the worst shape in the world.

Councilman Langman – How much would the cost be to take care of the driveway, do the fill of the Knuth basement.

Mayor Cervenik – Its all one project. They're scraping, in order to save money, we are going to be scraping much of the soil off of the driving range to use for the infill of the building. They've got it down so they have their engineering specs as to where they have to scrape and do drainage. Then they are going to bring in whatever amount of topsoil is needed so that they can grow real grass instead of going through the trouble that we've had through these years. We have an aerial photo of the golf course and its an amazing eyesore what that driving range really looks like. If that driving range has the practice greens, the aiming greens as well as just the normal driving range, that's going to generate more revenue also.

Councilman Langman – I guess I'm disappointed that I don't have a breakdown in front of me instead of just seeing all this right now. I would prefer that we look at this in more detail in committee, quite frankly, because we sort of left it on June 21<sup>st</sup> with certain prices being kicked

around and then those prices have inflated, for whatever reason. They maybe perfectly legitimate. Now were asked to say okay, I'll approve something that's above the base that we were operating under that particular assumption. So I would feel better if we could discuss this, see more information about it in the committee meeting and turn it around quickly. The reason for that is because when I proposed my compromise, it was not for being too expensive. Now you have comparable dollars. I still feel, I think it should have been looked at. Historic preservation is important and utilizing that building if you can, if it comes out to comparable dollars, is the way to go. So overall I'm disappointed in how the whole process unwound because we were not, we being certain members of Council, were not brought into the picture and our suggestions were ignored. So now we're dealing with comparable dollars. You could have then compared apples-to-apples. Mr. Zofcin you are comparing something with the banquet facility. What I proposed and what we talked about did not include that and yet using the Knuth Center. That would have been an apples-to-apples comparison. We had the unique opportunity to do that because the building exists. Now we're being asked to approve tonight something that's more expensive. That doesn't necessarily mean that's the wrong thing to do, but to just say, here it is on the agenda, here's a booklet, do it, I don't think is a right way to go.

Councilman Delaney – Does the \$1.2 million cost, does that include the \$282,000 spent to date?

Mr. Zofcin – The \$1.2 doesn't, the \$1.4 number that I gave you does.

Councilman Delaney - \$1.4 does. Well I share and I'm sure it doesn't surprise you a lot of Councilman Langman's concerns. I really believe that we should go through these things in committee, look at them very carefully. Tonight's the first night we got to see these drawings, well I have. I'm concerned that the south elevation only has two windows and on a golf course, I think that's a big missed opportunity. That's a small thing in light of all of this.

The legislation itself seems like there's 2-3 parts to it. I'd like to see the legislation brought out to discuss quite frankly what a lot of the questions have been to-date. If I could go all the way back to the beginning that Mr. Corbran's been asking, after Council passed the legislation, after Mayor Oyaski signed it, how was the Board of Control not authorized to act on it?

Director Frey – When the Mayor rejected the bids on that first project, he was within his authority under the ordinances governing Board of Control to do so. Case law says that when a new piece of legislation is enacted that is inconsistent with prior legislation, even though it does not say so, the affect of this new legislation is to repeal the prior legislation. In essence what the legislation, I think it was 124 and 125 did when passed by Council was to affectively repeal the earlier legislation. So, by doing so, that other legislation is no longer given affect because of the more recently enacted pieces.

This piece tonight has expressed in it the repealing of those earlier resolutions and ordinances. While not necessary and redundant, I thought it would put to rest the issue of that prior legislation. If Council acts on it tonight and approves it, the affect of that would be as Mr. Corbran pointed out earlier to repeal those earlier pieces and to end that discussion as to whether or not that project should have gone forward.

I would conclude that the Mayor has the right as the Chair of the Board of Control to reject bids, that is in our ordinances under Board of Control. And the action of Council in enacting the new legislation had the affect of repealing by implication the earlier legislation. I hope that answers the question.

Councilman Delaney – Well no, because you said it was inconsistent but how could it have been inconsistent when what you are rejecting were the bids and the bids actually came in below what was projected by Panzica Construction. There was no reason for that bid package that was in front of you, that would have been inconsistent with what Council voted on.

Director Frey – When bid prices came in, the Mayor rejected those bids. I believe that was done at Board of Control in early December. The next thing that happened is this Council passed authorization for Brandstetter, Carroll, Zofcin to do a design for a new golf course clubhouse facility. There was also legislation enacted that authorized the administration to go out for bid and to enter into contracts for a new golf course clubhouse. Those pieces of legislation were inconsistent with the earlier legislation that would have required the remodeling of Knuth. In that regard they are clearly inconsistent. We aren't going to vote to remodel Knuth and build new. The later legislation having a later effective date passed by this Council by implication rejects or repeals the earlier legislation.

Councilman Delaney – Are you sure that those were ordinances not resolutions for Brandstetter, Carroll, Zofcin to go out and find new bids to investigate a new project? I don't believe in those 5 months it every really triumphed the previous legislation that not only was voted on by Council, but was signed by Mayor Oyaski.

Director Frey – I understand it was signed by Mayor Oyaski and they are referenced in this piece of legislation tonight. I believe there was an ordinance and a resolution. The resolution approving the final budget and then there was an ordinance that allowed the administration to go out for bid and to enter into contracts at the nine hundred and seventy-sum thousand dollar figure. Those are the pieces. The original piece authorizing the going out for bids for the renovation of Knuth. The final budget for Knuth and then the piece that allowed the administration to go out for bid and enter into contracts to build a new golf course clubhouse facility, but at a price that was less than this piece of legislation by I think it was \$974,000. Those three pieces, this piece of legislation, would it repeal.

Councilman Delaney – I understand that this one does you addressed that finally. But, I really would like to see the ordinances and the verbiage of the ordinances that say that the Mayor has the authority if these are inconsistent because that's I think where I have the biggest argument is that the process was there, it was followed it went through and it was ignored. I don't know if there is verbiage in the ordinances that allow for that.

But, again I think it should still be a separate ordinance which raised a lot of questions. I'm disappointed that we didn't take the time to have a Committee meeting. I think the motion is going to be made when I'm done talking here. I'd also like to say that without a new parking lot, with not excavating the old one, you say its not in bad shape now, but when you build a new building and you've got trucks rolling in and out of there, and you've got all the excavating going on, its going to be a mess. I don't know of any new building ever built that I've ever witnessed in my life and again I'm not a builder, so, take it for what it's worth, I've never seen not a new parking lot wrapped around it with appropriate landscaping and to be able to show it off if you're going to spend a million and a half dollars.

Mayor, the \$700,000 you spoke of, was a combination of revenue enhancements that the Council, it was explained by then Director Balazs. It was not going to be in effect to got out and issue debt that would not have been taken care of by those revenue enhancements. Now a lot of the concerns at that point, a lot of debate at that point, was how we were going to come up with the money to do the project and those questions were answered. Your project, takes out a lot of those revenue enhancements. It takes out those new revenue streams. We were looking at business we weren't getting. You say that there's a duplication in a party center, but I think that you're missing the point that it was getting business we were getting in Euclid. That would have been an indoor facility for golf outings, it could have been opened year-round. There would have been a lot more activity in Euclid as a whole. I think that justifies a lot of what you are talking earlier when you said is right to issue debt from our property tax millage to do these enhancements that bring in more business. Because a facility that could have been able to handle that, would have brought in additional business, additional revenues, more people. This plan doesn't look like it is going to do, this plan looks like its about the same size, very close to what's already exists. The idea is if you are going to spend a million and a half dollars, you have to do more, have more and its just not here. I really, especially, when I look back at those minutes, and I read through with what Councilwoman Gail had said, Councilman Gruber had said, Councilman Sustarsic had said. If you knew that we were going to go out that year and borrow \$2 million I don't think you would have been for this project either.

I can quote you Council President, I still have concerns. I still have problems with the fact of bond ratings and everything else. Again, based on what we were told by experts in the field, bond counsel, our Finance Director, beginning of the year. So consequently I really don't think that this is a good spending of money. When you consider that there is still an estimate involved and there are words that it could possibly go higher. We don't really have a definite figure. I don't think so, consequently I don't think we would be worthy of our support.

Councilman Gruber, I'm very hesitant about the money we're going to spend on the project. I've got 53,000 other people in the City that want to have paved roads, want their streets fixed, want their curbs fixed and some of that money can go to that.

Councilwoman Holzheimer Gail had e-mailed us all a very good set of questions that really deserved our consideration. How will we pay for it? Of this amount of money, how much are we borrowing? What other funds are being investigated, sought out? What other sources will be used? Verifying our borrowing ability, does this borrowing mean that our bond rating and our future borrowing ability? Does this affect our capital budget, no 405? Debt to be paid from bond retirement which is to be paid from capital? What are the income projections of the senior center, the golf course?

A lot of these questions were answered to everybody's satisfaction except now we have a plan that can't answer those questions. Now we have an endorsement from possibly other council members and councilmen that may have been members of the public then that may have been against it. I'm all for working together. I want to see good things happen, but I think we have to much. We have to look at it, we have to discuss it more. We have to have a committee meeting and we have to work together on it. So I would make that motion to put it into Committee.

Councilman Delaney moved to place Ord. (220-04) into Committee. Councilman Langman seconded.

Roll Call: Yeas: Delaney, Holzheimer Gail, Langman, Mancuso  
Nays: Daly, Gruber, Hufnagle, Sustarsic, Sustarsic  
Failed.

Councilwoman Holzheimer Gail – Director Johnson or Mayor, could you tell me the cost per year to pay off the \$1.2 million? What would be paid through bond retirement?

Director Johnson – I can't tell you what those payments would be. We haven't talked to bond counsel and discussed the structuring of the debt. That could be over 10 years, 15 years or even 20 years, even 25 years. The interest rates, I can tell you, will probably be somewhere in the 1.4-1.5%, that depends on what the rates are fetching when we go to market.

Councilwoman Holzheimer Gail – Do you know the balance in the golf course enterprise fund?

Director Johnson – It was about \$300,000.

Councilwoman Holzheimer Gail – I'm uncomfortable going forward. This is more than we originally planned. I know we had approved borrowing \$1.2. Mayor, I'm guessing as we go through the budgets, there maybe a proposal to borrow next year?

Mayor Cervenik – No. I spent 6 hours today going through a list to par \$3.15 million off of our general fund that we'll be presenting next week. It includes 19 personnel and also its about things that we don't want to do but we must do.

Councilwoman Holzheimer Gail – I would be more comfortable with this if we had a plan to pay it back using golf course, at least in part designating using golf course revenues to pay that back. I still agree I think there's questions. Although I do in theory support the idea of the new clubhouse, I'm not prepared this evening, all of the questions have not been answered.

Councilman Langman – I, too, cannot support this project as currently constituted. The process itself was flawed from the beginning. Members wanted to serve on the committee, they were not responded to. When genuine compromise was offered, it was slapped down. For the same dollars you can do Knuth and have more space and have more flexibility and preserve an historic building. We threw that option away and now we're going with something where there's virtually no numbers. You can't simply slump off the fact that certain numbers were presented and now that's up by at least \$150,000. You can't just pass that over. Without some detailed acknowledgement of why those numbers increased and where we're going, how are we going to pay it back, I'm voting no on this this evening.

President Sustarsic – It is closing in on the witching hour, 9:00, where we have to change the tapes. We have to take our 5 minute break. If you'd like to take a vote, very quickly and go to the next thing on the agenda? Or, if you want just take the break and we'll com back.

A break was taken.

Councilman Delaney – Again, what I hear is \$150,000 about a month ago, and that's with the significant cuts. Mr. Zofcin had gone over a few of those cuts. Then again, we haven't had many more details of the bid, this document that we have here is just pictures, the document that was in the packet, a very general overview of the expenditures. Director Johnson, what is our borrowing capacity for next year?

Director Johnson – We have not looked at borrowing capacity for next year. I have had some conversations with Mr. Baucio, some preliminary conversations, but we have not firmed that up yet.

Councilman Delaney – And will we be presented this year with a capital budget?

Mayor Cervenik – There will be very little, if any, capital expenditures done again in the year 2005.

Councilman Delaney – But there will be something presented?

Mayor Cervenik – There will be very little presented. Only things that we need to do by contract or by emergency. We are not going to spend money just because there's a balance there. We are trying to preserve that balance for things that we absolutely have to have.

Councilman Delaney – I want this Council to consider this very, very, very, seriously. What you're asked to do, is you're asked to vote with very little information. The capital funds as the Mayor just said, or in an emergency. I don't think this project is without overruns. I really need other opinions. I think we might be in a position here where if we clear that land, we might find ourselves with no clubhouse. That's what checks and balances are all about. I think that every member of Council definitely needs to search through this. You are not willing to sit through a committee meeting and go through the process, you just want to ram it through.

Mr. Zofcin – Could I point out one thing to Mr. Delaney. The project that was bid in August, the low bid of \$1,111,000 did not include the pavilion which was \$154,000. It did not include demolition which we estimated at \$125,000. In fact, we have reduced the cost of the project by over \$300,000 when you put all the elements of the project in their proper place.

Councilman Delaney – But we're about \$150,000 over what the estimate was?

Mr. Zofcin – The estimate for the October bids?

Councilman Delaney – Before we went out for those.

Mr. Zofcin – Before we went out, back in ---- when we received bids?

Councilman Delaney – Approximately.

Mr. Zofcin – That's approximate.

Councilman Delaney – That's fair to say?

Mr. Zofcin – That's correct.

Councilman Delaney – I still say that those bids that you say may have been cut by \$300,000 were thrown out, those were rejected?

Mr. Zofcin – That is correct.

Councilman Delaney – So I don't know if my statement is unfair because you did alternate your original plan, roofing materials, change a few things around, right?

Mr.Zofcin – Correct.

Councilman Delaney – Well, that's my point. We're still \$150,000 more. Those are with significant cuts. I think it's also safe to say that there is a potential for overruns.

Mr. Zofcin – With a new building there's much less of a chance for overruns than there would be renovating an existing building.

Councilman Delaney – That argument can be made either way. I've seen it, this is exactly why we need a committee meeting because we can argue historic preservation over new construction everyday. Again, I can pull those minutes and quote you as saying the building was well constructed, there were some issues. There is still 4 walls and a roof there. Evolving inside of that

structure was probably a very good option considering our financial picture and considering the financial picture of the building industry. We've watched it change month to month and I think you can agree with that, material costs, labor costs. I'm worried, like I said, I'm not against this. I'm very much in favor of having a great, grand facility and I want to work together. There's serious financial consideration to be given here and I don't know if it is getting it's fair share. Thanks.

Councilman Daly – The note about ram-rodging something through. The prior project came in at \$2.1 million when you take into account everything in the project and that was approved the November after the election. The last meeting of the last Council after the election, it was approved. Now we come up and we ask for a new idea an alternative, Mr. Zofcin brought it to us, its \$1.4. That's \$1.4 taking into account a large amount of money that was already spent removing such things as asbestos from Knuth. So, we're saving \$700,000 over what was approved in the last meeting of the last Council. We're saving \$700,000 and we were all in agreement that the golf course needed a new clubhouse. If we delay any longer, right now, Mr. Zofcin, if this is approved tonight, when will the new structure open?

Mr. Zofcin – Probably mid-June to late June. I would say July 1<sup>st</sup> would be a safe date.

Councilman Daly – The largest months for operating revenue are generated in the months of June, July and August over at the golf course. If we delay, its not like we're delaying two or three weeks or a month. We're losing one of the largest months that we earn revenue. If it was the difference between opening November 1<sup>st</sup> or December 1<sup>st</sup>, it is not a big deal. But there is between June and July versus July and August. We are saving \$700,000 and I'm ready to vote on this and approve it and move on. Thank you.

Councilman Delaney – I would just like to address one of Mr. Daly's comments, he suggested ....

President Sustarsic – In due time, Mrs. Hufnagle had requested to speak first.

Councilwoman Hufnagle – Thank you Mr. Chairman. Mr. Johnson, under the original golf course plan, with the previous council and administration, if we built that building, what was it going to cost us to pay that money back?

Director Johnson – It would have depended on what the debt structure would have been for that \$2 million.

Councilwoman Hufnagle – What was the figure that the then Finance Director gave to that Council?

Director Johnson – You are talking annual debt payments?

Councilwoman Hufnagle – Yes.

Director Johnson – I don't recall that those figures would have been done. It would have been \$2 million over probably 20 years at whatever interest rate we would have fetched.

Councilwoman Hufnagle – We don't actually know what that figure was versus what this figure is.

Director Johnson – You could come close, but no, you wouldn't know what that was.

Councilwoman Hufnagle – The one thing that we have consistently heard over the past few months is when the Mayor put the plan on hold and wanted to revisit it was, you know the longer you wait, the price is going to go up, price is going to go up, building costs are going up. I think that we can see that probably that's what has happened to a certain extent. If we put this into Committee, the costs are going to go up again.

I find it very difficult this evening to vote on building a new golf course clubhouse. We are a city that our financial situation is grim at best. However, it was grim at best last year. And it was grim at best when the previous Council and administration voted to build the new senior center. I know that the seniors didn't want to be on the golf course anymore. I know that the seniors deserve that center, they by all means do. But, financially speaking, we probably should have built a facility that took care of both needs. One facility to take care of the seniors and the golf course.

The golf course clubhouse that we have there, it is almost a necessity to take care of it now, to rebuild it. It is not suitable for anything. We've heard that time and time again. If it was privately owned and not owned by the City, I'm quite sure there would be several violations that we

would be telling them to take care of. I'm not so comfortable that we have to do this. I think we pretty much have to take care of that facility.

Councilman Langman – Given the circumstance around Knuth and the fact that you had golfers and seniors there, it almost necessitated that you split the amenity apart. We looked at combining functions at Knuth. Mr. Zofcin you worked on that. Very difficult to do.

President Sustarsic – Excuse me, Mr. Langman, if the audience could please keep it down a little bit. Mr. Langman has the chair and we'd like to hear him.

Councilman Langman – Mr. Zofcin, you also worked on the plan roughly a year and a half ago, you presented your plan here and wowed everybody and it looked good and that was a renovation of a current structure. It seems like we could have gone either way and I didn't hear any objections at that time to renovating that space. What it comes down to is we can go back and beat to death the former plan, but we have to deal with what's here right now. What's here right now is there are no details. At least I didn't get any details. You have a little presentation here. We got more details from Mr. Ilcin's presentation than what we have in front of us right now. If we have to lose another golf season before making a decision, I'm willing to do that. I don't think we should be rushed into approving something this evening. We can sit here and bash what the former Council did, all we want to, that is not going to get us anywhere. The process has been flawed which is why we had to through out the bids in the first place back in August, so here we're at. That has nothing to do with waiting and so forth. That's the process.

If we would have looked at options when it was offered to us, then we can made some real, hard decisions whether we want to save Knuth or build new. But we didn't go that route. We threw that option out, unfortunately. Now we're dealing with the new plan and we don't have any details. I don't have any projections of what revenue is going to be generated there. I don't know for sure what the final costs are going to be or how are you going to pay it back. You can't just throw this on the floor and say, okay, trust us, we're going to do it. That doesn't work that way and it shouldn't work that way.

Mayor Cervenik – I prefaced my remarks at the beginning saying this is not a priority. This is not going to make or break what we need to do in this community. But this is also not new to any of you. You got a full, very detailed presentation this summer. We made some changes such as roofs, material and the material for the pavilion. Bernie explained those tonight. Under normal circumstances, that does not need another committee hearing. Yes the price is somewhat higher, we've explained why its higher. But these are good prices, these bids are put out under a project labor agreement, guaranteed to come in on time and in price. We've got a more than adequate, not retainage, contingency fund in this bidding process.

We got a letter from the contractor. We've gotten statements from Mr. Zofcin about the dangers and the expense of investing in an older building especially with the foundation problems that they have. The Board of Control back in December was presented with a little predicament. Do we approve a project that the Council only approved \$1.2 million for? What kind of message does that send? So it was rejected. Will we take dollars from the golf course fund? Yes, but we're going to do that depending upon the real income that comes in. There were no projections done on the previous plan. There were comments made that there would be \$100,000 coming in without a contract, without a contract, without anything signed, without anything guaranteed. You know what, that's what got the city just east of us, Eastlake, into trouble. They banked on naming rights. They banked on grants from the state and they are in economic emergency.

I told you tonight that depending upon the increased income, we will take a portion and we'll come up with a formula to repay the bond retirement fund. But I'm not going to do that at the expense of the golf course.

Do what you want. Don't put this in Committee. Vote no, if that's in your heart. We'll find \$50,000-\$60,000 to fix that little clubhouse up as best we can so it doesn't leak, so the animals can't crawl through the hole and it is somewhat safe. If that's what you want. But it serves no, no good whatsoever to put this back into committee. We have \$1.2 budgeted. We're asking for from what was budgeted even though it got there a little different way, we're asking for \$50,000 more to be taken out of the bond retirement over the next 20 years.

Do what you need to do tonight. We need to stop these things from dragging on and dragging on. If you vote this down tonight, come up with another plan, do whatever you think you need to do. But like I said, it is not my number one priority here in running this city. But you really ought to think about it. You received everything you needed. You received more on this project than you did on the senior program. You got colors, you got materials, you got the whole works right down the line. I hear a statement, well I think there should be three windows. Okay, we hired

an architect, we hired an engineer. We hired contractors to come in the second time around. We don't design these buildings. I don't like the orange floor at the senior center, other people do. It needs to stop. Make your decision tonight, please. Vote anyway you want. Make your decision tonight. Thank you.

Councilman Delaney – I didn't say I wanted three windows, I said I saw only two. Anyway, I really disagree that, you know, maybe you didn't see the projections, the documentation that went out to the whole process. But, you know, it is something that is glaringly obvious to people that were around the table through this process that went over 2 years of time, were Council President Gudenas, Councilman Lisy, Councilman McTighe, Recreation Director DeMinico, and Finance Director Richard Balazs. None of them are here today, but they were in that process that was presented to Council over two years of time.

I'm sorry that you might disagree that you think that we have had adequate. We were used to a different process. Councilman Daly suggested that we shouldn't delay this. Mayor Cervenik just said, it is not a priority, stop dragging this around. Maybe we should have delayed it and we shouldn't have dragged it around over a year ago when it was put on hold. It would have been open over a year ago.

Danger and expense to renovating an older building, you've all had a chance to go see the senior center. That's what I'm asking everybody to do is when you see that building, imagine what the twin of the project would have been. Now, all the guarantees that Council was asked to just do this without a contract, no, Panzica was on the job. Panzica did an outstanding job in bringing the senior center right in on the budget that it was the end to be. With the exception of a few hundred thousand here or there, it was right on the money for a project of that magnitude, it was very well done.

The things that have been said around this and for this and against it, I just think that the problem is that it's not the kind of thing that went on in Eastlake. It is not the kind of thing, it is more apropos to what went on in this building. This building was built new and it came in \$3 million over what was projected. That is what new construction brings you. What was said about construction costs and the material costs, we have a building that exists versus new structural steel, new roofs, new floors, new concrete. That is where the problem lies. I think that this Council has not given it due diligence and I'm going to stand on it. Thank you.

Councilman Gruber – I'm glad that the Councilman to my right took the time to get the minutes from the meeting. I did say we have 53,000 people and we do need to pave streets and that's why I voted against \$2.1 million. This is \$700,000 less, year to year and a half later. We're going in the right direction. Panzica was on the job at the senior center. Director Johnson, approximately how far over budget was that senior center?

Director Johnson – I believe there was about \$100,000 in contingency for that project. All of that \$100,000 was used and I believe we used some block grant money to finish the landscaping and what have you.

Councilman Gruber – We started out at \$2.1 was the estimate on that building? \$2.5?

Director Johnson - \$2.1

Councilman Gruber – What did it come in at?

Director Johnson – Total debt that's issued is \$3.7 million.

Councilman Gruber – Mr. Larick brought up the fact that we have other older buildings that have been regenerated in the city. The Moss Point Block, Fire Station #2, both private individual people. When the city tries to do stuff, we have stuff like Shore that could use this money. We could put this money into Shore and that would help. This is a project that we have to look to the future on. It is a beautiful building. We've gone through this over and over and over again. I hear in the background it is the same 5, it's the same 5. It's the same 25-30 that no matter what we do aren't going to be happy.

We have to make a decision and move ahead. I would like to defer one more time to Councilman Daly who's done a lot of research on this. Could you tell us overall the square footage is going to remain the same?

President Sustarsic – One second Mr. Gruber, Mrs. Mancuso was next.

Councilwoman Mancuso – I'm deferring. I've heard enough. We're getting into show-boating and politicking and we're losing sight of the facts.

Councilman Gruber – You just asked me your opinion of this building as redrawn with the new materials.

Councilman Daly – The square footage, the look is the same. Bernie, do you want to comment on the changes on the new structure from the revised plan.

Mr. Zofcin – The footprint of the building is the same as the what was presented to Council back in May or June of this year. That has not changed. The only thing that has changed substantially is the roof material and the pavilion. Everything else is exactly as presented to Council several months ago.

Councilwoman Holzheimer Gail – I'm not going to go into all the other plans that we've looked at and the time because this is a different situation, this is a different time. We're being asked tonight to spend \$1.2 million, \$1.25 on this plan. Unlike Councilwoman Hufnagle, if I'm not comfortable with that, I'm not going to vote for it. I'm not trying to get applause, so please hold it.

I did support this plan, initially. I think it's the better way to go. But I don't have the details tonight. I don't think 2 weeks to discuss it is out of order. Thank you Mr. Chairman.

Councilman Daly moved to close debate, Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Councilman T. Sustarsic moved to suspend the rules, Councilman Delaney seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Gruber, Hufnagle, Sustarsic, Sustarsic  
Nays: Delaney, Holzheimer Gail, Langman, Mancuso  
Passed.

**Ord. 174-2004 (221-04) Bennington Hamlet**

An emergency ordinance rescinding Ordinance No. 160-1995 which levied special assessments for the improvement of the dedicated right-of-way known as Bennington Hamlet Circle. (Sponsored by Councilwoman Hufnagle)

Councilwoman Hufnagle – What we have before us this evening is a piece of legislation. Since its been a couple of hours, I'll remind Council that this evening we heard from 28 residents. Twenty eight residents that live in a 27 unit development.

Let's be clear tonight. What happened to these residents is wrong. What happened to this development is wrong. We need to make it right and we need to make it right this evening.

In Minutes dated May 16, 1994, I'm quoting the then Economic Development Director. He calls this a complicated assessment scheme. He goes onto say that it is because the assessment will be given to the property owner and then transferred to the residents that buy the homes. That is exactly where the complication occurred.

The City financed and built a street for a private developer. Therefore it is my opinion that they took responsibility. It is now time to take the burden off of these residents and to do away with this assessment. I'm prepared to answer questions.

Councilman Langman – Director Pietravoia, could you give us some background or are you familiar with, or perhaps Councilwoman Hufnagle can give us some background of the developer, what happened at that time and whether the road was dedicated at that time or a private street?

Director Pietravoia – I'll defer to Deputy Director Gliha since he was here for these meetings.

Deputy Director Gliha – I'll try to go back 10 years in remembering. At that time the TIF laws were about 3 weeks away from being changed that would have not allowed this type of deal to go forward. There were several TIF districts that were analyzed, put together, with the help of Squires, Sanders and Dempsey and a few other experts that coveted, were put into effect before what was then called SP 13 became effective which the effective date was July 1, 1994.

That being said, when it came to Bennington Hamlet, the developer wanted to develop the property but a big stumbling block as far as making it an affordable project for them to go forward was the infrastructure road, the sewers, that needed to be put in.

At that time as I recall, it was decided that we would assess the potential new owners, the individual owners, as the new units were sold and built. But at the same time take advantage of the Ohio Senate and decided there was a loop-hole in the law and that's why they passed SP 13, take advantage to establish a TIF zone on that to be used, I believe there are about 6 different uses that are contained in the ordinance. One being for the general economic development of the City.

Even under that law, a normal TIF set up, the TIF proceeds would have gone to paying off the note for the public infrastructure. We go to an example today of the project we're working on, we're all familiar with is the Marina project. We will be coming in front of Council before the end of the year establishing a new TIF incentive district for that area. And, any TIF funds that are derived from that area have to go directly to public improvements within the area that will benefit the public and the project overall. Once again, because there was that loop hole in the law and because SP 13 did not take effect until July 1, it was sort of rushed through that this is how that TIF was going to be set up.

On the same hand, the Clay Matthews TIF was set up at the same time. It was set up in a way that some minor dollars went to improvements in the property and the rest went to the general six uses. We did not have individual homeowners who were going to be assessed \$1800 a year for twenty-some years, to consider in the Clay Matthews process.

To make a long story short, what was done was legal. What was done was in many people's opinion probably not the proper way to proceed. What was done then, could not be done by law now. That was one of the reasons SP 13 and some other changes since then have taken place with the TIF laws in order to make sure that any TIF funds generated goes specifically to public improvements within the area.

To some extent I believe that we are not only hindering the resale of those properties. We are probably lowering the value of those properties. In the long run, we are hurting ourselves by lowering the values of those properties. Will the city have to pick up the remaining amount of the notes? Yes, that will have to be done.

Councilman Langman – How much is that?

Deputy Director Gliha – I'll have to defer to the Finance Director on that.

Director Johnson – The balance on that note is about \$400,000. The scheduled payment from the assessment in total is about \$44,000 a year for the 10 more years that the assessment is levied on the property.

Councilman Langman – What fund would that come out of to retire the outstanding balance?

Director Johnson – Over the 10 year period it would be the bond retirement fund, spread out over 10 years.

Deputy Director Gliha – May I add one other point that did bring up an interesting thought that just came to mind. We have approximately 19-20 years left on that TIF, the values have stabilized or declined. So therefore we are punishing ourselves by not collecting the additional TIF resources. If we can stabilize that area and actually see the prices rise, we are going to be getting extra income that we could use towards economic development which was how the ordinance was passed.

Councilman Langman – One question for the Law Director. When these properties and lots were conveyed to the owners and the subsequent owners, do you know if that was clearly spelled out that this assessment was a part of the deed or the property agreement?

Director Frey – I've seen no deeds conveying any of the properties from the original developer to the original homeowners or subsequent so I could not answer that. In any event, I haven't seen that deed.

Councilman Langman – So they could be totally unaware that this assessment comes with a particular property. Is that a valid statement?

Director Frey – I would hope not. I would hope the Realtor that represented the seller, disclosed that fact to the buyer.

Director Johnson – I was here, I was on the periphery of some of those discussions. I wasn't privy to the details of all of those discussions. But I do know, just from some conversation that was spilled over out in the open that even the developer himself disputed the amount and the size of the

assessment that was being placed. The owner of the project became aware of the assessment just about the time the project was almost near completion. So there is no way the property owners would have known in advance and that was disputed for some period of time, because of the amount of the assessment, which was \$800,000 at that time.

Councilman Langman – Law Director Frey, we've run into this, similar situation with the cottages next to the Normandy where folks weren't aware and so forth. So it places a huge burden on the property owner. You are basically getting something you are totally unaware of. So to hit them with that level of assessment, I'll be in favor of passing this at this point.

Councilwoman Hufnagle – There were 12 pieces of legislation that were passed on this development between February, 1994 and May, 1996. Some of them dealt with the TIF fund and some of them dealt with the Special Assessment. It was passed in September 1995, council votes to levy the assessments. The certificate I have for the assessments from our then Finance Director is dated August 22, 1996 a year later the assessments are going to the County. That is within days of the first two units being sold. I just can't believe there is anyway that they could have gotten that information there.

The other thing that was talked about why the city was so willing to help the developer was, the price of the homes was going to be a little less expensive and that way people could buy the homes and then pay the assessment. Normally in a development the developer would roll-over the price of the infrastructure into the homes. Well I have minutes that state, that the homes were to be, in May, 1994 the Minutes states, and council approves the final amendment plat for 27 units at \$100,000. But actually the 27 units sold at an average price of \$113,000. So you take that \$13,000 times the 27 units and right there the developer made almost enough to pay for his own infrastructure.

On this property, because of these assessments and because of the hardship it's caused, there has been three foreclosures, three units that sold at the original sale price and 19 units have the original owner, including the first two, the original people that still live there.

I want to take a second to thank the administration. When Bennington Hamlet, and you saw them show up tonight. I want you to know this isn't unusual. The first time they invited me to their meeting, I went to the meeting and the house was full of people. I said, wow, if every homeowners meeting could be like this. So that was not unusual. We've been working on this several months. Regina has gone back and looked up things. Planning & Zoning has gone back and looked up things. Director Johnson has worked on it. The Mayor has worked on it. The Mayor has met with these people. Director Frey's department has worked on it. We have ample documentation to just shed a serious cloud over what happened with this property.

The Finance Director did not go out for a note. So the City holds this note. The City would get \$42,000 in. It is not like we have to pay out the \$42,000 a year. They get \$42,000 a year in, if all the properties are occupied and the people are paying their taxes and not delinquent. But, all the properties aren't occupied because some have had to abandon them. There are some that because this has become such a hardship, because keep in mind they are paying this on top of their property taxes, that they're behind.

Another note I wanted to make, at the time that the TIF fund was set up, even though these two pieces are separate, the TIF fund, the discussion in the council minutes was that the TIF fund would bring about \$13,000. Well the TIF fund has brought in over \$19,000 a year. This Bennington Hamlet TIF fund, \$100,000 of it in 1993 went to support lakefront development. Thank you.

Director Johnson – One note of correction, Councilwoman Hufnagle. The TIF fund actually brings in about \$60,000 a year. \$18,000 of it, the city keeps and you are absolutely right, it has all been spent for lakefront development. \$1,400 of it goes to the Euclid Public Library and Euclid Public Schools get \$40,500 for a total of \$42,000.

Councilman Delaney – The TIF is not what we are talking about here? We're talking about the assessment. I would like to thank all the homeowners of Bennington Hamlet, it is very, very, encouraging to come out here and to see you. This is a very unfair thing and I've heard about it over the years since it passed. What concerns me, Law Director, is that it seems to be the recourse would be between the buyer and the developer. Why should the city have to pay \$400,000? The developer, if he's withholding this from the sale, they should have this in writing that they have to pay this assessment.

Director Frey – I have not seen the purchase agreements or deeds for the property. I understand the comment from the audience was that they had such documents. I haven't seen those. Is there recourse with the developer? I don't know. The statute of limitations may well have passed on any

recourse with the developer at this point. Whether there was any kind of action and there may still be. But if there was any kind of action, I would encourage those residents to consult attorneys who deal in real estate law to determine whether they have some recourses to the developer. I don't know that. I can't tell if that would still be within statute of limitations. In any event, if there was a clause of action, I don't know what was disclosed or not disclosed to the homeowner. I can't advise on that.

Councilman Delaney – Can the City just take money and give it to private property owner, just give you for private property for that development?

Director Frey – I'm aware that in certain circumstances, such as Wells Court, the City covered the cost of the infrastructure in that project. The City covered some of the cost of the improvements on the E. 205 & Edgecliff. Granted the City owned both of those parcels, but the City invested money in those two projects to seed them to get moving. If this Council acts to rescind that special assessment and by virtue of doing that absorb the balance of the improvements, the roadway/utility improvements, this Council has the authority to do that, certainly. There is some precedent for the city having invested money into other residential developments. Again, I point out those two examples, 205 & Edgecliff and Wells Court.

Councilman Delaney –I also went over the Minutes and the legislation and I see that Councilman Cervenik and Councilman Sustarsic both voted unanimously with the Council for these measures. I'm certainly interested in hearing their opinion of it. I understand that it sounds like it might have been a risky scheme at the time, but all meetings were held in public. The houses were more affordable. I understand it was more of Mayor Lynch's idea with the developer to try and get this thing over the top because again there wasn't the money to do it then. I don't think there's the \$400,000 to do it now. Again, it is something that I wouldn't want to give up on, but I sure would like to have the Law Director tell me if we're rock solid on this. If we could maybe, I know that I'm asking to much for a committee meetings, get this over with as soon as possible, but I think we really need to look at what the residents have. We don't have the money.

Director Frey – It is not the position or the job of the Law Director to review and advise residents whether they have a cause of action to their developer. They'll have to seek if they choose to do so, that legal opinion from counsel representing them. I cannot and will not engage in the practice of law for those individuals on individual rights. I apologize to them and I apologize to you. If there is an issue that one of the residents wishes to provide either this Council or their ward council person or the Law Dept. within an opinion from counsel saying that they have or have not any recourse of the developer, you can consider that. But, its not the Law Department's purview to make that determination for those residents.

Councilman Delaney – It's hard to see this as the city's burden. I don't know if in fact, I understand that we did do some tax abatement at some other properties. But I don't know if we actually spent, there's block grant money. I don't think this is block grant money. We went out and we borrowed cash with the intention in the law written that this cash would be paid back 100%. So, I don't know if this legislation addresses what we're liable for. The other questions I have is does this legislation address that this will never be used again on any other parcel of property in any development? Or has the law from the State closed that loop-hole?

Director Frey – As Deputy Director Gliha indicated this form or use of the TIF monies would not happen now under the law as exists. Certainly no TIF zone can be established without Council making that establishment. It is within your power to determine whether you would establish a new TIF zone or make special assessments for infrastructure improvements. There's nothing in this legislation that says that Council may never in the future engage in that kind of development practice. That's up for council at that time to make that determination.

Councilman Delaney – Maybe the TIF money could be used toward the assessments, more in line to what TIF is now. The legislation does say that it would have no material impact on bond retirement. But the money is borrowed. There's still \$400,000 there. Money is money and it does have an impact and I disagree with that third whereas.

Councilwoman Hufnagle – In February, 1994 Council approved the subdivision. The comments at that time, they were told that construction would be to begin in the Spring and the project would be completed in two years, that would make it 1996. Actually 9 homes were built in 1995, 4 in 1998, 13 in 1999. I have minutes from the final Planning & Zoning Meeting dated September 21, 1993.

The builder is there with his partner, and his partner turns out to be later a sitting Councilman that votes on giving this assessment. I think its easy to say that the developer was benefited by Council paying for the infrastructure and then assessing the residents. I question whether or not that Council member should have voted on it at that time. In my mind, that taints the vote.

Here's an interesting fact. If we don't forgive this assessment and these residents continue to pay it to the end and then you add in the over price that they paid for their homes. At the end of it, they would have actually paid \$1,260,710 for that one street.

Councilman Daly – I am concerned that residents may have been misled at the time of purchase. If that happened, that is wrong. But it definitely is a wrong committed by the developer. Now that we're talking about a sitting council person being involved, if we vote to rescind this assessment, then it seems by implication we're saying that this person actually did something. I don't know that anyone has talked to him. Again, these meetings were held in public, with our law director. I think a committee meeting to just give those people a chance to declare what was said at the time, what was expected of who, would clear this up. Because if it was clear that the owners of the property would be paying this assessment over 20 years, then that was the deal. But if it wasn't, then I can see forgiving it. I would like to give them the chance to at least talk about what the situation was and what people knew. Thank you.

Councilwoman Hufnagle – The minutes will reflect, the Planning & Zoning Minutes will reflect that he speaks, he gives his name. The minutes voting for the assessment will reflect that he voted. The other thing that's interesting that I think the City should be responsible for is that nobody asked how long these people are going to be assessed and what is their yearly payment going to be. Council was not representing those residents. No one discussed the terms of the assessment.

Mayor Cervenik – I was on City Council at that time and I was the Council representative who Bob Gliha, Deputy Director Gliha never fails to remind me, that I had the TIF amended so that the schools and the library would receive their portion of the TIF revenue. Bob never lets me forget that because he says we could have that. But at the time, I felt it was important that the schools and the library, locally here, receive what is due to them. We go back to Deputy Director Gliha's first comments, was what we did was not illegal. What we did was out in the open. What we did was okay but what I didn't do, I didn't think about the affect, and the rest of Council, did not think about the effect, for whatever reason, that it would have on the neighborhood and the homes. Its had a very, very, severe, detrimental affect to the 27 homeowners and the 27 homes. That's why this is on the agenda. That's why I support it. I commend Councilwoman Hufnagle for doing this. Do I want to lose \$40,000 a year in the bond retirement fund? No, I don't but how the assessments work, is they take the interest for the 20 years and they divide it by the number of payments, so 240 payments. They take the principle by 240 payments. A good part of that money is interest that's out there somewhere. That bond, we held that paper ourselves. A lot of that came out of the bond retirement fund. Yes, so we borrowed from somewhere else, but a 1-2% interest rate, I can guaranty the assessment rate is considerably higher than the rate for us to borrow money. You just need to look at the real estate tax bills and see that they have \$5,000 in real estate taxes and assessments to know that what this Council did 10 years ago was wrong. I'm here to tell you my vote was wrong. My vote did not take into consideration the affect it would have on these fine people. I strongly support the efforts of the Ward 3 Councilwoman.

Councilman T. Sustarsic – I think this ordinance, would affect in a good manner the property values for these folks and the surrounding neighborhoods as well. There's a neighborhood over there at Russell and 240<sup>th</sup> and it will help the homes of those folks as well.

Councilman Gruber – It appears to be a sweetheart deal on the surface but I'm sure there's more to it to than that and I would like to commend the Councilwoman for going through and doing the research and giving the presentation she did. From what I understand, there's also the Department of Justice may be involved in this?

Councilwoman Hufnagle – I have not talked to anyone from the Department of Justice. I know that the homeowners have for years seeked advise from different people. I don't know who they have gotten advise from. I don't know if they contacted an attorney themselves. To me, that's not the issue. The issue is that I really feel, in my opinion, and I respect the opinion of my colleagues, I feel that the city has some blame here and its time to fix what was done wrong.

Councilman Delaney – Mr. Gulich, how much would it cost to put in a road of that size right now? I'm sure the Councilwoman might be close.

Director Gulich – I'm really not prepared to answer that question. Obviously given a little time to do some homework, I could adequately answer it. But I hate to venture out there.

Councilman Delaney – Water lines? Electric?

Director Gulich – I would hate to venture to just throw out a number for fear that it would inaccurate.

Councilman Delaney – It really does cost that much. There isn't a lot, there's not much that's clear in this. Again, if there was wrong-doing, then I think we need to get the developer in here. I don't think it's the Council's fault. I know that the Mayor said that he feels that it is wrong now, but these things aren't free. They are going to cost money. You've got to consider that. A road going in and getting the houses affordable and that's what the developer had in mind. But I want to see it a win/win situation. I want to see all these residents win and I want to see the City do its due diligence here. Councilman Daly had offered a committee meeting to clear these things up and I would just like to know if there's any other interest in investigating this further?

Councilwoman Hufnagle – The principle on that note was \$525,000. That's what the street cost then. I think that we can adequately show that the residents have paid for it.

President Sustarsic – Any other comments, questions? Seeing none, motion to close debate –

Councilman Delaney – Motion to place in Committee.

Councilwoman Hufnagle – I do not support this going to committee. These residents have been here to City Hall numerous times. If you'd like to suspend the rules, they'll tell you how many times they came here and tried to get help on this. We've been working on this. The administration and myself have been working on this for months. I have adequate documentation. Thursday night when Council packets were delivered to Councilmen, I sent out an e-mail asking for questions, concerns, so they could be addressed. I will not support this going to committee. I will pull it before I do that.

President Sustarsic – Mr. Delaney?

Councilman Delaney – No, I made the motion.

President Sustarsic – Any other comments, questions? Seeing none.

Councilman Delaney moved to close debate, Councilwoman Hufnagle seconded. Yeas: Unanimous.

Councilman Langman moved to suspend the rules, Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Roll Call: Yeas:

Nays: Daly, Delaney, Gruber, Holzheimer Gail

Councilman Daly – This is a motion on the ordinance itself. This isn't a motion to go to committee?

Councilman Gruber – You made it and you second it.

Councilman Daly – No, I said I didn't second it.

Councilman Delaney – I made the motion, is there a second?

Councilwoman Holzheimer Gail – Second. They are confused on what they are voting on.

President Sustarsic – We already had the suspension of the rules, consequently time ran out so to speak.

Director Frey – Council President, when that motion to send to committee was made, there was no second made. Council President then moved to close debate and suspend the rules. That was approved. We're past the point in time to send this matter, to do anything other than vote yes or no on the ordinance.

President Sustarsic – This is voting on the ordinance. Restart the roll call.

Roll Call: Yeas: Gruber, Hufnagle, Langman, Sustarsic, Sustarsic

Nays: Daly, Delaney, Holzheimer Gail, Mancuso.

Passed.

**Ord. 175-2004 (214-04) Amend Tax Code**

An ordinance repealing Section 791.09 of the Tax Code of the Codified Ordinances of the City of Euclid and replacing Section 791.09 in its entirety. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilman Daly moved for passage, Councilwoman Mancuso seconded.

President Sustarsic – It would be my interpretation that items 10-15 has to do with a combination of house cleaning to bring us in line with State code. I think to bring fees in line that haven't been looked at for years and years. Mr. Johnson, could you elaborate.

Director Johnson – Before we get into explanation of what this piece and the next 5 after that are. I would first like to introduce our Tax Administrator. Council agreed to our plan to step up our delinquent collections of income tax and approve a position in the budget. We filled that position several months ago. The person that occupies that position is Gloria Lovelace who is here in the audience. I would like for her to stand up so people see who she is and know who she is. She comes to us with over 20 years of experience in the collection and municipal income tax and collection of delinquencies. The Mayor has given her a charge, which we will talk about later during the budget hearings. She has a job cut out for her but I think she's going to do a very good job given her experience.

As soon as Gloria came onboard, one of the first things she did was to examine our codified ordinances specifically as they relate to the local taxation and she immediately came to me with this memo of this list of changes that needed to occur. I'd like to thank her for that and I will try to explain as best I can some of these changes and if I can't, I'd like to rely on her to clarify or answer questions if I'm not able to answer them.

This first piece limits a company's ability to carry forward net operating losses. In the past, the previous code section allowed for a 5 year carry over of net operating losses. What this piece does is say that net operating losses are not allowed to be carried over. Net operating losses have to be taken in the year in which they occurred, in the current tax year. This brings us into line with a majority of other municipalities in the State of Ohio, namely Dayton and Twinsburg. That would be effective January 1, 2005. Any questions, I'll be glad to answer them.

Councilman Sustarsic moved to close debate, Councilwoman Mancuso seconded. Yeas: Unanimous.

Councilman Daly moved to suspend the rules, Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Passed.

**Ord. 176-2004 (215-04) Amend Tax Code**

An ordinance to amend Sections 791.29 and 791.32 of the Tax Code of the Codified Ordinances of the City of Euclid to reflect changes in the Ohio Revised Code. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilwoman Mancuso moved for passage, Councilman Langman seconded.

Director Johnson – These two particular sections deal with the limitations on prosecution, which is a statute of limitations and the refunds of taxes that are erroneously paid. Basically what we are asking for here is to change to reference to Ohio Revised Code in our Section of the codified

ordinances from 718.06 to 718.12. That's all we're essentially doing. We're not changing those sections of the code, just the reference to Ohio Revised Code, section changes.

Councilwoman Hufnagle moved to close debate, Councilman Delaney seconded. Yeas: Unanimous.

Councilman Langman moved to suspend the rules, Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, Sustarsic, Sustarsic

Passed.

**Ord. 177-2004 (216-04) Amend Tax Code Penalty**

An ordinance amending Section 791.99 of the Tax Code of the Codified Ordinances of the City of Euclid by increasing the monetary penalty. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilman Gruber moved for passage; seconded by Councilwoman Hufnagle.

Director Jackson – This does something substantive. In Section 791.99 of our Codified Ordinances section as it relates to taxation. It calls for a penalty of \$500. What we're asking is to change our Codified Section to be, to mirror Ohio Revised Code, which is now \$1,000 for this particular type of offense. Essentially what we're doing is mirroring Ohio Revised Code but it does increase the fine in our Codified Ordinance Section from 500 to \$1,000.

Councilman Langman – Director Johnson, do we know how many people actually violate this provision, therefore, we collect fines from them, etc.?

Director Johnson – I don't really have those numbers. Perhaps Lovelace, how many people actually violate, how many people we actually, we go to court every week, usually on Thursdays. We have approximately 3-6 people, perhaps Gloria can expound on that. It's really up to the Judge to levy the fine.

Ms. Lovelace – Thank you.

Councilman Langman – Miss Lovelace, welcome. I don't know whether you have that data. I was just curious as to how many folks fall under this particular portion of the statute.

Ms. Lovelace – At least 6,000 or better.

Councilman Langman – Per year.

Ms. Lovelace – Not necessarily per year, but before going into the numbers, based on our current ordinance, we have the time that they can do in jail 6 months and the fine at \$500. The \$500 fine is the fine for a third degree misdemeanor and the 6 months is the penalty for a first degree misdemeanor. And that's why you're being asked to change to come into compliance with Ohio Revised Code 2929.28, which says that a fine in the following amount for a misdemeanor of the first degree not more than 1,000. Second degree not more than \$750 and the third degree not more than \$500. Along with that it gives how much time shall be served for a first degree, second degree and third degree.

Central Collection Agency sends out letters to people who have failed to file or pay. And in that letter because of our ordinance they say you are subject to a fine of \$500 and/or 6 months in jail. When we bring them to court, our Judge says and as Ohio Revised Code states and I believe it's been revised since at least 1996. Judge says you can be found guilty of first degree of misdemeanor and fined not more than \$1,000 and jail time not more than 6 months.

We just want to come into compliance with Ohio Revised Code regardless of how many people we have that violate our tax laws.

Councilman Langman – Thank you.

Director Johnson – I think the reference to 6,000 she's talking about we know that we have about 6,000 taxpayers that have failed to file.

Mayor Cervenik – We have 6100 taxpayers that are on notice of failure to file. Of those there are probably 20-30% are senior citizens that only need to file the Certification of Exemption and they probably wouldn't owe tax either. But we've got over 4,000 others that haven't filed yet. In addition to that we have documented \$4.2 million of tax, penalty and interest. We went down to Central Collection Agency last year or last week and they gave us a book. We are going to aggressively not only collect that 4.2 million, a good portion of that in the year 2005. But we're going to bring the 6100 people in here into compliance or they're going to pay a thousand dollars or sit in jail for a year. But our goal is not to put someone in jail, our goal is to collect the money. So delinquency is a big, big point of getting back on some recovery and helping our General Fund over the next few years.

Councilman Langman – Thank you, Mayor.

President Sustarsic – Okay, any other comments? Questions?

Councilman Langman moved to close debate; seconded by Councilwoman Mancuso. Yeas: Unanimous.

Councilman Delaney moved to suspend the rules; seconded by Councilman Daly. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic, J. Sustarsic  
Passed.

**Ord. 178-2004 (217-04) Amend Tax Code Due Date Deadlines**

An ordinance to amend Sections 791.11 and 791.22 of the Tax Code of the Codified Ordinances of the City of Euclid to comply with the annual tax return due date and extension deadlines provided in Ohio Revised Code Section 781.05. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilwoman Hufnagle moved for passage; seconded by Councilwoman Holzheimer Gail.

Director Johnson – In Ohio, HB 95 and Ohio Revised Code 718.05b they've standardized the filing deadline for all municipalities from April 30<sup>th</sup> to April 15<sup>th</sup>, which is in line with the requirement for filing your Federal and State returns. So what we're doing here is changing our local Code to match Revised Code. They would have a requirement to file April 15<sup>th</sup> anyway, but we're just trying to, this is housekeeping thing to change our local Code also.

President Sustarsic – Questions or comments?

Councilwoman Holzheimer Gail – I just wanted to make sure, Director Johnson, this goes into effect in the appropriate time. It will be in effect for this year's tax return due this coming April?

Director Johnson – Yes.

Councilwoman Holzheimer Gail – Yeah, just making sure people understand.

Director Johnson – Yes, that will be the return that you file in 05 for 04.

President Sustarsic – And for the most part, except for the 6,000, it's been, it's pretty effective as far being enforced?

Director Johnson – Yes, except for the 6,000.

President Sustarsic – Except for the 6,000, right.

Director Johnson – Also, I neglected to point out there's another section on this particular piece of legislation that basically just specifies the date, clarifies the date of when an annual return is due.

President Sustarsic – Okay.

Councilwoman Holzheimer Gail – Sorry, I just, typically we've had 'til April 30<sup>th</sup>. That's why I'm just making the point so that people know they'll be late if it's after April 15<sup>th</sup> for your local tax.

Director Johnson – Right, everyone should know that your City income tax returns will be due the same time that your Federal and State returns will be due.

Councilwoman Holzheimer Gail – There are those of us who wait 'til the very end to do it so I just wanted to make that clear. Thank you.

Councilman Sustarsic – What kind of notices are there going to be to let people know that it changed? I mean, when they're filing their taxes maybe some people are used to filing on the 30<sup>th</sup>. Is there some kind of notice that will be on the tax form itself to let them know it has to be in on the 15<sup>th</sup>?

Director Johnson – All of the forms, all of the forms will indicate the due dates. I don't know that CCA is doing anything, anything other than that. But all of the forms, all of the documents will reflect April 15<sup>th</sup> as the due date and, you know, hopefully, they'll read those.

President Sustarsic – Okay, any questions or comments?

Councilman Sustarsic moved to close debate; seconded by Councilwoman Hufnagle. Yeas: Unanimous.

Councilman Gruber moved to suspend the rules; seconded by Councilwoman Holzheimer Gail. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic,

J. Sustarsic

Passed.

**Ord. 179-2004 (218-04) Revise Estim'd City Income Tax Due**

**Date**

An ordinance to amend Section 791.21 of the Tax Code of the Codified Ordinances of the City of Euclid to revise the due dates of estimated Municipal income tax payments to conform to Ohio Revised Code Section 718.08. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilman Langman moved for passage; seconded by Councilwoman Mancuso.

Director Johnson – All this does is changes the due dates for the quarterly estimated payments that taxpayers are required to pay. Essentially, that's it.

President Sustarsic – Okay and then, Mrs. Mancuso?

Councilwoman Mancuso – I have a question about the 22-1/2% for the current year. We have it for the 30<sup>th</sup> of April should we not go on the 15<sup>th</sup> also? Are we going to confuse people?

Director Johnson – This is for quarterly estimates?

Councilwoman Mancuso – Correct.

Director Johnson – I'm not real sure that our, that the quarterly estimates...

Mayor Cervenik – Cause you're going to do one in July.

Councilwoman Mancuso – It's just a point of reference. We're changing our date in the first one and now we're back to the 30<sup>th</sup> on the second and it's a good way to confuse everybody.

Mayor Cervenik – There's 4 different payments that are due so...

Councilwoman Mancuso – I understand.

Mayor Cervenik – So they can hold off for 15 days before paying the, I don't think Ohio Revised Code requires it be done on the same day as the return because it's a different item.

Councilwoman Mancuso – I'm just trying to stop confusion here.

Mayor Cervenik – Right, right.

Councilwoman Mancuso – Cause we do have 2 different dates.

Ms. Lovelace – Normally the first quarter, etc. is due 30 days after and that's why it's usually set up that way; 30 days after the end of the quarter. We have January, February, March; 30 days the first estimate is due.

Councilwoman Mancuso – So we won't confuse anybody?

Ms. Lovelace – Shouldn't. You know, anyone that wants to and is able they can pay it at the time of filing.

Councilwoman Mancuso – Thank you.

Councilwoman Holzheimer Gail – Is there a penalty for not paying, I always understood the estimation to be sort of a voluntary thing or you could wait and pay it at the end of the year? Is there any penalty? Is this a requirement?

Ms. Lovelace – It is a requirement. If your employer were withholding, the City would have the money as you're earning it. And if you are not being withheld, then you are required by ordinance to pay your estimate quarterly. Penalty normally for failure to pay an estimate is \$25.

Councilwoman Holzheimer Gail – I guess, my, if you work in Cleveland and they're withholding 2%. Are you required to then, the extra .85 you're required to do the estimated?

Mayor Cervenik – Yes, it is a legal requirement just as it is for the Federal and the State government that you must pay quarterly. It's based on the income you earn that quarter and, I mean, it just needs to be done. There's really no escape from it. But if you had a, especially for business point, if they had a bad first quarter, they're able to annualize. Most people take what they think they're going to owe, divided it by 4 and pay it. But no, it is a legal requirement.

Director Johnson – The bottom line is that 90% of your tax liability has to be satisfied by January 31<sup>st</sup> of, for the previous year.

President Sustarsic – Any questions or comments?

Councilwoman Holzheimer Gail moved to close debate; seconded by Councilman Sustarsic. Yeas: Unanimous.

Councilman Delaney moved to suspend the rules; seconded by Councilman Daly. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic,

J. Sustarsic

Passed.

### **Ord. 180-2004 (219-04) Rental Owners Reporting**

#### **Requirements**

An ordinance amending Section 791.08 of the Tax Code of the Codified Ordinances of the City of Euclid by adding the language of Ordinance No. 160-1993, thereby codifying reporting requirements for owners of rental properties located in the City of Euclid. (Sponsored by Council President Sustarsic by request of Finance Director)

Councilman Gruber moved for passage; seconded by Councilwoman Hufnagle.

Director Johnson – For this last piece, this ordinance as you see was passed in 1993, we do nothing to change the ordinance. The only thing we’re doing is making it a part of our Codified Ordinances by assigning it a Codified ordinance number, Codified number in our Codified Section of ordinances for taxation. But that’s all it does.

President Sustarsic – Any questions, Council members?

Councilman Delaney moved to close debate; seconded by Councilman Daly. Yeas: Unanimous.

Councilwoman Hufnagle moved to suspend the rules; seconded by Councilman Langman. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic,

J. Sustarsic

Passed.

**Ord. (222-04) Vacate Knuth Ave from Tungsten Rd. to E.**

**260<sup>th</sup>**

An ordinance to vacate Knuth Avenue in its entirety from Tungsten Road to East 260<sup>th</sup> Street. (Sponsored by Mayor Cervenik)

Councilwoman Hufnagle moved for passage; seconded by Councilman Langman.

Director Frey – This matter must go to Planning and Zoning.

Councilman Daly moved to send ordinance to Planning and Zoning Commission; seconded by Councilman Delaney.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic,

J. Sustarsic

Ordinance sent to Planning and Zoning Commission.

**Ord. 181-2004 (211-04) CT Consultants/Chatworth Dr.**

**Improvements**

An ordinance authorizing the Director of Public Service of the City of Euclid to enter into a professional services contract with CT Consultants, Inc. for engineering services required for the preparation of construction plans and supplemental specifications for the Chatworth Drive Improvement and Manhole Separation on Chatworth Drive and various streets within the City of Euclid (OPWC Project CA13 H/CA14 H). (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Daly moved for passage; seconded by Councilman Gruber.

Director Gulich – About a year ago the City of Euclid submitted Issue 2 applications for the 2004 go around. Course, Council passed the necessary legislation order for us to turn in those applications this past summer. I think this Council is well aware we had a number of those, of those projects, 2 of those projects granted us. One of them is the Brandywine Pump Station. The other one is this project Chatworth Drive improvements, which include elimination of a combined sewer, making it separate sewers in order that we can eliminate a sanitary overflow. And to also do various manhole separations, which we will fill, go a long way to eliminate flooding we’ve had in the neighborhood up there.

Again, we’re doing this with a combination of Issue 2 grant, Issue 2 loan and City of Euclid funds, which are derived from our Waste Water Treatment monies. This is monies that only can be spent on these type of improvement. And anybody that pays into our Waste Water Treatment Fund when they pay their sewer bill every quarter is paying a portion of where these funds will come out. And again, these engineering funds as well as the construction funds are part of this Issue 2 grant, loan and match situation.

President Pro-Tem Holzheimer Gail – Thank you, Director Gulich. Any questions?

Councilman Gruber – Director, could you give us an estimated time when these projects may start and will it include re-paving of the roads and so forth?

Director Gulich – I believe, Councilman Gruber, we can up and running when we get the first good weather in the spring and probably have everything buttoned before the snow flies again.

Councilman Gruber – Very good. And this will include the re-paving of Chatworth then?

Director Gulich – Yes. We're not talking the pavement of the entire portion of Chatworth. We're talking in the horse, we call the horse shoe area. There will be pavement improvements in the other area where we need to do the manhole separations.

Councilman Gruber – Very good, thank you.

President Pro-Tem Holzheimer Gail – Any other questions?

Councilman T. Sustarsic moved to close debate; seconded by Councilwoman Mancuso. Yeas: Unanimous.

Councilman Daly moved to suspend the rules; seconded by Councilman Delaney. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic

Abstained: J. Sustarsic

**Ord. 182-2004 (212-04) CT Consultants/Brandywine Pump**

An ordinance authorizing the Director of Public Service of the City of Euclid to enter into a professional services contract with CT Consultants, Inc. for engineering services required for the preparation of construction plans and supplemental specifications for the Brandywine Drive and Balmoral Drive Pump Station Replacement (OPWC Project CA11 H/CA12)

Councilwoman Hufnagle moved for passage; seconded by Councilman Gruber.

Director Gulich – Again, last fall this was submitted to Issue 2. This past summer we did receive approvals. We have all our, all our ducks in a row so to speak, and we're ready to proceed with the engineering portion of the project. And again, we received a combination grant, loan and City match to complete this project. And once again, so everyone's fully aware, the monies the City is putting towards this project can only be spent for this type of work and that's part of the fees everyone pays into the Waste Water Treatment Plant.

President Pro-Tem Holzheimer Gail – Thank you, Director Gulich. Any questions?

Director Gulich – I do need to point, there was a question, oh about, 3-1/2 hours ago I forget exactly when. But this is to replace a pump station in the area we know as Scottie Highlands. Question came up does this have anything to do with a situation way over on the other side of Highland with Hilltop Drive and we've all heard about? No, this is completely different neighborhood, completely different situation. This is a pump station, which services those sub-divisions up there which is, badly needs to be replaced.

Councilman Gruber – That was the question.

President Pro-Tem Holzheimer Gail – That was the question, okay.

Councilman Gruber moved to close debate; seconded by Councilman Delaney. Yeas: Unanimous.

Councilwoman Hufnagle moved to suspend the rules; seconded by Councilman Langman. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic

Abstained: J. Sustarsic

Passed.

**Ord. 183-2004 (213-04) Cuyahoga County Board of Health**

An ordinance authorizing the Mayor of the City of Euclid to enter into a contract with the County of Cuyahoga District Board of Health, for various health services for the City of Euclid for the year 2005. (Sponsored by Mayor Cervenik)

Councilman Daly moved for passage; seconded by Councilman Delaney.

Director Gulich – Every year as far as we can recall we've entered into an agreement with the Board of Health to provide these services. Some cities do maintain their own Board of Health. I believe Lakewood, Shaker Heights and the City of Cleveland are amongst. We contract these services. As you know, we've had a number of incidents over just the last couple of years with the problems with the mosquitoes and the West Nile Virus. Most recently with the problems with the animals and the rabid animals coming in from Lake County and, of course, on-going situations regarding any type of pestilence with rats we may have. And of course, they provide the services for our restaurant inspections. I believe I got it all.

Mayor Cervenik – You should have just gotten a report.

President Pro-Tem Holzheimer Gail – Director Gulich recently sent us a monthly report. I'm sure everyone reviewed what activity the Board of Health provides for us. Are there any questions?

Director Gulich – I'll just mention that our County Sanitarian, Barry Grisez, is very responsive. When I call him up, he's out right away and they never fail to do everything they can to support us in this service they provide for us.

Councilman Sustarsic – And that's already provided through the County, you know, we don't pay for it, am I right?

Director Gulich – No, there is a charge for it. Director Johnson, tell us what that charge is.

Director Johnson – The charge for 05 is 176,602. That represents, that represents an increase of about 13,000 over the current year, which is 163,423. The amount increases usually every 2 years. So this price should be good for 2 years.

President Pro-Tem Holzheimer Gail – Any other questions?

Councilman T. Sustarsic moved to close debate; seconded by Councilwoman Mancuso. Yeas: Unanimous.

Councilman Daly moved to suspend the rules; seconded by Councilman Delaney. Yeas: Unanimous.

Roll Call: Yeas: Daly, Delaney, Gruber, Holzheimer Gail, Hufnagle, Langman, Mancuso, T. Sustarsic

Abstained: J. Sustarsic.

**COMMITTEE OF THE WHOLE**

Councilman Daly moved to go to the Committee of the Whole; seconded by Councilman Delaney. Yeas: Unanimous.

Mr. Tod Guntner – 390 E. 257. First thing I'd like to do is remind everybody about our 4 Paws Clam-Jam & Boo Bash to be held Friday, October 29<sup>th</sup> from 6:30 to midnight. Tickets are \$40. You can get them at the Shelter or through me or through Mr. Gruber and some other people around the City, same price \$40. And that includes a dinner that you'll never forget. You can just ask the Council people that were there last year. And we hope that you will all attend. All the money does go directly for the care of the animals.

I do have some thank yous for some people who have already donated to our cause. They are Keener Printing; K & D Group; Beach Club Bistro; Waterfront Café, which is a brand new business in Euclid on 266<sup>th</sup> and Lake Shore; Mama Catena's; Mike's Marathon; Studio 200; the Cleveland Indians; the Cleveland Browns; the Cleveland Barons; the Cleveland Cavs; the Cleveland Force and the Lake County Captains.

Okay, next November 7<sup>th</sup> through 13<sup>th</sup> is National Animal Shelter Awareness Week and in conjunction with that we are going to be having a membership drive. There'll be more on that next meeting. We do have what we think is going to be an exciting, new fundraiser for November and December and that will be unveiled at the Clam Jam.

For anybody that wants to know about our Lab that was hit by the car, that Lab went home last Saturday. I'm already told that she is the queen of the house. Again, I'd like to thank Jennifer Gruber, her associates at her place of employment and her employer, Lake County Abrasive and Tool, Lake Erie Abrasive, I apologize, and Tool for their continued monetary support, especially for the care of Bella, who is the name of the Lab who is now named Scarlet.

Last weekend, the 16<sup>th</sup> and 17<sup>th</sup>, at Pet Smart in Willoughby we had our annual Halloween pet photos. We had about 30 or 35 animals come to have their pictures taken. We raised about \$250 and I'd like to thank the volunteers that worked that event. Thanks to Donna and Jenny and Claudia and also thanks to Pet Smart for loaning us the space at their store in Willoughby.

There's something I have to say and I really don't want to say it and I don't know how to say it so please bear with me. This is sort of a public service announcement, public safety announcement. I want to warn residents about a tragedy that happened to a resident's animal, their puppy as a matter of fact. They were playing on a smooth surface. I'm not sure if it was a wooden floor or tile or masonry, but the floor was very slippery and they were playing with an object. And unfortunately, the puppy went head first into the wall and it's neck was broken. Now, unfortunately, you know, the puppy died instantly. And what I want to do at this time is to remind everybody if you get a small animal, a puppy or a cat or a kitten to please be very careful and be mindful of slippery surfaces because they don't know how to stop. They haven't learned how to stop. An older dog, we had a 10-year-old Shepherd, which was adopted Saturday, and he could come full bore at me from 100 feet away and stop on a dime right in front of me. Puppies and kids can't do that. So I just want everybody to be aware that slippery surfaces can cause accidents for our 4-legged friends as well as ourselves. Thank you.

Ms. Kate Wenrich – 294 E. 264<sup>th</sup> St. I'm here tonight to talk about 2 of the schools. I'm here on behalf of Ken Ferlito from Memorial Park and Ms. Linda Knight from Indian Hills. I'll start with Indian Hills. Ms. Knight, before I go on, is it, do we know if, if Miss Knight is getting her crosswalks in front of her school?

Councilman Gruber – It's the last one left is the front door on Sagamore.

Ms. Wenrich – I'm sorry.

Councilman Gruber – I was talking to the Director. I was reminding him. Miss Knight just, all she wants is crosswalks. She doesn't need a crossing guard or anything like that. Do we know if she's going to be getting her crosswalks?

Director Gulich – Okay, can I defer to the Chief on that one?

Chief Maine – Hank, I don't paint the crosswalks.

Councilman Gruber – I'll answer.

Chief Maine – My understanding, my understanding is they're on the list of things to be painted by Monte Carlo and, yes, my understanding is the crosswalks are going to be painted as they were before.

Ms. Wenrich – Okay, so she'll be able to get, right now, she has crosswalks only going in one direction instead of, the children can't get across the street. So will she, do we know if she'll be getting all of her crosswalks?

Mayor Cervenik – The next time that we have a dry day I'll make sure it's painted that day, okay?

Ms. Wenrich – Thank you.

Mayor Cervenik – Okay.

Ms. Wenrich – And have we determined, she also mentioned a flashing school zone sign, is that a yes or a no?

Director Gulich – That's an easy one right now. It's a no simply because there is no money budgeted for that.

Ms. Wenrich – Okay. How about Memorial Park? If we can at all get a crossing guard for the kids to cross Babbitt Road, it's, it's very interesting trying, the kids getting across Babbitt Road. There's definitely a need for a crossing guard to go across Babbitt Road. Also, the crosswalks that are going across Babbitt Road are not inside the school zone. Any chance we can fix that? They're actually, there are two crosswalks and Mr. Ferlito says they really are legal but they're outside of the school zone. You actually have to go outside of the school zone to get to the crosswalks.

Also, if, there's a gate. To relieve congestion at drop-off time and pick-up time at Memorial Park, the little gate that's between the ice arena and the pool, if there's any way we could have that open during those two times of the day. That would relieve a lot of congestion. Some times it takes 10 minutes to get out of the parking lot when parents pick up.

Chief Maine – I can speak to that. We've had some discussions that gate is controlled by the Parks and Recreation Department. We've had some discussions with Kathy Will's department about that. Unfortunately, she's, she hasn't been here a whole lot so when she gets back I hope to get that resolved.

Ms. Wenrich – Okay. I happen to work at Memorial Park now and it did take me 10 minutes to get out of the parking lot at pick-up time so I asked Ken about that one and he said ask. Thank you very much.

Bishop Owens – 24951 N. Lakeland Blvd. I just want to drop by and say thank you for all of the support and let the Mayor know and you know, the City Council, that we've been able to get furniture and bedroom suits and microwaves for 4 of the families of the 18 that were burnt. We still have plenty of left if you know of any that comes your way would like to receive something. We have plenty of clothes. I wasn't here last Monday to speak to you because we had 2 truckloads, 24-foot truckloads of clothing, furniture and those kind of things that were given by our, by a ton of people, not just the City of Euclid, but people outside the City of Euclid. I wish that all of you could have come and watched the hearts of the people in this City who gave and were passion about helping others. It was a wonderful sight. It was warming; it was wonderful to see them give. Kids came. They brought trash bags load. We have toothpaste, tooth brushes, you name it. Things that people need. Clothing. We were given over 3 living room suits, 5 dining room suits and just tons of stuff that were given. Lamps, you name it, we're giving it and people just responded. And I want to say thank you to the Mayor and his department because I know that they have blessed us.

Since last November we have been able to give over 4,000 refrigerators and stoves to needy families and it has been a blessing. It has just been unbelievable. I just recently received a letter from one of the ladies from William Pat Day, who got 5 refrigerators. And those refrigerators went to women, who either came out of battered shelter or they were in a rehab situation. And in order for her to get her kids back, they have to be in a place of living and have to have a working refrigerator and a working stove. But because of that generosity we were able to help those families and make sure they had and they got their kids back. And as a pastor, that is very important to me to make sure that we have families back together.

Not only that but recently I received a phone call from a woman who was deaf and her son was deaf. And they came and they asked for a refrigerator. And if you could just see the people, I was telling the Chief a while ago, I was telling him this morning, I think I have the best job in the world because every day I get to give to somebody and I get to help somebody. And that's just such a wonderful feeling. The bible says it's more blessed to give than it is to receive and that is a wonderful thing. The woman couldn't understand a word I said but every time I turned around she was patting me. As a matter of fact she came in a truck. I didn't think the truck was going to be able to hold it and I thought the refrigerator was going to fall through it. But we gave her a refrigerator; we helped her and all because someone else gave in our hands. And it just hasn't been us. We have given refrigerators needy to Catholic Charities. We have given them to the Jewish community. We've been with the United Methodist Church. We have been with the Harbor Light. We have been with non-profit as well as religious organizations. And it's been amazing watching people reach across to each other and say I have a need, can you help me? And that's the amazing thing and I think sometimes when I listen to people talk and I listen to things that go on sometimes I think we don't get to hear the things that happen in the background. And I must tell you that there's a lot of good things happening. There are a lot of wonderful things watching people's needs being met. And if I could have had a video of watching the people who's houses were on fire and watching people come together, it was splendid. It was a special opportunity and watch how Euclidians and people, not just Euclidians because some of the people that lived in Euclid who

gave those items we delivered them from, from Cleveland Heights, South Euclid, Mayfield and anonymous donor helped us rent a truck, a 24-foot truck. My youth pastor and some of Euclid High School students came and loaded the truck. They gave their day off. That was on Monday they were out of school. They gave their entire day loaded the truck all day long. Matter of fact, we didn't get in until 8:30 that night and it was just a wonderful thing to watch people reach out and help each other and be a blessing.

The last delivery we made was to a little woman who didn't have any family left and she is really kind of a little senile, but she didn't have a refrigerator. And the refrigerator she had was really from the 1960s. And all because we've been caring for other people. So I wanted to come by and say thank you. I can't say thank you enough because more than just our ministry, but many ministries in the City of Euclid have been blessed because of them. So I wanted to at least say it publicly thank you for all that you've done.

Mr. Dennis Berzinskas – 20890 S. Lakeshore Blvd. And might I say Councilwoman Gail you look mighty fine up there. You really look like you were in control. Thank you. I'd like to see you up there soon, real soon.

I want to thank the citizens of Euclid from the Hunger Center. A few weeks, a week ago, 2 weeks ago, actually, they started dropping off literature on a few streets that we were in need of food. That was the Euclid Awareness Committee and that was David Griesmer. And he ran the last one. I'd really like to thank his wife and his children for giving him the time to help us at Shore and to help us with the Hunger Center. And I want to thank all the people that gave. Well over a hundred people responded when we asked for food. I can't say enough about the people that come to us. There are people that are coming there smiling and I complain about my back. One lady didn't have a leg. Another one didn't have a leg at the ankle. The need is out there people. Please, hunger doesn't take a holiday. The holidays are coming; think of the needy. Through no fault of their own, they need help.

And on another note, there's a thing about tort reform. My wife just recently got both knees replaced and she received this letter from her doctor, and by the way, she wouldn't have gotten in to see this doctor except for her friend spoke in her behalf and now she has new knees. It's wonderful to have my wife back to normal. But as part of the letter says, as November 23<sup>rd</sup>, 19, 2004 I'm closing my orthopedic practice that I've enjoyed for over 14 years. Greedy, malpractice lawyers and politicians and judges who allow their behavior to continue are responsible for yet another Ohio-born and trained physician to leave. I'm moving to California where tort reforms has protected physicians from unfair attacks since 1970. And this was from William A. Junglas, M.D. Harvey Mlachak's wife had her knees replaced. He does miracles. It's nothing short of a miracle. I'm telling you.

We as a City, as citizens are going to have to ask our legislatures to change this because I can't afford to go to California to get treatment not many people can. We've got to get to the important facts in this City. Why don't we grow up?

Thank you to Hugh Daly. I gave you a card a couple of weeks ago when you were running for Council Ward 1 and I asked you why didn't you fulfill some of those promises? Start working on them. And I see in the paper you did. You're trying to help us no matter who the partners are that you're running with. You told us that with the Hillandale project we're going to be paying for the church to be built. And I want to thank you for stepping away from your friends to tell us because I interpreted it as telling us they have the judges in their pocket already and they're going to win. So let that means on June, on November 2<sup>nd</sup> we've got to go out and vote all the incumbents out as judges. That's what you're telling me.

And then a few days, weeks ago I had a chance to walk some streets to put out some literature. Beautiful streets, long, long driveways, long lots, people are really keeping their houses up. A lot of them were abandoned, though, that weren't kept up. Houses kept up on either side of a house that has 2 new SUVs sitting in the driveway. No grass, weeds coming up and as I stepped to put the literature up on the porch in the door I had to walk past a snow shovel. Where's our Housing Department on that? You want to start doing something?

Gentlemen, you're losing us our neighborhoods and along with the neighborhoods we'll lose the City. Quit your bickering here. Get on to the facts what makes a city. I'll give you a history lesson. I don't have that much time, but with Wells Court you could change your decision right now. After we got up to speak the Mayor came up and was told by the Law Director that if we didn't change our facts, change our vote on Wells property we couldn't touch it for a year. That night they changed it. We had no more to say. You can do it tonight. Change the thing on Agenda 8, Item 8, turn it down. We don't have the money. We didn't have a Mayor...

President Sustarsic – Excuse me, Mr. Berzinskas.

Mr. Berzinskas – Okay, but change it.

Mr. Mark Copeland – 23219 Bennington Hamlet Circle. First thing is I'd like to thank the people that voted yes for Item #9 on the agenda this evening. And there's been a lot of question about this \$400,000 that the City it still deserved. When you fund a project and you're only supposed to get \$1 but for some reason or other you've been getting \$2 for all these years, for 9 years, we can talk about suing the developer; we can talk about going after somebody else that's out there. But there is a fact that the City received the money. There were couple of things that were interesting where, yes, we were put off for the last couple of years. I was watching television about a year ago last June. And there was some discussions at the Council meeting about how we were going to fund two investments that related to the lakefront property. The Ordinances were 128-2003, Prism Financial, Lakefront Project \$30,000. The next project Ordinance 129-2003, Squire, Sanders & Dempsey, Lakefront Project \$70,000. Some of you voted no in here. You supported this ordinance. You even stated in here more than one time where was that money coming from? Not the General Fund but Bennington Hamlet TIF. You folks, spend money that wasn't intended for a totally different project. We're talking about a 70 some million-dollar project and you're draining funds from a 3+ million-dollar project. Bennington Hamlet, it was \$117,000 per home, 27 homes, it came out to a little over \$3 million.

But see what's interesting is trying to get that and keep that 400,000 that you feel you deserve. You're going to the State and the Federal government for assistance. If the money's not managed locally, what do you think the Federal Government's going to do in terms of loaning you money for the lakefront projects? You folks are chasing the wrong thing. You abate other properties. Half-a-million dollar homes. You do other things in terms of the City and, you know, yes, Wells Court was City-owned; 205 the City owned. But you're spending money and providing those individuals that have financial advantage to move into the City. But right now, one of your supposedly crowning projects in this City is this 4 foreclosures, not 3. We've had 10 homes that have sold in this development for an average of \$2300 profit over the previous buyer. Those homes are not appreciating in that at all. So the \$400,000 that you're trying to get, when you add up all the appreciative value of those homes that's being negatively impacted by this special assessment, you're not going gain anything out of it. You think that \$400 you, you know, we're going to lose, you know, as it was stated. It's \$40,000 a year right now the City will be giving up for the next 11 years. But when you add up the lakefront project, when you add up the lost value in those homes, the vote tonight should have been unanimous. There's too many people that says something was wrong. Well, yes, we can go after the developer; but the developer did not put the special assessment on that property. It was this body, maybe not all you, but it was this body. So I think you folks need to go back and rethink and look at a lot of the projects that're going on in the City, especially related to TIF. Yeah, it don't affect taxes directly; but that's money that's not going into the City General Fund. It's going into a special fund that, oh, we need to fund this. You know, I like to have a little extra money in my pocket every now and then to fund things off the books. And I really say off the books because if the lakefront project needs to stand alone, it needs to stand alone. But if it's going to be used, Bennington Hamlet TIF money's going to be used, I have some serious questions and doubts about the fiscal responsibility of the people that sit up here on this podium.

You folks are all supposed to be the example for the City. Well, I watch your decisions over and over. You say yes on one thing and you support it. And on other things you look the other way. And that brings into question about some of your, some of the ethics that do happen in here. But I appreciate and I really want to recommend and commend Miss Hufnagle, Councilwoman Hufnagle because the ethics to stand up and say something was wrong and it needed to be fixed at the expense of the City, but it was the right thing to do. And I thank you for that.

Ms. Barbara Ann Davis – 1563 E. 196<sup>th</sup> St. After working 28 years as an accounting specialist for the Cuyahoga County Board of Mental Retardation, I retired 4 years ago. Now I am, like some of you, on a fixed income. I cannot afford Hillandale. I am not a racist. I believe in what is right. I was able to attend one of the first Euclid Awareness meetings and it did not seem racist to me. It was one person talking racist, but he was the exception.

I have been doing my homework on this issue. I have attended several other meetings and I have gone over to the east, the 147<sup>th</sup> building. I have also viewed in great detail the Providence Baptist Church and Paul Taylor manual held here at City Hall. I also have watched Council meetings on TV.

I do not agree with our Mayor and the majority of Council referring the Hillandale property. I am the Treasurer for the Heritage Park Community Association. At our September 28<sup>th</sup> 2004 meeting I was shocked and very displeased to hear our Mayor, Bill Cervenik, speaking out endorsing and campaigning for Hillandale. I wonder is this a conflict of interest? He was asked by

our president not to speak on Hillandale, but he was determined. He said we should vote for Hillandale because if we don't, it would cost the City of Euclid a lot of money. He also said Providence Baptist Church had money and flashed \$3. To me it was an unsatisfactory performance. If Providence Baptist Church has so much money, why do they want to come to Euclid? Why not go to Beachwood or Pepper Pike? I, personally, think they should stay in Cleveland. Build up the Kinsman area; help the community. There's land in Cleveland and more tax abatement and subsidized housing money in Cleveland than there is in Euclid. They should stop talking to Mayor Cervenik and talk to Mayor Jane Campbell. That's where the help and money is not Euclid. Euclid is broke.

No, no, I repeat no. I do not support Hillandale because I don't think it would be beneficial for the City of Euclid. The City of Euclid needs money and jobs. And I don't think bringing Providence Baptist Church and 100 houses to the City of Euclid is the answer. I feel this would be a burden on our schools, police, fire, sewer and other City services. The schools are already overcrowded and the whole Police Department would have to be on active duty day and night in Hillandale enforcing the law.

We as citizens of Euclid need police protection and enforcement for the whole City not just Hillandale. I cannot afford more taxes. I cannot afford more taxes. I cannot afford Hillandale, I repeat, I cannot afford Hillandale. I'm here and I'm asking you to vote no on Hillandale Rezoning Issues 33 and 34. Thank you in advance for your vote. Have a blessed evening.

Ms. Rose Backovsky – Euclid Villa at 100 Richmond Rd. I was wondering about our 9-1-1 service, which is excellent. There would be nothing in the world that would make me happier than to drive past every fire station and see the guys sitting on rocking chairs, because then I'd know that everything was going fine in Euclid.

I want to know why, how much does it cost every time you send out a truck? And how many times are you going to send out a truck on the same thing? Getting someone who's stuck in an elevator in the same building, maybe three times in a week? What is that costing? Euclid could use the money getting school guards or all sorts of other things.

I was stuck in the elevator at Euclid Villa. I did not have my oxygen with me. I was calling for help and asking everyone to call 9-1-1. The answering service was very kind and helpful, said, she didn't know if she was authorized to call 9-1-1, so she didn't call. Then our guard, Dave, who is a wonderful guy, said he had to wait for Wiggley, the maintenance person to come, so he couldn't call 9-1-1. Then Mr. Wiggley, who's our maintenance person came and said that I couldn't call 9-1-1 and if I called it, I would have to pay \$1,000 and any damages that the fire persons did.

The way I got 9-1-1 who were great, wonderful, saved me, was by my cell phone. I could get out but nobody could hear me. I called my sister-in-law in Eastlake, who called my sister in Mentor, who called my friend in the Headlands and then got back and called through the Mentor 9-1-1. By that time, I was on the floor of the elevator because I figured I'm just going to die here because nobody is going to call anybody.

I want to know why? They're working on it, but money usually talks. If it starts costing them money every time you guys have to come, and do the same thing over and over and over because it hasn't been repaired, I think it gets repaired a lot quicker. How much did I cost you? Is there any way that we can check back and see how many calls you've had to get people out of the elevator, or repetitious calls.

President Sustarsic – This isn't a time for debate, but at the end you can get in touch with these individuals at the end of the meeting. But we've got 30 seconds and we have to go to our third tape.

Mrs. Backovsky – I'm done.

President Sustarsic – If everyone can stay where you are at and give it a couple of seconds, we'll change the tape. Thank you.

Mrs. Audrey Kaplan Goodman – 20201 Glen Russ Lane. Two weeks ago I came here and asked a question. How can Providence Baptist Church sell reverse mortgages on new homes when HUD's rules clearly state that a home must be one year old. I want to make it perfectly clear so there is no doubt or question. During the 6 ½ years that I have been in the mortgage business, whenever reverse mortgage loans have come up, I have always been directed to HUD. I am guilty of making an assumption that HUD was the only choice for this type of loan. I want to thank Councilman Daly for increasing my knowledge on the subject.

It is true that Fannie Mae does offer a new purchase reverse mortgage loan. I have spoken directly with Fannie Mae and Excel Mortgage, one of the leading mortgage brokers in the

Cleveland area specializing in reverse mortgages because I wanted to make sure that my facts were correct. I hope Mr. Daly will be happy that he increased my knowledge.

New purchase reverse mortgage loans through Fannie Mae based on my conversation with Excel Mortgage are considered to be a very high risk method in which to finance a home. All I ask for anyone listening is, do the math. Using Councilman Gruber's figures that the purchase price at the proposed home in Hillandale will be approximately \$200,000, let me give the figures for purchasing the property through Fannie Mae and HUD's reverse mortgage programs.

Reverse mortgage loans are only available to people 62 years of age or older. The younger you are, the less loan you are entitled to. Let me give you these examples. Under Fannie Mae at age 68 on a \$200,000 appraised home, the borrower would be entitled to approximately 27.3% of the value of the home or about \$54,600. That equates to nearly 72.7% down payment needed by the purchaser or about \$145,400. Under HUD, the borrower would be entitled to nearly 55.6% of the value of the home or about \$115,400. Leaving a balance of \$84,600 or about 44% needed by the purchaser.

You do the math. Which loan would you prefer? At ages higher than 68, in all fairness, the borrower would receive higher loan amounts as their life expectancy becomes shorter. But even here, HUD offers more money than Fannie Mae. Let me explain the reverse mortgage loan repayment process whether through HUD or Fannie Mae. The difference between a reverse mortgage loan and a standard mortgage loan is quite simple. Under a conventional loan, your monthly payment reduces the principle each month on a yearly basis. The monthly payment is amortized over length of the loan and except for taxes and insurance, if included, remains the same from day one to the end of the loan.

Under a reverse mortgage, there is no monthly payment. The principle never goes down for the length of the loan, which could be 1 year, 5 years, 10 years, etc. Upon either the death of the borrower, or the selling of the home, the entire loan plus the compounded interest per year and all closing costs become due and payable immediately.

The current interest rates for reverse mortgage homes for HUD, that rate is right now at 3.74%. Fannie Mae's rate is at 5.75. Both rates are variable and based on the treasury bill either by month or by year. Current conventional loan rate is approximately 5.375% for 30 year fixed mortgage.

As I asked in the beginning, I repeat in the end. You do the math. Fannie Mae's new purchase reverse mortgage loan is approximately at the same rate as a conventional 30 year. But requires, based on age an enormous down payment in comparison. HUD's reverse mortgage even though it carries the restriction of the home being at least one year old is a better rate. According to Excel Mortgage their ratio of reverse mortgage loans sold are 95% through HUD and 5% through Fannie Mae. Wonder why. You do the math.

I leave you with another question. Reverse mortgages require the borrower to place a large portion of their life's savings as a down payment depending upon their age and still carry a mortgage due and payable. Would you purchase a home this way? Think about it.

Mr. Victor Goodman – 20201 Glen Russ Lane. I cannot sit soundly back after reading Mr. Trickey's article in the current Cleveland Magazine. Let me not mince any words about my opinion. This was a pure work of fiction.

This article was biased, slanted, prejudice and flatly misrepresented the facts. Even the title oozes with prejudice on the front cover. Who in God's Name Would Fight a Church? Even if I had no knowledge of the events of this issue, that title alone would bias by opinion.

Who would fight God? The lessons of time tell us that the only person who fights God is the Devil. Clearly Mr. Trickey, who I definitely feel was appropriately named, paints a modern day picture of a Moses leading his flock to God's ordained land in the City of Euclid. There standing in front of him are 4400 Devils blocking God's will.

A councilman actually quoted from this article at the last Council. As he noted the final paragraph of the article quoting William Rich, University of Akron Law professor. I don't know if that Councilman did what I did. But I called Professor Rich. We spoke for over 45 minutes and I would like to state for the record what he said. Mr. Trickey interviewed him for nearly one hour. The same sentence in which the Professor stated the positive of the RLUIPA law in favor of churches, Mr. Trickey conveniently left out the next statement. In which he stated that RLUIPA hinders city's from their rights to zone. He also stated that he felt strongly that RLUIPA will be challenged, come to the Supreme Court and be declared unconstitutional. Reason, because it weighs too heavy in the favor of churches and undermines a city's right to govern itself.

For the law to be constitutional, he stated, it must be a balance between both. But the most blatant misrepresentation by Mr. Trickey to the Professor was this. He told the Professor that this was the last piece of property available in Euclid for church use. I told him that was wrong. This was the last piece of virgin, untapped property in Euclid. But certainly was not the last property in

Euclid that could fulfill a church's needs. He reiterated to me that Mr. Trickey told him it was the last property available.

Mr. Trickey's article is full of distortions, half truths and omissions. I urge any of you who doubt that, call Professor Rich.

The Captain of the ship is responsible for the course. The General of an Army is responsible for the soldiers. Our leader is the Mayor. Mr. Mayor, you had a unique and required opportunity in a very volatile Hillandale issue to bring the parties together. Even a blind man could see that there were two very determined differences of opinion here. Why did you not bring these parties together to find a common ground? What did you do instead? How did you serve the citizens of Euclid? Let me paint this analogy.

Instead of working for the positive solution, you decided to find a negative one. You got into a city-owned vehicle, invited the Council President, Councilwoman Hufnagle and asked Brian Meister to drive. You went down to the BP station on Lake Shore, filled up gas cans, drove through the neighborhoods of Euclid pouring the gas cans out and winding up the hill of Hillandale. Where there you ignited the match of racism.

I guess my question is simple. What in God's name did you hope to accomplish by that? Did you really think in any way, shape or form, that you served the best interest of the City by invoking racism? You turned this issue from a best use of land to a black and white issue. I applaud the citizens of Euclid for not buying into your hate. There were no crosses burnt on black lawns. There were no rocks thrown through white windows. The people of Euclid did not buy into your incendiary behavior. You will be remembered as the Mayor who called his own citizens racists and for political purposes and you, let me just, I have one second. You could have insighted violence.

My father advised me years ago that a man who cannot look another in the eye, can never be trusted. I'm over here Mr. Mayor, not down by your finger.

Ms. Lucretia Dillard – 490 E. 266 St. Being a resident since 1977, my mother and father moved here on 262, 1417, still live there. Was any of these things raised when we took Gray Drug out and Rite-Aid, Pic-n-Pay? Put in all type of dollar marts, family dollars, Save-A-Lots. Was any of these things raised? Where was all these committees at? We don't even have a decent grocery store. Look at Euclid Ave., look at Value, what it is up there. I'm a business owner, a Realtor, and a landlord. I decided to stay in Euclid. I went to Noble Elementary School, Forest Park, walked across the street to the school at TJ, okay.

As a Realtor, I'm going to speak on that behalf. My friends that I grew up with, a couple of them are Principals in Euclid and Cleveland Schools, right now, okay. My friends moved out to Sagamore, Twinsburg, Solon, not because they don't love this City, they love this City, but because they wanted upscale homes. I watch these committee meetings and I said today I'm going to come here. Who are we to say who can afford what? I can afford any house I want in Solon, wherever. But I love the City of Euclid, okay.

Who's to say how much a person can afford, \$180,000 house, a \$250,000, a \$300,000? Who's business is it for somebody to be able to move wherever they want to move to and whoever buys the house, as long as they are bought. Guess what, our taxes are going to go up. Guess what, we are going to have to pay for garbage because you know what, if we aren't bringing stuff into the City, we don't even have a decent Mall. I remember when I used to walk to Burrows book store where I worked at up there on Euclid Ave. We don't even have that. We don't have anything. We don't have a Mall. We don't even have a Kmart, Walmart. Do you think that we are going to have a Legacy Village or something like that come to this city if all we're talking about is how much the median household is? We're not, if we're sitting up here being negative about who's going to move where and what color.

Let me tell you something, when I lived down here, when I walked down the street, you want to talk about racism, I was called all types of names, but you know what, that didn't stop me. I'm still here, 33 years old. Now, all I want to know is this, this is the question that I have. Who is going to pay for this law suit when we lose? Because you cannot have somebody buy a property and then think that you are going to tell them that this is a zoning issue number one. They can't do whatever. When we lose this law suit, who is going to pay for it? Because I'm going to let you know right now, the people that are bringing these issues up, okay, should be the ones that are paying for it. Not the taxpayers. I'm letting you know right now, Mayor, you're doing a great job. I'm telling you from people who have lived in this City on these streets for years, people I have grown up with, okay. They like you. But they are not going to come here and speak because guess what, intimidation, they don't want to hear this, they don't want to hear all this rambling on. We want issues, when I voted for you, it was because you said that you were going to bring things into the city, businesses and that's what I'm talking about. So we can be proud. I don't want to go to Mentor and shop. I don't want to go to Cleveland Heights. Did anybody say anything about a \$500,000 house getting built? Who do you think is going to buy that? Nobody said that as long as

it is on Lake Shore, right. Why didn't you bring the Tops up on Euclid Ave.? What happened to that? But we have three grocery stores. We have a Tops, a Dave's, everything, right?

Let me talk, okay? Let me talk, okay? Where is the Euclid Awareness Committee and all these committees when Euclid Avenue looks like, we used to have a hotel. Euclid Avenue looks like somebody bombed it. Are we talking about that? No. We're going to come down to Willo Arms, take a couple of pictures with a couple of kids and make everybody think, oh we love this neighborhood, we love this. No we don't. Stop acting like that because I'm going to tell you right now, people are moving out of Euclid to upscale homes, not because they want to, because we don't have the bigger homes. You don't know what people's income is. You really don't. Before you judge a book by its cover, do the research, talk to people, okay. Thank you.

Mr. Richard Tolton – 1408 E. 221 St. Couple of issues, I'll try to make it real brief. I'm a member of the 2020 Vision Committee. I know there was a proposal made to complete the process and it seems like it really stalled now. We are really trying to find out what is going on with that. I understand the city is in a budget crisis, but I just ask the administration what's happening with that process. These people have put in hundreds of hours, volunteer hours, pushing this project through. It seems like it just stalled. I don't know if anyone can answer that?

Director Pietravoia – The project is underway, Mr. Tolton, I hope I got your name correct. I apologize that if you haven't been involved but we are actively working with the committee. There's funding that has come through from the federal government and we have a consultant on-board that's helping the group finish up the particularly the economic development and retail component of the study. They hope to complete that over the next couple of months, by the end of this calendar year.

Mr. Tolton – I was at the last meeting and received e-mails back and forth and it just seemed like the process what kind of hung-up. That there was no communication from the city to the Chairman of the Committee. So that's fine.

The other issue that I have, as I sat here and listened to the Council talk about especially the golf course issue. It just seems like, it reeks of politics on that whole issue. It seems like the same 4 or 5 that were for the project under the other administration, excluding a few that are new here, but it is the same 4-5 that were for it then and vice versa and now it is like a reverse thing. It just reeks of politics. Is there any moderate voices on the Council that we can say let's move forward, let's get things done in this city and stop bickering about the same things over and over and over again. So we can move this city forward into the 21<sup>st</sup> Century. That's the only comment I have on that.

The last issue, is the Hillandale project that I've a comment on. I kind of agree with the young lady there. I listened to the arguments. I've went to most of the meetings that Mr. Taylor was at, he addressed every question that was put out there. I listened to the Committee, the EAC. I received a piece of literature in my mail the other day and that's really what brought me down here. They keep toting the fact that 40% of our African-Americans signed this petition. I just would like to know, where did you get that number? Did you put a little check mark by every African-American that signed the petition? How did you come up with that number?

This is an excellent project. Its upscale housing. Let's move forward. Let's get this into the city and let's stop bickering over the same issue over and over again. You say you want industrial complexes in there and on the other hand you say you want retail, another had you say you want housing. What is it? What is it? If you say upscale housing, what is upscale housing? These are proposed \$180,000- \$240,000 homes. Are we saying that we want \$500,000 homes, \$350,000 homes in this City? I don't think those kinds of individuals are going to necessarily move into the city. We don't have those types of infrastructure or the amenities that they would probably look for. We are a working class community. We're not Beachwood. We are not Lyndhurst. Let's be proud of who we are and what we are. As a working class community, I would love to buy one of those homes. Me and my family took a trip to Columbus to look at that development, look at those homes. I don't see anything that's cheap or shoddy about the homes. They are not trucked in on the back of trucks. They are built from the ground up. I think they are beautiful homes and I think we need to go ahead and move forward with this.

If it is reversed, which I doubt that it will be. But if it is reversed, as far as the zoning, the Church still owns the land. So what are we going to do? The Church owns the land. Is the EAC going to buy the land and then put \$700,000 homes here? I don't understand the argument anymore, I really don't. Thank you.

Mrs. Pearlitha Taylor – 1495 E. 193 Street. If they young man doesn't leave, I can explain why Euclid Awareness is so concerned about this land. This same land that was built and they had so many problems and the Council, the Mayor and no one thought it out. They went ahead and passed

it for those homes to be built. Then 5-6 years later, we had to come back to the City and the citizen and pick up a tab.

This is why Euclid Awareness is involved. If you notice the votes here tonight and every night you look at the Council meeting, it is always 5 to 4. It allows the same 5 and the 4. We were never get anything done properly in this city because 5 are going to do whatever the Mayor say. They are not going to investigate it. They are not concerned about the citizen. You talk about Euclid Avenue, yes, I am very concerned about Euclid Avenue. That's why I questioned my councilman Chris Gruber all the time. He's always in every other ward trying to take care of their business, but doing nothing in Ward 4. He's the one that wants to bring these shabby homes. You guys are saying upscale homes. If you look at the project, we are getting slab homes. Slab homes is not upgraded home. If you do your homework, sir, you cannot sell slab homes. That's a home without basement.

Yes, I am against the Hillandale property and I asked the citizen, watch and listen to what people have been saying. Look at your councilman. Vote no for Hillandale. All you got to do if Hillandale is built, you are going to get problems. They are not going to bring money into the city. Why can't the city, especially Councilman Gruber, why can't you look for a Walmart, a Target, a Kohls. We need business in this city. The city is broke. Hillandale will make an excellent mall. Do something like Cleveland Heights have done. Every city in the county of Cuyahoga, Euclid Ave. is updated and upgraded. But when you come to Euclid, the city that street is named after, it is the worst thing you want to see. You saying that we need this land for Hillandale, why can't you use the land for the church down by ---. It's land here, why you want to take this virgin land and put a bad project there. You know its bad, but someone all of a sudden, they was against Hillandale, now they're for Hillandale. What is it? Is someone in someone's pocket? The people own this Council and the people that's running this city is concerned about this city are the citizen. You have everything on Lake Shore. You have two grocery stores, we have none. Our Councilman, he brags about Save-a-Lot, what is Save-a-Lot? He brag about the car lot that he brought there. Who want to shop at the car lot? I mean bring something to bring this city up. Euclid Ave. look bad. Look at downtown Euclid Ave., beautiful. East Cleveland has a Foot Locker and a little mall. We have nothing on Euclid Ave. We have a mini-station that was never opened. You said that we are going to have police protection. When we call the police in the Heritage Park area, guess what happen? They tell us they don't have the manpower. Where are they going to get the manpower to help 110 homes? Citizen listen to me. Vote no for Hillandale. If you don't vote no, what is going to happen? You are going to pay more taxes because Hillandale is not brining money here. One home will have a basement. Guess who's home that is going to be? The rest of them will be slab homes. Who can sell slab homes? They are building these houses on wet land, on sinking sand. They are not building that house on the rock. Don't tell me about this church is going to help us. Churches are to save souls, not to sell real estate. Then when they said they cannot build that church without selling houses, what are they saying? They are not out there saving souls, they want to make some quick money and put up them a mansion. They want to be separated from the rest of Euclid. Think about it. They all live on the hill by themselves. Vote no. Vote No for Hillandale.

Mrs. Ann Rauckar – 246 E. 272 Street. In 1993 my husband and I put in a new driveway and we dug down to the footers and had the old tile removed and replaced with pvc and a small leak that we had to have a gulley washer for that small leak to come into the basement. Towards the end of 1933, Daugherty Construction installed a gutter and downspout on my neighbor's garage that never had a downspout before. It was placed on the ground, below the level of his concrete driveway about 2 ft. from my yard and over the roots of a walnut tree that eventually contaminated all the soil in my backyard and killed many plants.

Well, I complained to my neighbor every now and then about my yard being waterlogged and I couldn't cultivate my garden areas. But it got real bad about 1997 and my neighbor did talk to Daugherty Construction. In 2000 I really had a lot of water in my basement due to the fact that my drainage system which had worked beautifully for 41 years could not suck up all that water and I got water in my basement. I came to City Hall, no, I called up City Hall and after three weeks, no results, I came to City Hall and made in my protest and complaint in person.

Jim Piscitello, who was in the office inspected the downspout and he said the neighbors will have to connect that to the drain in their driveway. Well Daugherty came and re-roofed their garage and when he left he had made the neighbor return the downspout to its original position, on the ground, below the concrete driveway and kept shunting my neighbor's water problem into my yard that eventually this has destroyed close to \$50,000 we have put into that property since we moved there. I will say over \$50,000. The damage is continuing. The new addition has a crack in it. I heard that crack because someone has tried to scare me from time-to-time, I thought it was

somebody trying to break-in on the porch. When I went to put the light on the garage, I came back, no one was there, I came back and here was a little crack in my new addition.

What happened in 1997 Daugherty came to his friends at City Hall, they made a new ordinance, there was an ordinance passed in 1970 and Bill Cervenik was President of Council at that time. They needed a vehicle to hang an agenda on so they made that new ordinance and the agenda was that no one should correct that downspout. So no one corrected that until Daryl Langman wrote a letter to the Mayor. After that the downspout was run along the driveway. I don't have very much time to talk. But I'll have to come again. There's so many details I'm leaving out now that I'll have to come again and finish this with the way Mayor Oyaski and the Judge and Magistrate acted. They should be out of public office entirely. I'll be back again to finish the story.

Mr. John Conway – 291 E. 276. I'm sure we're all very tired and it's all very late so I'll try to be brief tonight. The first thing I wanted to say tonight and it was, it, I'm encouraged in some ways to see Mr. Tolton here this evening and the young lady who spoke before he did about their views on Hillandale. And I sincerely mean that because this is supposed to be an informed discussion. Whether you want to call it a debate, a discussion, there's two sides to every issue. And right now you're hearing a lot about what the Euclid Awareness Committee believe about this particular project. And people should come to this podium and express how they feel. That's what democracy is about. And I, I appreciate their comments and, though I don't necessarily agree with everything they said, there's a lot of merit to what some of them said as well, especially the young lady who talks about the need for upscale housing.

And what I wanted to talk tonight is Councilman Daly challenged us, couple times over the last couple of weeks, why's Issue 34 even on the ballot because in your own literature it talks about the need for upscale housing. In the Sun Journal article the previous week, as well as some of the people who spoke here tonight, they discussed that there seems to be a little bit inconsistency as to what does the Euclid Awareness Committee actually want to see with that property. And it's very true that retaining the current light industrial zoning could provide opportunity for new jobs and increase our tax base. But it's also true that the greatest need that the City of Euclid has is the need for upscale housing. So the honest answer to this is there are two great needs for that 68 acres known as the Hillandale property. That really shouldn't be a discussion at this point. But what's a fact at this point is when you take a look at those 68 acres, the plan that's in front of us, the zoning request that's in front of us, doesn't meet either one of those needs—23 acres for church use, smaller acreage, 45 acres for housing. And I think that's what's important to remember here. I believe you can have two different opinions as to what you think is the best use for a piece of land without being criticized for an inconsistency because I don't believe it's an inconsistency. It's an option we have for the development of that property and that is not the option that we need to make a decision about at this particular time.

I think it's incredibly simple when asked why is Issue 34 on the ballot. And that's because the plans that have been currently submitted by American Church Builders simply do not meet that criteria for upscale housing. It has nothing to do with what an individual can afford, and as a banker, I know there's plenty of financing vehicles out there to get somebody into one of those houses. So I really personally haven't questioned about how somebody finances it, but I do question about is those houses that are being presented right now actually fit upscale housing, which almost everybody seems to agree is what the City of Euclid agrees.

I stated this during the last Council meeting and I think it's worth stating again. When on Planning & Zoning, the Mayor stated that he voted against the Hillandale lot split because he was hesitant to vote in favor of rezoning this location without seeing a better description of the proposed lot sizes with a definitive plan. Well, it's my belief that we shouldn't be backed into the position that we need to give blanket approval to the developer unless we the residents, we the voters, we the people that signed a referendum to get it on the ballot are as equally comfortable with the housing plans attached to this particular proposal. Let's remember what they've given us at this point. They provided us 13 floor plans of which only 2 of those floor plans exceed 2,000 sq. ft. That's the information it's public record. That's what's been submitted.

So I took a little time, did a little research and I looked up the National Association of Home Builders. And in their most recent press release, they claim that the average size of a newly built home has stabilized at 2,320 sq. ft. over the last 3 years and is expected to remain in this range in the upcoming years. So if you're looking at 13 floor plans, of which 11 of them are under 2,000 sq. ft., and you're standing up here telling me you need upscale housing in the City of Euclid, well, I certainly don't believe the plan that you want me to give a blanket approval on by voting yes on Issue 34 is something that meets anything that anybody has come to this microphone and stated that we need in the City of Euclid.

On a separate note, some people have questioned about whether or not they're going to be shoddy houses or what the construction is going to be. And if Snavelly is truly the developer that's

going to build the house, I believe that they'll build an incredibly quality house and I have no issues with Snaveley's reputation in building the house. But if they build houses that are 1400 sq. ft., 1600 sq. ft., 1700 sq. ft., what you'll get then is quality houses that don't meet the needs of the City of Euclid. So that is why Issue 34 is on the ballot and that's why I feel comfortable voting no on Issue 34. Thank you.

Mr. Gerald W. Phillips – 35955 Detroit Road, Avon, Ohio. I'm an attorney. I'm here on behalf of the Euclid Awareness Committee. I practice in the area of municipal law zoning, also, do a lot of election laws with petitions. I was involved with the residents and citizens in Lakewood on the Lakewood west end issue protecting their neighborhood against the abuse of eminent domain. Also, I've been on the opposite sides of the church's attorney, Mr. Sheldon Bernes, on a number of litigation matters.

I'd like to address what I consider as some false misleading statements. Some half truths and some unfounded rumors concerning the Hillandale election and the lawsuit. Statements being made that the vote will be meaningless by the residents that the election won't matter that the City will lose the lawsuit. The City can't win the lawsuit and that the City has no defensible basis against the lawsuit. I'd like to dispel these falsities, mistruths and unfounded rumors.

The legal challenge is based on RLUIPA, the Religious Land Use Institutional Persons Act. The church under that Act has to prove that there's a substantial burden on the exercise of their freedom of worship. Also, they have the burden of proof to prove that there's a discriminatory treatment that non-religious institutions are being favored. The predecessor of that Act is the Religious Freedom Restoration Act of 1993. And there was a lot of challenges to that Act. Ultimately in 1997, the U.S. Supreme Court in the Flores' decision declared that Act unconstitutional violating the establishment clause, separation of powers clause, also violating procedures for amendment to the Constitution and undelegated, unenumerated powers exercised by Congress. There was an attempt to correct those flaws and they passed the Religious Land Use and Institutionalized Persons Act in the year 2000. Legal scholars and attorneys have indicated that they think that that Act is going to succumb to the same unconstitutionality that the Religious Freedom Restoration Act succumb to.

There's a California case that dealt with land use zoning issue that declared it unconstitutional as being applied to a conditional use permit. The court cited the fact that the state had the legitimate interest in looking at lost revenues as far as the health, safety, welfare concern, which is, would be clearly applicable in this situation. Also had the need to have a certain type of use for future growth, which also would be applicable in the present situation.

The Sixth Circuit, which includes Ohio, in which the case in the Federal District Court would be appealed to in the Cutter-Wilkinson case, they declared the Religious Land Use and Institutional Persons Act unconstitutional violating the establishment clause and the U.S. Supreme Court will ultimately hear that decision.

In other districts and circuits, cities and municipalities have been successful in challenging and winning under the Act on the basis of their zoning regulations being upheld and held constitutional. The Seventh Circuit in Chicago cases concerning special use permits where religious institutions were permitted in residential areas in, by a special permit, in non-residential areas. Also the Ninth Circuit in California where the City of Morgan was successful in defending a denial of rezoning.

If RLUIPA is declared unconstitutional, it goes away from the lawsuit and you don't have to deal with it. And based on the law and the decisions, that's a very substantial likelihood. Even if RLUIPA goes away, you know, there still could be a challenge that the current zoning is unconstitutional and they would use the Goldberg test. But there's a presumption that the decision on zoning is valid and it's up to the challenger or in this case the church to prove that. And they have a heavy burden. They have to prove beyond a fair debate that the current zoning is unconstitutional. That means it's arbitrary, unreasonable, capricious and that there's no health, safety, welfare concerns to substantiate that.

City spent \$5 million to, to, to create that industrial area and to, and get that land unland locked. So that would seem to indicate that there was a legitimate reason unless you just wasted \$5 million.

President Sustarsic – Your time is up, sir, excuse me.

Mr. Linnell Kinds – 177 E. 192<sup>nd</sup>. I've been coming to Council meeting about a couple years now. And I've been up here a couple of times, but not often. I've sat back there silently. I listen. I've watched EAC turn Council meeting to like a football rally. I've listened. I don't understand his arguments. I think a lot of it has to do with politics. They don't like Bill Cervenik for whatever reason I don't know. I think he's doing a good job. And just with this lawyer, made me think of one thing. Time. You're talking about Lakewood, eminent domain situation where the developer

owned nothing. This land is owned by Providence Baptist Church. Now Issue 34, whether it passes or loses, it's going to cost the City money.

Now, these people say they love Euclid so much. They're always talking about the old high school how they want to see it, they don't want to see it destroyed or remodeled. The City doesn't have money to be fix it. The City has no money.

So we had this long lawsuit, no indication how long it's going to take with that lawyer. They going to be talking forever going back and forth. The church owns this property. It sits there. Nothing happens. The City makes no money. You build 110 houses; you bring some people into the City. They have income. You're going to have some tax revenue regardless. And as far as reverse mortgages and all this stuff, I don't know. It's been so much misinformation about this project that nobody knows what's going on. And don't bring up any more experts talking, and this thing about racism. I don't care what EAC, how many Blacks they get up here and stand. I've watched them from this Council meeting and yes, they do make a lot of racial statements. But I'm not going to take a lot of time up. I don't need 5 minutes. All I know is that Issue 34 whether it wins or it loses is going to cost the City a lot of time, a lot of money that they don't have fighting a lawsuit. In the end, the church still owns the property. So if you want to come in and buy it from me and I'm a member of that church, you're going to pay dearly. Either way you lose. It's a non-win issue either way you look at it. Thank you.

Mrs. Rebecca Conway – 291 E. 276 St. You know, that is one argument that I, I, it just gets under my skin that the City doesn't have the fight, has the money to fight a lawsuit. These are our rights. It costs money to preserve our rights.

In our Charter we had the authority, we had the right to do referendum and we did it. And it's on the ballot for the people to vote whether it be yea or nay. We are not racists. I am not a racist. You don't know me. I am not a racist. It's, for us, it is not a race issue.

President Sustarsic – Excuse me, excuse me, please keep your comments to...

Mrs. Conway – So I'm going to talk about Hillandale for the next 4-1/2 minutes why I'm against the Hillandale project. It's based on economics. We don't know what kind of homes we're getting there. We just can't have any homes there. If they were truly upscale homes, we'd love it. The plans that were just submitted to the City, I'd like to know who is the builder on this project? Who is it? There was no logo; there was no letterhead or anything. Who is the builder on this project? Anyone can answer me please.

President Sustarsic – Well, first of all, this isn't a debate portion of the meeting. You're just here to express your comments.

Mrs. Conway – It's a one word answer. What's the company's name? What's the builder's name? Do we know for sure, is there a builder's name? We spent \$5 million to clear land. That's an investment that we spend as taxpayers. So what you're saying is that was a mistake to spend the \$5 million to turn around and zone it for 23 acres of tax-exempt use. The bottom line is when you give away tax-exempt property you get no money in.

Let's talk about Paul Taylor. Sat up here, told us he, you know, he never mentioned the 147 church until he had to. The pastor did not have a heart attack. The job they did on 147<sup>th</sup>, Cleveland shut it down. There is no project right now. It's in litigation. Let's talk about health, safety and welfare. Is that what we're going to get here in Euclid? I went down to Oakwood today. I looked at the church. Back in January Paul Taylor was here in Euclid for a meeting. Said oh, no, no, that building, it's not going to be the metal corrugated building. We're going to finish that. The metal corrugated is going to go away in Oakwood; it's going to be brick. Ten months later there's no brick. It's a metal corrugated building with a masonry front like we're going to get here in Euclid.

There's so much information we still do not have and I'd like to know why this Administration is hiding that information. Who is the builder on this project? Who is the American Church Builders? Where's their portfolio? Where's the completed jobs? And the houses down in Columbus that the man is no longer here is not the project that they are doing here in Euclid.

Please vote no on Issue 33 and 34. It'd be different, you know, if we had more information on it and we felt comfortable on it. But again, \$5 million was invested to clear that land and as we can see tonight, we have business popping up on Euclid Avenue now. What does that show us that the community up there is viable for business, 23 tax-exempt acres.

And I find it utterly rude when I look at you, Mr. Mayor, and I'm talking to you and you can't make eye contact. That's very rude. And I stood here at the beginning of the meeting, quoted the Charter, prefaced the Charter, as I've done before, saying you have, it's in the Charter that you're to answer my questions at the podium. And I am not out of order.

President Sustarsic – Mrs. Conway, Mrs. Conway, we're not here to attack any individuals.

Mrs. Conway – Are you breaking the law there? You can't even look at me.

President Sustarsic – You are here to address the issues.

Mrs. Conway – I find him utterly rude.

President Sustarsic – Well...

Mrs. Conway – That's not an issue?

President Sustarsic – Be it as it may, that's not what we're talking about.

Mrs. Conway – Then answer a question. Who is the builder of this project? What are you hiding?

President Sustarsic (sound of gavel being pounded) – You're out of order. Okay?

Mrs. Conway – What are you hiding?

Ms. Janet Santorelli – 560 Hemlock Dr. Dare we call Hillandale a conspiracy? Our Mayor Cervenik and five members of Council, an integral part of a conspiracy, did the Mayor make pre-election promises regarding the finalization of Hillandale? Were we sold out for 30, 30 pieces of silver or was it a selective vote?

We have repeatedly asked for information concerning the Hillandale project, facts and figures. We have repeatedly asked Mr. Frey what he's doing concerning Brian Meister. His adamance in refusing to discuss the matter borders on insubordination considering the fact that the people of this City pay his salary. We have repeatedly asked how \$60,000 of the taxpayers' money has been spent? On this issue we want an itemized accounting. We now ask for Executive meeting minutes. We have asked and now we demand your compliance concerning these matters.

The Cleveland Magazine photographed Mr. Gruber amidst the grasses of Hillandale. Arms outstretched, a gesture of welcome. He commented to Erick Trickey, we have an adult entertainment district; but if you want to build a church, you're out of luck. Isn't it true, Mr. Gruber, you vehemently opposed a Jehovah's Witnesses congregation coming into your ward? Your dedication to the opposition of this, this church led to you knocking on doors, trying to convince the people it would not be advantageous to the community. Wouldn't you confer that you were promoting religious discrimination? What hypocrisy. Lest you forget, Mr. Gruber, I will repeat, we have 26 churches in Euclid and a hundred, and 16 churches in close proximity. Enough said.

Erick Trickey of the Cleveland Magazine...

President Sustarsic – Excuse me please, Mrs. Santorelli, has the floor.

Ms. Santorelli – Can I have my minutes from this? Thank you.

Mr. Trickey of Cleveland Magazine states that Providence Baptist Church would bring upscaled housing to Euclid, consequently, a hike in property value. We have and are in possession of upscaled housing, signature homes. Mr. Trickey, we have a lovely condominium development on the corner of Lloyd Road and Lake Shore Boulevard, which price tag out at \$300-400,000. We have a wonderfully renovated Victorian on the northwest corner of Lloyd and Lake Shore priced out \$300-350,000. Further down on Lloyd we have a wonderful home facing the lake that boasted improvements and after initial cost of the home is valued at \$450-500,000. Another on 270<sup>th</sup>, a lovely old home that catered to an elitist family over 70 years ago in the process of complete renovation without destroying the integrity of the home priced tag any where from \$450-500,000. Euclid does have wonderful homes. We could be a signature area but for that we need strong leadership.

Council Daly posed this question in Cleveland Magazine. How's a church going to hurt your City? I now pose this question to you, Mr. Daly, how is the church going to help our City? We have no opposition to the church coming into a City as we've proved with the 26 churches that we have. However, we are opposed to using prime property for low-income housing.

Today I made three telephone calls. Two to Snavelly Construction companies, neither one of them have ever heard of the Hillandale and Mr. Trickey stated very definitely that Snavelly was the

builder. I also called Professor Rich of the Law Department in Akron. And I can confirm what Mr. Goodman said. Okay, where are we now?

Okay, Euclid Awareness is a committee comprised of a group of people from Euclid. They have no interest in the City other than it's economic growth and upscaling the entire City. They have done a wonderful job. Euclid Awareness has worked for all of the residents of this City untiringly and I know that for a fact.

President Sustarsic – Thank you, Mrs. Santorelli, for your comments. Next please.

Ms. Santorelli – Thank you.

Mrs. Susan McGinn – 141 Sunnyclyff Dr. And thank you, Mrs. Santorelli, for all those nice comments. I'm not going to talk about Hillandale. I am going to talk about the school crossing guards, quickly, because I know everybody wants to go home. And one thing that really concerns me is the fact that the School levy was passed in March and Indian Hills and Memorial Schools still have nothing in place as far as these children crossing the streets. I find it absurd that the City did not have a plan in place before these schools were opened. Regardless of whether they need a crossing guard, the painting of the crossing lines etc., I would think they would have all been done before the children started attending school. And when Mrs. Wenrich got up here earlier and spoke on behalf of the principals. I don't think she was answered properly. You almost ignored her.

My son does go to Memorial School. I sit in the parking lot for longer than 10 minutes every day. I watch children running across Babbitt Road. They're, someone is going to get hit. I'm not sure whether the volume calls for a crossing guard, but it needs something. These children are just darting across Babbitt Road in the middle of the traffic. This, there should have been a plan in place before they returned to school in August. Thank you.

President Sustarsic – Seeing no more comments or questions from the audience.

Councilman Daly moved to rise and report; seconded by Councilman Delaney. Yeas: Unanimous.

Anonymous female voice – I have one comment, please.

President Sustarsic – No, I'm sorry, mame, you had your 5 minutes. Thank you.

#### COUNCILMEN'S COMMENTS

President Sustarsic – First, I'd like to start off by announcing that there will be budget hearings next week. October 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup>, possibly another date if needed; but I think we might be able to get everything approved in that particular time period.

This Wednesday, October 20<sup>th</sup>, at 6 p.m. there is a Special Council meeting. I'm sure you all had notification on that and no need to bore you with that.

Secondly, I'd like to, I'd like to take the opportunity to commend the Mayor, this Administration for, for retaining and attracting business and for getting the ball rolling. It's very difficult these economic times, but at the same time I'm pretty convinced that there's a light at the end of the tunnel and it doesn't have to be a train. I think we're doing pretty well, doing as best as you can and I think it's going to take the overall cooperation of Council, the Administration and the community to bring Euclid back.

Lastly, I had the pleasure of attending, I went to Euclid Square Mall this weekend with the 5<sup>th</sup> Annual ASNE Active Living Expo. And that was for us, they call us Boomers, Zoomers and Beyond. I didn't see too many beyonds over there, but I saw a lot of Zoomers and Boomers. At any rate, it was, it was very, very, very nice, very well attended. Participation on the part of all the vendors and everything else like that, was terrific. I can't say enough about it. Plus it was very nice to see all that traffic, both pedestrian and vehicular into the mall site and we're looking for bigger and better things from over there, too.

That's about it. Mr. Daly, you're up.

Councilman Daly – Couple items, first Dennis Berzinskas wanted us to look at voting out judges. One problem is we're in front of a Federal judge, who has a lifetime appointment. So that's not going to work there.

Upscale housing, Director Frey, what's the zoning code for upscale housing?

Director Frey – We have a zoning code that is for single-family homes. We have a zoning code for multi-family homes and attached single-family. I'm not sure that we have a zoning code that specifically addresses upscale.

Councilman Daly – Okay. Thank you. I was, some members of EAC did talk to me over the course of the past two weeks and said that they had discussed the Cleveland Magazine article. So I did have a chance to contact the writer of that article and he said that the Professor has not asked for his quote to be corrected and that he stands by what he printed in that article.

Let's see. On the Bennington Hamlet vote, you know, I thought before we went ahead and voted on that that we should have given the other parties a chance to give their recollection of what happened back 10 years ago. And because of, you know, because of that I wasn't comfortable voting, voting to overturn what they did, you know, without them being given the opportunity to speak. So I just wanted to put that out to them.

Lastly, it seems like we've been talking about this Hillandale project forever. And I'm concerned about items that are being printed and said that are not true or they cast innuendoes at people and two were in the current edition of The Euclid Observer. She talks about Doug Price buying a new headquarters at Figgie and sounds like a perfect use for Hillandale. Alas, our leaders prefer tax-exempt development for outside interests versus taxable development for inside it. You know, first off, Director Pietravoia, did K & D ever express or submit a plan to build a headquarters at Hillandale?

Director Pietravoia – No, not to my knowledge.

Councilman Daly – Okay. The property that they bought at Figgie had existing buildings on it. There are no existing buildings at Hillandale. So to say that we turned down K & D for the church just isn't the case. K & D, you know, never expressed an interest in the property and the church already owned it.

The second item that she writes about is that that's what happens when you buy land without a zoning change based upon flimsy promises by politicians. The politicians who assured the church it was a done deal should pick up the tab. Well, seeing this Mayor was not elected when the church bought that property or three of the five votes on Council were not in office since they purchased it almost a year before the election. I don't know who she seems to be casting this aspersion at that someone's, you know, guaranteeing the church of a done deal. But, you know, it's obviously just something misleading that people that read that paper wouldn't know that the people that were up here voting on the issue weren't around when the church bought that property. So that's all I have. Have a good night.

Councilman Delaney – I'd just like to say good morning, but I'll pass.

Councilman Gruber – That's scary getting a good morning from you, boy. Couple of items, about the crosswalks up at Indian Hills, a majority of them have been painted. I know that I had some conversations with the Mayor and the Service Director. Poor planning, not being ready, definitely. They're probably working on that school right now at 9 o'clock at night. The windows aren't all in. There's construction trailers in the area. They're removing the fence around the tennis court to improve parking. I know that's going to upset some folks, but I think that a little more planning could have gone into it all the way around. And I'm sure that the crosswalks will be painted as soon as possible. There is just one stretch crossing Sagamore.

The second thing is that one of the folks brought up the Jehovah's Witness thing. That was in the early '90s before I was on Council; and, yes, I did. I went out door to door. This was on Glenridge. It was a single family home. They're proposing coming in there and tearing the home down and building a large worship center. This effected me. It was in my neighborhood. I wasn't living the farthest point away from the City that you could to fight this battle. We found a home for them on Euclid Avenue. The building stands today. It's one less vacant parcel. It's right next to Sims Buick down there. So if anybody wants to see the results of working together with an organization, that's what came of it.

Another thing, misleading statement, \$5 million on clearing the land and it was landlocked. We spent nothing on the Hillandale property up there. We did not spend \$5 million. The land has not been landlocked since the Medical Plaza was built. The church actually owns the ring road. The former property owners owned the ring road. There's always egress and ingress by the Aims Check Center for that property.

What else do we have? That's about it, I guess. Oh, I would like to thank the Chardon Hill Homeowners Association, the Indian Hills Homeowners Association, the Euclid Villas Homeowners Association for having me speak at their meetings this month.

And again, on another issue that nobody brought up about a zoning change, you know, that's kind of how I got started in this with, there was a referendum on a zoning up in South Euclid and the Euclid border at the Glastic Corporation. We won that referendum. We did it honestly, fairly.

Just presented the facts and let the people decide. We didn't storm council meetings and, and get angry with people. We did go to council meetings. We acted in a respectful manner. It was one of the first times in the State of Ohio that a neighborhood organization fought a zoning change and won. And we were up against a multi-million dollar corporation. So I applaud the folks that are doing that now. I know how hard it is and where they came up. But just, we do have election laws. There are ethics; there are, you know, truth is a powerful tool and it needs to be used all the way around. Thank you.

Councilwoman Holzheimer Gail – First, I guess, just a comment. I've been frustrated before sitting here when we are dwelling past issues and we're taking personal jabs at each other. And I find myself guilty of that tonight. So I apologize to Councilwoman Hufnagle. In my frustrations with the Golf Course vote, I used a personal mention of you and that was uncalled for so I apologize. I try to stay away from that. I think Council will be served much better if we all try to do the same. And so I just sincerely do want, I feel bad about that.

I don't, however, apologize for wanting more information. Both the Golf Course issue and the Bennington Hamlet issue in theory I support; and given the right information, I would have supported them. But with Bennington Hamlet, issues were thrown out casting dispersion on previous votes and what things had happened and references to legalities and we were looking at spending \$400,000. To me I want additional information on that. So I won't apologize for wanting to do the process right, that's what we're here for and I will continue to work hard. And I do try to get information outside of these meetings. I don't count on only these meetings to get that information, but I think we all would be better served by trying to work together. And I will continue to do that and look forward to the successful Golf Course Clubhouse project.

Councilwoman Hufnagle – There's certainly a lot of issues that I could use my 5 minutes to address. Many statements made about Hillandale that I do or do not agree with. Course, there's the whole crossing guard issue that I've been screaming at the Chief for months now and the Mayor; but, you know, I'm not going to address that either. And I certainly took no offense to Councilwoman Holzheimer Gail's comment. You know, I respect the different opinion of my colleagues. That's why we're here, 9 people 9 votes.

I do, however, couple meetings ago I read the ordinance that governs the podium. And it's one thing if somebody's going to come up here and still go against the ordinance, but take potshots at us because we make the choice for this. I don't find that little old woman humorous and we've heard her put down a local business before. And I am offended at what she said tonight most out of anything that was said.

Small businesses in this country make up 70% of the new jobs. We just got 2 new businesses into the City. We do not need to offend our businesses. And I do not want to hear her come back for part 2 of her story. Thank you.

Councilman Langman – A question for you, Director Gulich, can't we improve the traffic flow in the Memorial School parking lot on the ice arena side there to help alleviate some of the traffic congestion? Have we looked at doing that? Are we going to do that?

Director Gulich – We have been looking at it and we, excuse me, Councilman Langman.

Councilman Langman – Oh, it's, it's very early in the morning.

Director Gulich – Yeah, we've been continuously looking at it. I see Chief's ready to push his button on this one, but we do have some limiting factors over there with what we can do with the lights. A long-term solution will be to resignalization, we'll be able to improve the timing of those lights to get the traffic in and out of there better. But at that point, I'll defer to the Chief.

Chief Maine – The only thing I was going to say was that I had tried to address that before. One of the comments was that gate, I think can help alleviate and exit some of the traffic out onto 222<sup>nd</sup> Street. That gate is controlled by Parks and Recreation and like I said before, I'm waiting for Kathy Will to get back so that we can try and resolve some differences of opinion.

Councilman Langman – Well, I've heard from folks that sometimes when the seniors have their day trips they park over there and, obviously, that's a conflict with parents trying to pick up and, you know, and cars park there, etc. So if we can kind of speed up that review, I'm sure the folks will be most appreciative.

Chief Maine – And I agree with you.

Mayor Cervenik – If I can add to that, one of the reasons that gate is closed is because it does pose a danger because people start to use it as a cut through. And it's not conducive to cut through with all the activity of the children and, now, with the school there somebody's going to get hurt. That's why it's been closed. I travel that way all the time and I've often said boy, that'd be convenient if that gate was open. But I know why it's closed. Pardon?

Councilman Langman – Too convenient.

Mayor Cervenik – Yeah, too convenient, but when Miss Will's back we'll sit down and, I mean the area was a school before and it's a school now. I don't think any new problems have really been created with the operating as a school again. But we're working on it. We're getting better; we're getting better at it.

Councilman Langman - I think, I think what's, you know, some people mentioned that we should try to work together and so forth and, you know, when you look at the Golf Course Clubhouse, I don't know ultimately whether renovation would have been the best or building new. But what bothers me is that the option of renovation wasn't even considered. So when you reach out and try to come to a compromise, I incorporated what the Administration wanted with Knuth and it was flat out rejected, that's bothersome. We could have looked at both options and then kicked around the idea of renovation versus building new. But we threw that option out and I'm going to mourn the loss of that building. I think it was an opportunity missed on a lot of different levels and with that I'll wish everybody a good morning.

Councilwoman Mancuso – I, too, would have liked more information on the two issues. Mrs. Hufnagle said she e-mailed all of us. Now, I know we are all experiencing PC problems where we are shut off for a half of day and can't get back into the system that type of thing. So I did not receive any information from you to ask for questions about this. And while it sounded great on the surface, I will consistently vote no when I don't have enough information. I have to; that's just the way it has to be. I don't think the people expect anything less. And with that I'll say good morning.

Councilman Sustarsic – I'm going to say the words that I think everyone's been waiting to hear.

#### ADJOURNMENT

Councilman Sustarsic moved for adjournment; seconded by Councilwoman Mancuso. Yeas: Unanimous.

Attest:

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Clerk of Council

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President of Council

