

**COUNCIL MINUTES  
JANUARY 18, 2005**

The regular City Council meeting was held on Tuesday, January 18, 2005 at 7 PM in the Euclid City Hall Council Chamber. President Sustarsic presided.

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

Excused: Mancuso

Councilman Langman moved to excuse Councilwoman Mancuso. Councilman Delaney seconded. Yeas: Unanimous.

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

Invocation was given by Suzanne Alexander and Craig Farnsworth from the Baha'i Faith Community of Euclid.

**LIQUOR PERMIT**

Councilman Langman moved to receive and approve without objection a transfer of a C1, C2 liquor permit to Euclid Mart at 26610 Lake Shore Blvd. Councilman Daly seconded. Roll Call: Yeas: Unanimous.

**COUNCIL MINUTES**

Councilman Gruber moved to approve the Council Minutes of December 20, 2004, January 3, 2005 and Special Council Minutes of December 22, 2004. Councilman Delaney seconded. Yeas: Unanimous.

**ADMINISTRATION REPORTS AND COMMUNICATIONS**

Mayor Cervenik and Program Administrator Mac Stephens presented Joshua Edmonson & Darmii Warner with recognition for being nominated for the Junior NBA and Junior WNBA National Basketball Team.

Mayor Cervenik – I have a number of announcements and some discussion about our financial situation. As you know, we wrapped up yearend and we've closed out the books, I believe last night or early this morning. And as I reported to you at the Finance Committee meeting through extremely hard efforts the lady and gentlemen around me, my Directors, and the Chiefs as well as all of the employees in the City of Euclid, we have finished a year with a cash balance of just over \$1 million. At the beginning of the year we projected approximately \$100,000. This is, the cash balance is a combination of reduced expenditures as well as some savings that actually were greater than originally anticipated when we made some changes in City government. It also is a combination of increases in our tax collections and some other increases in income as well, our ambulance billings ended up about \$25,000 in excess of what was projected. And I would be remiss if I did not mention that our Municipal Court run by Judge Deborah LeBarron returned significant amount of revenue back to the City's General Fund and it's very much appreciated. The Judge spent another year without a secretary in order to, you know, help out with the budget situation and it's very much appreciated. This year it's in her budget. She does need a secretary, but she runs a very efficient court and we know that will continue.

We started feeling pretty good about our results of operations back in August, but being conservative, it really wasn't until some of the tax collections in November and December that we knew we were going to have a pretty significant balance. So what do we do with this balance? For the most part, we must retain this in our reserves. It was very clear in the Moody's report that we dropped one rank in our bond rating because our cash reserves of nearly \$6 million were depleted in the years 2002 and 2003. And until we replenish our cash reserves and regain our structural balance, and those are quotes from Moody's, we will stay at the bond rating we are, which is about 39 other

communities in northeastern Ohio that are on there. It's still a very strong bond rating. Along with our downgraded bond rating they did give us what's called a negative outlook. It is my intention towards the end of this year, if the management that we've started this year continues, that I'm going to ask Moody's to come back in and, at least, remove that negative outlook and if not possibly even looking at raising our bond rating up to where it was. And I can do this knowing that January's tax receipts, now I don't know if you've received the reports yet, January's tax receipts are in excess of \$200,000 over projections of this year and its \$220,000 over last year's income. So things are turning around.

February should be another good month because as I go throughout the business community there were a number of CEOs that explained to me that for the first time in 2 or 3 years they were able to make, pay Christmas bonuses. Maybe not as large as they wanted, but they were able to pay Christmas bonuses in December. Those tax collections come in February. Lincoln Electric's bonus was approximately 20% higher than the previous year. I think we budgeted about 8%. So we firmly expect to see a very good start to the year 2005.

Although the reserves need to be rebuilt and we will do that, we're committed to doing that. I would strongly hope that if things go the way they are, we can get up to, our goal is a \$3-1/2 million cash surplus by the end of the year 2007. I may, depending upon how things, if things continue as they are, I am probably going to approach City Council with a rather small, but what I feel is an important budget amendment. We won't do that until June because we want to be confident that this will continue. And the budget amendment will be basically made of three things. It'll be to allow us to put back the expense which is estimated at about \$40,000 to do a complete review of our Zoning Code, considering what we're going through with the Providence Baptist Church and the fact that we're spending more legal fees on appeals now, it would be very good idea to have our Zoning Code reviewed from top to bottom. It hasn't been done in quite some time. I would also like to restore the cuts in the Police and Fire training. We have money in there for the minimum amount of training that is required for our safety forces and if our good fortunes continue, I would like to add that back into the budget because it's very important that our safety forces, both the firefighters and the policemen, are very well trained. And the only other thing that I foresee, barring any emergencies in this budget amendment, is we will be losing our two senior program workers that handle our switchboard right now and I think it might be a good idea for us to hire a fulltime regular switchboard operator to take over that. And it's not a real high paying position, but I think it's very important because people call in that there's someone there and they can get a little more familiar with it. Those would be the three items I will talk to you about later in June. The majority, those items are less than \$80,000 total because it's very important that we build these reserves up. It must be done.

We've had discussions in the past, the Administration had discussed with you as well as I'm out and about town talking about residents, asking residents possibly to make an investment in a real estate tax levy or we've talked about fees for garbage collection. I'm very happy tonight to tell you that that will not be necessary in 05. It should not be necessary in 06 and if things go as well as planned with what we have projected, we won't need it in 07 either. And that's very good news. Part of that is it's very difficult, we're very confident that our delinquent tax collections are going to, we're going to come in over what we projected. And we also feel that with the work of the Economic Development Department we are going to have a number of new companies moving into the City and expanding our tax base. So we feel at this time that we will not be coming to City Council and we will not be going out to the residents looking for tax increases or fees.

I still have a little reservation about our capital needs and I won't rule out in 2006 possibly asking voters once we present the plan to them as to what our capital needs are, that possibly a half mil or mil, but even that, right now, is a little premature. But we do, we do have a number of capital needs. We have some street resurfacings that need to be done. We have police cars to purchase, ambulances, items such as that. We need, some of our Service Department equipment is becoming outdated. I think we're, the suction that some of our leaf pickup trucks have are deteriorating very quickly. And what I've asked all the Directors to do over the next few weeks is to give me their 3-year budget needs keeping in mind conservativeness. And then we will present to City Council what we feel we need to do over the next three years as far as our capital needs go.

We've got a number, as I said we've got a number of economic development projects in the works. It was a rather interesting meeting I had on the 7<sup>th</sup> of January. We were out with a real estate consultant. We've been meeting with a CEO of a rather company that is looking at bringing a hundred jobs or more into our City. And he, when the CEO left the office for a minute, the broker looked at me and he said Mayor, I almost canceled this meeting because of some of the political problems in your City. And I said Mr. Sullivan, and this is the first time I met Mr. Sullivan, I said please put this in writing. And I gave each of you a copy of the letter.

And I'm going to read the letter dated January 10<sup>th</sup>. It was a pleasure meeting with you last week to discuss a possible relocation of a hundred jobs to your City. I've been involved in the corporate relocations for the past 18 years and have been associated with many successful projects. Corporations today have many available opportunities presented to them when searching for a new location. The current turmoil involving your Administration creates an element of uncertainty and risk. This type of turmoil detracts from City of Euclid's ability to attract new business. After our meeting I felt more assured that Euclid is moving in the right direction with you as its Mayor. We look forward to working with you and the City in making this relocation possible. Something to think about.

This Administration is dedicated to running this City financially responsibly. I think we have demonstrated that very clearly through the performance this past year. We are working very hard to expand our tax base. We have a very good relationship with the business community and you just need to let us continue. You need to work with us and we'll get this done. We will make this City prosperous once again.

Mr. Chairman, that's all I have this evening. I've got Mr. Gulich, Service Director, has a couple of comments.

Director Gulich – Last Wednesday, we invited to City Hall the residents of East 223<sup>rd</sup> and the business owners on East 222 for meetings with members of the Administration and Council. Since then, we've had the Committee hearing last Wednesday. And we've come up with the plan I would share with everyone this evening. We'll advertise this plan to the media. We'll have it on Channel 23. We'll get the word out as best we can across the board.

What we will do in regard to the vacation of short Miller Avenue is set up a traffic zone, which will replicate the actual closing. We will close Miller Avenue off at the Marginal. We will post all the necessary signage in cooperation with the Police Department to run this new traffic pattern for a one-month period beginning on March 31<sup>st</sup>. We will do a number of traffic studies before the closure. We will monitor the closure very closely. Thank you, Mayor, January 31<sup>st</sup>, a week from Monday, we will do this closure a week from Monday, January 31<sup>st</sup>, for a four-week period.

We will do these studies, again, during the closure and we will report back to Council when they bring it back in to Committee where it still is in Committee. We will bring back our traffic count numbers and the results of the closure as we intend to do if we proceed with the permanent closing. Again, we will notify the media. Tell them to get the word out as best as possible about this one-month reconfiguration of traffic to replicate what the closing would be when we vacate short Miller.

On another note, something that's been much more successful than we imagined, drop-off recycling has been responded to very well. I visit the drop-off sites on Monday and I see pretty much overflowing containers. Even in this bad weather people are getting out; they are getting their recyclables to these stations and that's great. We will need to work with Waste Management as far as the tweaking the locations of these, the types of containers they bring so that people can find these containers more accessible and we can avoid the overflowing instances that we've had after like a long weekend such as this. But we will continue to monitor the drop-off recycling and we will tweak the, tweak the procedure to make it user friendly and make it successful here in Euclid. Thank you.

Mayor Cervenik – That concludes Administration reports for this evening.

President Sustarsic – Thank you, Mr. Mayor, and might I add it's very, very good news to hear. Very enthusiastic and very promising news to hear for the future of the City of Euclid.

#### REPORTS & COMMITTEE MINUTES

Councilwoman Holzheimer Gail moved to receive the Finance Committee minutes from January 10, 2005; Humane Officer's Report from December, 2004 and the Board of Control minutes from December 27, 2004 and January 3, 2005. Councilman Sustarsic seconded. Yeas: Unanimous.

#### COMMITTEE OF THE WHOLE

Councilman Sustarsic moved to go into the Committee of the Whole for Legislative Matters Only; seconded by Councilman Daly. Yeas: Unanimous.

President Sustarsic – At this particular point in time, anyone from the audience can come up to my left podium, give your name and address and any comments or questions you might have about legislation on the agenda this evening. It's my understanding that we are having a Public Hearing on #1 so if you could kindly refrain from comments on that and then once we go into that particular portion for the meeting you can ask questions and participate. So again if anyone at this particular point in time has anything that they would like to address on the agenda, please step up to the microphone.

Mr. Victor Goodman – 20201 Glen Russ Lane. I would like to discuss for a moment 5 and 6. I'm sure that this will be passage tonight. I think this certainly will benefit the City in the long run, but I do have some reservations I must make clear.

In the unrest of this past year, I truly wonder and I have a concern that this will be used for a financial benefit for the City and not for political vendetta. I am concerned that the City has the right to go into personal files of citizens and that upsets me. I wonder, I watched the Finance Committee. Mr. Kniceley mentioned that they identified 6100 people who do not file city taxes. And I wonder if that figure is accurate, why hasn't a group been formed to go after people who are identified? And I know he did state that money has been collected.

On the other matter of my concern and I direct this directly to the Mayor and the Law Director, in light of peace of working in cooperation with the people of showing good faith, I wonder why you have chosen Mr. Meister in such an important position. Now I know you're shaking your head, Mr. Mayor, but hear me out. This gentleman stood at this microphone and stated bias and prejudice toward people in the City of Euclid. Why would you want to alienate further? Why not find someone as qualified or more qualified that is neutral and will be easily acceptable to the people? It is like a slap in the face again. You have chosen someone that has created conflict in this City to do something so delicate as taxes. I hope you'll reconsider who you choose and go forth with your project.

Mr. Jack Hagenbaugh – 20200 Hillcrest Dr. I'm here in support of Item #2, Resolution (276-05). One of the things that Council has generally agreed on and united on is the citizens having a voice in issues affecting their neighborhoods. Recent examples being the East 205 project and rejection of a cement crushing plant.

This area in question is a beautiful wooded area of the City that should be preserved as greenspace and enhanced with trails for others to enjoy it and I urge passage. Thank you.

President Sustarsic – Thank you and are there any other comments or questions by the audience?

Councilman Daly moved to rise and report; seconded by Councilwoman Holzheimer Gail. Yeas: Unanimous.

#### LEGISLATION

##### **Res. (244-04) U.D.E. 145 East 193<sup>rd</sup> Street**

A resolution granting a Use District Exception pursuant to Chapter 1375 of the Codified Ordinances of the City of Euclid, to Victoria S. Whitmore to allow a U-4 (Retail/Wholesale) use in U-5 (Commercial) Use District, at 1451 East 193<sup>rd</sup> Street, Permanent Parcel No. 646-23-080. (Sponsored by Planning & Zoning Commission)

Councilman Gruber moved for passage; seconded by Councilman Delaney.

Councilman Gruber – In light of some information that we had just received literally moments before the Council meeting, I'd like to move to table this to the next Council meeting.

Councilman Gruber moved to table legislation until the next Council meeting; seconded by Councilman Sustarsic.

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

**Res. 6-2005 (276-05) ODNR Railroad Grant**

A resolution authorizing the Mayor of the City of Euclid, or his designee, to submit an Application for Financial Assistance to the Ohio Department of Natural Resources (ODNR), seeking a Four Hundred Eleven Thousand One Hundred Fifty Dollars (\$411,150.00) grant from the Clean Ohio Trails Fund to acquire the Euclid Railroad right-of-way (see attached Exhibit A) in the City of Euclid for greenspace conversation and multi-purpose trail construction. (Sponsor Mayor Cervenik and Councilman Gruber)

Councilman Gruber moved for passage; seconded by Councilman Langman.

Director Pietravoia – Members of Council may recall that last June, with the support of Council, we did pass a resolution and we applied for a grant from another source from the State of Ohio with Conservation Fund. When we went before the local committee for review of that grant request, they strongly urged us to instead apply for the Clean Ohio Trails Fund, which is what this resolution is about tonight.

This project, as you may recall, would establish a trail, as you heard from the resident that spoke tonight, a multi-purpose trail in the old Euclid railway right-of-way that extends down to Euclid Avenue. By including this segment with the existing trail that's in the Euclid Creek Reservation and connecting the entire trail system along Euclid Avenue, we could potentially have a 5 mile trail loop, multi-purpose trail loop in this part of the City.

We're asking for Council's support tonight so that we can apply again to a different source through the State of Ohio. We're being strongly encouraged to do this. We're, this is still a joint project with the City of South Euclid. We have also had conversations with the Metroparks system about this and we intend to pursue a request for funds from NOAAC as well for the portion along Euclid Avenue. So tonight's resolution is merely to authorize us to submit another application to the State of Ohio.

President Sustarsic – Thank you very much. Any other comments or questions?

Councilman Gruber – Council rose in support of this last time it was in front of us and I urge their passage this evening. I had met with the Indian Hills Association, who is directly affected by this and we've garnered their support from the last homeowners' association meeting. It was explained that this is in conjunction with the Metroparks and they would be helping provide security and other maintenance issues. So I urge Council's support on this issue. Thank you.

Councilwoman Holzheimer Gail – I certainly support this effort. My question is, is there a match from the City and if so, how much?

Director Pietravoia – There is a 25% match required. We're estimating that that would be split 50-50 with the City of South Euclid so we believe it will be in the dollar range of about \$68,000. The grant itself we're asking for is 411,000. The total project cost is about 572,000.

Councilwoman Holzheimer Gail – And would that come from Recreation capital or General Fund?

Mayor Cervenik – A portion of that would come from Recreation capital and probably a number of other funds to make up the difference. If we can leverage our funding to get a \$411,000 improvement, we will find a way to do that; but it will not all come from Recreation capital items.

Director Pietravoia – I'd like to add also that we're very hopeful that we'll be successful this third time around in securing this grant. And if we are, we'll have from the date of notification, we'll have 18-24 months to undertake the project. So that would give us potentially 2 additional budget cycles to put in place the local match that's required.

President Sustarsic – Okay, thank you. Any other further comments or questions?

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

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

Abstain: Gruber

Passed.

#### **Ord. 7-2005 (273-05) Acoustic System**

An ordinance authorizing the Mayor of the City of Euclid, or his designee, to execute a professional service contract with D. H. Kaiser Company for the purchase and installation of an acoustic remediation system for the Euclid Senior Center. (Sponsored by Mayor Cervenik)

Councilwoman Holzheimer Gail moved for passage; seconded by Councilman Langman.

Director Gulich – I think most everybody around town has had a chance to check out our new Lakefront Community Center down on the shores of Lake Erie. Everyone will agree, I'm sure, it's a beautiful building. When you first see it, it's a beautiful building. When you go through there, very functional building, something we plan to enjoy for a lot, long time here in the City of Euclid. One thing I think everyone can also agree on is the acoustics in the building in the main room in the adjacent room are very poor. You don't need a sound expert to tell you that. You just have to go in there when the building is under use and try to communicate with someone in either of those two rooms.

We went to Board of Control a little over a month ago and we asked for an acoustics survey and analysis by D. H. Kaiser Company as to what they propose to correct these deficiencies in the acoustics of this room. We received that study. They're proposing to install acoustic panel on the wall and on the ceiling that would cover approximately 30% of those areas. They felt that, they were quite confident that these improvements will correct the acoustic deficiencies of the building. The Mayor and myself had representatives of the seniors in there. We've explained some of the options to them. These panels can be color coordinated to match the ceiling. They can be color coordinated or contrasted to match or liven up the walls in the room as well.

We found that the problem is not the sound system in the room itself. There's nothing wrong with the sound system. I did get an education on a few words that I won't pretend to understand %ALcons, drop in consonants, the Sabine Method, a few other words we know a little bit more about reverberation, frequency and insulation. These were all explained at length. But in order to get this building sounding the way it should, we will need to do these needed improvements. And I believe that from Council's go ahead it would take about 10 weeks to have these materials ordered and installed.

Councilwoman Holzheimer Gail – Director Gulich, will this address some of the issues in the staffing area as well? Is that part of the consultant's review?

Director Gulich – These will only address the main room, the large room and the adjacent room to it. Those were the rooms that were studied in the acoustic survey. Obviously, we can look into these if these are a major concern in the future, but the remediation here is only to address those two rooms.

Councilwoman Holzheimer Gail – Okay, at some point I would suggest perhaps talking to the staff and Margaret Hastert-Wolf. I thought there was some problem in the staffing area and maybe the adjustments that are being done in the large room will help alleviate that if the sound is lessened there. I don't know if that's the correct word.

Director Gulich – Certainly, we can, we can ask this person to check into these additional areas and see what they might suggest we do.

Councilwoman Holzheimer Gail – Thank you.

Mayor Cervenik – If I can add, it's my understanding that there is some significant sound problems in the arts and crafts area as well and we will look into those next.

Councilman Delaney – Director Gulich, especially in the bigger room, a lot of hard surfaces, was carpeting suggested at all?

Director Gulich – As a matter of fact, I suggested carpeting and I, like I said, I got a real education here on short order here. I won't pretend to understand all the complicated engineering terms, but I was told that carpeting would only address a very small spectrum of the audio of what we can hear. And we can invest a lot of money on carpeting to cover up that fancy floor on there and would have a minimal impact. Because we also looked at doing our own soundproofing in house to save money, we talked to other people who've done that and have been very ineffective at it and pretty much destroyed the nature of the nice space they had in the process of doing it. We want to do it right.

Councilman Delaney – Thank you.

Councilman Langman – Director Will, do we have a rental rate structure yet for the facility?

Director Gulich – Councilman Langman, Director Will, here, will address that question.

Director Will – We are still in the process of negotiating that. We did receive a proposed fee rental schedule and are working the rental agreement with the person that would be taking over the rentals for us and it should be in front of you, City Council, on the next Council meeting on February 7<sup>th</sup>, which would also include not only the agreement with the person but also their fee schedule.

Councilman Langman – Thank you.

President Sustarsic – Okay, thank you, and are there any other questions or comments?

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

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

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

Passed.

**Ord. 8-2005 (274a-05) Radios for Police & Fire**

An ordinance authorizing the Mayor, as Ex-Officio Director of Public Safety, or his designee, to enter into a contract, after advertising for bids for the purchase of hand-held portable radios for the Police and Fire Departments. (Sponsored by Councilman Gruber by request of the Police Chief & Fire Chief)

Councilman Gruber moved for passage, Councilman Daly seconded.

Chief Maine – I'll give some introductory comments and I think Chief Cosgriff would like to add some words after I have finished speaking. In October 2003 we were handed a report by Altronics our communications consultant who gave us a pretty comprehensive outline, some steps to take in remediating our communication system which is somewhere in the area of 12-14 years old now. We have completed the first step as a result of the support of this administration and Council. We have replaced the antennas and cabling and some of the other infrastructure that needed immediate attention. We are now ready to move onto the second phase or part of the second phase recommended by

our consultant, that's to replace the hand-held portable radios which specifically or most importantly are being used by the Safety forces. We come to you asking for authorization to go out for bids after specifications are drawn up by our consultant and we will come back to you after we have the results of the bidding process completed. We've gotten very firm support from Mayor Cervenik and I am hoping we will get the same from you to really bring our communications system to what it was when we first bought it 12 years ago.

Chief Cosgriff – I'd like to start by saying that I cannot underestimate the importance a reliable communications while operating at an emergency incident. I can tell you from my own experience there are few things that are as frustrating as not being able to communicate with crews operating inside a building or for those operating inside to communicate with the commander outside. Further complicating these communications are the fact that our firefighters are wearing self-contained breathing apparatus and they are operating in harsh, noisy environments. These radios are subject to extremes of temperature coupled with wet smoky atmospheres and this certainly takes a toll on these radios.

The new portable radios would give us the ability to communicate with mutual aid fire companies both when we are asking for their help as well as when we are extending aid to them. I'm asking for your support for this needed ordinance both for the safety of our firefighters and the community as a whole.

Councilman Gruber – I fully support this and even though my name is on the ordinance, I'm sure the rest of the Council would like to have their name probably put to it for the health, safety and welfare of the citizens of Euclid. I know particularly in some of the high rise buildings and in the higher elevations such as in sections of Ward 4 that communications can sometimes be difficult with our current equipment. I fully support this and I hope we move as quickly as possible on getting this equipment for our police and fire officers. Thank you.

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

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

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

Passed.

**Ord. 9-2005 (270-05) Tax Collection**

An ordinance authorizing the Director of Finance of the City of Euclid to enter into an agreement with American Financial Network, to finance the lease and purchase of hardware, software, installation, and training necessary for the implementation of the Municipal Income Tax Department and the income tax collection of delinquent accounts. (Sponsored by Mayor Cervenik) (Recommended for passage by the Finance Committee)

Councilman Daly moved for passage, Councilwoman Holzheimer Gail seconded.

Councilman Delaney – Thank you Mr. Chairman. In light of our last Committee Meeting, I had requested that someone from CCA attend. What I did is after our committee meeting I followed up with Commissioner Lynch and he was kind enough to come here tonight and bring his staff with him and I would like to waive the rules and have them come up here for this debate tonight.

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

President Sustarsic – At this particular time, if you want to go to the administration first, or we could hear from Mr. Lynch? What would be the pleasure of Council? Okay, we'll hear from Mr. Lynch. Whenever you're ready sir.

Mr. Lynch – Good evening. My name is Mason Lynch. I'm the Commissioner of Taxation for the City of Cleveland and the Administrator of the Central Collection Agency. Tonight I was asked by members of your Council to come and avail myself to answer questions related to the administration of the City of Euclid's income tax and the relationship that we have had. Tonight with me I brought some of my staff members. I have William Nally, my assistant. Mr. James Barrow our Chief Legal Investigator. Mr. Robert Meeker who is our Chief of Audit. In the audience I also have Ms. Julie Foster who is an income tax auditor whose time is devoted solely to the city of Euclid and also Dr. Kim Apansa who is one of our staff attorneys overseeing our legal department.

The City of Euclid has been a member of the Central Collection Agency for many years since its inception. CCA is a division of the Department of Finance of the City of Cleveland established in 1966 by ordinance of Cleveland's Council for the sole purpose of administering income tax for not only the City of Cleveland, but any municipality who chooses to join and avail itself of the agency's benefits. We've operated these almost 40 years now as a function of each of our member communities departments of finance. We enforce their tax codes. We promulgate rules and regulations to amplify the ordinances. We administer all aspects of income tax administration, mailing tax documents, collecting tax receipts, going after delinquent tax accounts.

In the case of the City of Euclid, we in recent years have had an aggressive approach to the delinquent accounts in the City of Euclid. Some years ago a former Mayor, David Lynch, came to me and asked if I would work with a tax consultant that the City of Euclid intended to hire. The sole purpose was to go after their delinquent tax cases. It has been probably 10 years, maybe 11 since that started and we have provided on a rather frequent basis information requested by the tax consultant in an effort to collect on these delinquent accounts.

Each year the agency aside from mailing out tax returns, mailing out estimated bills, assigning penalty and interest to delinquent accounts, we conduct delinquency programs. We do that on an annual basis. We turn over lists of information related to those delinquent accounts to each member community and it is the responsibility of the communities, Prosecutor or Law Director, to file criminal complaint for those delinquent accounts.

The system that we use was developed by the Central Collection Agency, was custom built for the agency. The acronym is MITIS, which stands for Municipal Income Tax Information System. It has been in place since 1995. We have made available to our member communities what is called remote access MITIS so that a version of what we see can be provided to the local office, the Tax Administrator or Finance Director in that community. The City of Euclid has a copy of that here at City Hall and they can look up information related to any of their taxpayers.

We do represent all of our member communities on various State Tax Boards, the Ohio Municipal League, their tax committee, the Ohio Association of Tax Administrators. I'm a member of the Federation of Tax Administrators and I am starting in August of this year, I'll be moving into my 31<sup>st</sup> year in public service. If there are any questions specific to what we do and how we do it, I'll be more than happy to answer them.

President Sustarsic – Do we have any questions or comments from City Council?

Councilman Langman – First of all Mr. Lynch, I would like to thank you and your co-workers for coming out. It is important that we have full information before we make a proposed investment. The issue comes down to the administration is proposing that we can collect extra delinquencies, \$1.4 approximately maybe more. From your standpoint, how come we haven't had the information and it has been intimated to us that we haven't gotten the information in a timely way to be able to do this in the past.

Mr. Lynch – I'm not sure I can provide illumination on why you haven't been able to collect that. The information that we turn over to the community on a regular basis are those records that we believe need to be prosecuted. We exhausted our methods of collection and they are either payment agreements that failed to comply with the payment, failed to respond to any of our notices, have moved and we're getting information back saying that they have no longer at this address. Mr. Barrow who is our Chief Legal Investigator could maybe provide some information as to what we have done in recent years directly affecting those delinquent accounts.

Mr. Barrow – I have a couple of stats here. I don't want to bore anybody with these numbers. However, over the last 5 years, going back to 2000, CCA has sent out 33,017 delinquent letters to residents of the City of Euclid. Someone mentioned a number of 6,100 accounts. Since October 22<sup>nd</sup> that number is 6,134 accounts. Since October 22<sup>nd</sup>, CCA sent out a first notice requesting annual returns from 6,134 of your residents. As of today, we received \$177,609 on those delinquent accounts. We have billed in excess of \$650,000 on those delinquent accounts. As of today, there are still 3,844 residents that failed to respond to the first two notices. We're at the point now of turning that list over to the City of Euclid for litigation.

We've spoken with Oscar Knicely and we presented him a plan. Either subpoena these taxpayers into CCA or into the City of Euclid for one last chance before they go to court. Our plan is to estimate those liabilities and send them out and possibly request that they appear here at City Hall. Sometimes they carry a little bit more weight than having them come down to CCA.

I have some more stats here. The \$4,400,000 that was printed in some paper out here. That figure is a figure that was all of the assessments on the assessment register. 764 of those accounts were bankruptcies which was in excess of \$364,000. Those taxpayers are protected by the bankruptcy court, so we can't do anything until they come out of bankruptcy. Another 2,300 of those accounts are what I'm going to say is in a billing cycle. Those taxpayers get an open bill, a delinquent bill and a final bill. Those liabilities are close to \$852,000. Those taxpayers are primarily paying those bills as they come due.

Another category is a second final notice court. Those taxpayers are generally subpoena into CCA in the month of November of every year. That's close to a paid \$100,000. There's another category called City of Euclid, which those taxpayers have already been turned over to the City of Euclid. Those are 669 accounts, which are close to \$401,000.

All of those accounts right there are being taken care of. No one is sitting on any assessments. There's an off-line payment agreement that we call an RB, that's close to \$300,000. There's on-line payment agreements that is close to a quarter of a million dollars. Those are 702 payment agreements that Julie Foster and a couple of the other auditors that monitor those. There's 556 accounts that shows in Court already at \$326,000. That covers your \$4,400,000 that's on the assessment register. No one is sitting on any delinquencies. These accounts are being moved forward. They are being presented to Oscar Knicely for litigation. Just this year alone Julie Foster, which again she's the primary auditor for the City of Euclid, she's turned over 253 accounts this year alone to the City of Euclid to Oscar Knicely in the amount of \$724,000 to be collected on. If I could go on, anytime there's a project for the City of Euclid I've offered the Field Investigation Dept. which I believe have 8-9 auditors in there. There's 20 auditors that's in the Legal Dept. I've offered Oscar time and time again if he needs any assistance at all out here we'll provide it for him. I don't understand what is going on here.

Councilman Langman – Can you give us a time frame from first notice to delinquency when records are turned over to the City. How long does that take?

Mr. Barrow – You have to remember that filing season is the months of March, April and May. The second final notice courts which are liabilities that are subpoenaed into CCA in the month of November. They are usually presented to Oscar or the City of Euclid in the month of August or September of the following year. That's only because we have to update the liabilities. We have to make sure they are good liabilities. Actually going through line by line making sure that those are correct liabilities before we can turn them over. At that time the penalties and interest are updated. If there are any missing returns, they are estimated.

Last year CCA alone 91,000 transactions processed by CCA for the City of Euclid. The year before it was 88,000. That is just through collections.

Councilman Langman – We have had conversations on the telephone about the firms capabilities and so forth. One of the questions that comes up is why we're being charged such, what seems to be a high price. It seems like over a period of budget years the charges have fluctuated rather substantially. Can you address that please? How are we charged for the services provided by CCA?

Mr. Lynch – The CCA’s costs are allocated to all of our member communities based on a two factor formula assigning a percentage of the dollars that we collect for that community compared to the total dollars that we collect for the agency and the total transactions that we process for that community compared to the total transactions of the agency. The arithmetic mean of those two numbers are used to assign a cost percentage to the community.

Over the last few years we have seen an increase to the cost of the members that was directly the result of our loss of interest income. Over the last three years our interest income has gone from over \$4 million a year to less than \$100,000.

Councilman Langman – Excuse me. Can you explain interest income from where, from whom?

Mr. Lynch – On a monthly basis the agency collects tax dollars for all of its member communities. We deposit that money into an account and we earn interest on it. Nothing in any kind of speculative investments, they are all overnight repos. The current rate is probably 1.2%. That interest income goes directly to the member communities to offset the cost to collect. The City of Cleveland, however, does not share in any of the interest income that is generated by the agency.

We have seen significant decrease in interest income over the last three years and as a result, the agency is not able to offset the cost to our member communities. On the other side, we have been doing more in processing transactions and collecting more dollars. As Mr. Barrow indicated, the collections for the City of Euclid as the close of 2004 were 4% over the same period in 2003. The increase in revenue and also in processing transactions. I suspect the cost to collect that would be a little higher too.

President Sustarsic – If I can interject something at this particular point in time, we’ve seen Regina running around, we’re having technical difficulties this evening as far as the broadcast for whatever reason over the television. Being that we have a lack of manpower its, you can’t really bring it up to the speed that it could be. However at the same time, this is all still being taped and we’ll be made available. For the time being this evening, for whatever reason, it is not being seen live, but we will be working on that. That’s maybe something else to consider for the capital budget in the future.

Mayor Cervenik – Some of the problem was all the power in this building was turned off yesterday. It was a holiday. They were revamping the power load in the building for the work that we’ve been doing with Honeywell. It has had some adverse affect on some of the equipment. It has had some adverse affect on our fobs to get into the building and they are working on that.

President Sustarsic – Okay. So that’s the, what’s going on. Okay, to continue Mr. Gruber.

Councilman Gruber – I’d like to thank you gentlemen for coming down here tonight. When you mentioned the number 91,000 transactions, what does that mean?

Mr. Barrow – Well, that consists of all the annual returns. It could be corporate. It could be refunds. It can be payments, estimated payments so everything that is processed for the City of Euclid.

Councilman Gruber – And how many taxpayers do we have approximately?

Mr. Barrow – A little over 28,000 registered taxpayers in the City.

Councilman Gruber – What is the cost to the City of Euclid for your services?

Mr. Lynch – It was roughly a half million dollars last year.

Councilman Gruber – Okay, roughly \$500,000.

Mr. Lynch – It's been roughly 400-500,000 over the last 5 years, but then we, that's gross cost before interest income.

Councilman Gruber – I believe Lakewood is thinking about leaving or has left, are they in your consortium?

Mr. Lynch – Lakewood is not a member of the CCA. Lakewood is a member of the Regional Income Tax Agency and yes, that is true. They are looking at other options.

Councilman Gruber – I'm glad you're here tonight. There was some issues several Council meetings ago when the Mayor and the Finance Director were trying to contact some individuals at CCA and they're phone calls weren't returned and we are the customer. And it's good when, the phone system works down there, right? When even had a Councilwoman at the Finance Committee meeting said that her phone calls were unreturned. So if we're paying somebody \$500,000, please return our phone calls, okay? Thank you.

Mayor Cervenik – The Administration really was not aware until late this afternoon that members of Central Collection Agency were coming. The legislation we have before you tonight is presented to you by the Administration as it was in Committee to, what we feel we need to effectively increase our delinquencies. Statement is made by August of the following of after the filing season, these notices go out. That's almost a year and a half before they were due. Cleveland Heights, Eastlake, Wickliffe, Parma, Parma Heights, Solon, Ashtabula, these cities that collect their own taxes, I know from some people I talked to the other day in Cleveland Heights, they have an August 15<sup>th</sup> filing deadline, which coincides with the initial Federal extension. And they're sending out notices wondering where your tax return is that November and December. And that's a real key here. You know, they mentioned the fact that they get a certain percentage of, well, they don't live here any more. Well, I think we have a better chance of getting the mail to them while they're still living there if we file that notice in the November after the filing season versus the following August.

We've had some very good success with CCA. I think since we've been talking about doing some things ourselves I think it's actually helped the production we've gotten. I have nothing ill to say about CCA and for the most part we've had a very good relationship. But I just feel we can do a much better job with the system we have here. We can do it for less than a half million dollars. We can do it more effectively. But before we make that decision, and I wish we had that opportunity before discussing this tonight, unfortunately, you felt it wasn't necessary. Before we make that final decision and present the final decision to go to full tax collection, I would certainly hope to sit down with these gentlemen and see what we can do to come to some arrangement. But regardless of what we talk about tonight, if you want us to meet our projections and we know we can meet them, we need these two pieces of legislation passed, irregardless of what CCA thinks we should do or anything else. That's what we need with the people we have here to get the work done.

Director Johnson – I personally have no problem with CCA and the job that you've done. That's not the issue here tonight. I think that when we talked about the outstanding \$4 million in delinquency, I know on at least one occasion I've acknowledged the \$360,000 or so of that are individuals that are in bankruptcy and we acknowledge fully that we cannot collect that until those people emerge from bankruptcy. We're full aware that \$850,000 of that amount are people that are in payment plans. We understand that, but there are still several million more here on the table and I realize that they're all in various stages of the process now.

But one thing that I, that I'm hoping did not escape you was the comment that came out that it reaches a certain point that the City has to get involved to pursue these collections either criminally or civilly. So without that intervention those accounts go nowhere and what we're asking here to do is to be able to do that is to pursue those delinquencies and be able to keep track of those in a way that makes some sense to us.

And I understand Mr. Goodman's comments, there are no hidden agendas for vendettas. What we're trying to do is to collect delinquent income tax and if it means that we're trying to augment what CCA is doing, that's, that's what it is.

Councilwoman Holzheimer Gail – Director Johnson or perhaps Director Frey, could you expand on the concern of the privacy and individual, you did just a little bit but just clarify that these records do not become public records because the City is involved. Just clarify that so that if there is any concern from the public of their information.

Director Frey – Absolutely, thank you, the, there are, and I believe this was presented at the Finance Committee meeting, I have it attached to my copy of that meeting agenda. The City of Euclid has a Codified ordinance that requires any information gained as a result of any returns, investigations, hearings or verifications required or authorized by this Chapter shall be confidential except for official purposes and except in accordance with proper judicial order no person shall divulge such information.

There is a similar provision in the Ohio Revised Code dealing with state returns. There is a similar provision in the Internal Revenue Code dealing with Federal returns. So at every level of taxpayer information, there is a confidentiality requirement.

Councilwoman Holzheimer Gail – Thank you and is it fair to say that only the staff people involved in the Tax Department would have access to those records?

Director Frey – I will say from first-hand experience. We were looking at some subpoena system, for subpoenaing taxpayers. When I wanted to get a copy of a subpoena, the Tax Administrator did so but only after deleting all identifying information on the return so, on the subpoena. So I had no information as to who the taxpayer was that had been subpoenaed in.

Councilwoman Holzheimer Gail – Thank you. And just for the sake of clarification, we heard from Commissioner Lynch that they also do delinquent tax collection and that you've been aggressive at it the last couple of years. Would you clarify, please, the role that CCA plays in delinquency and the roles that Ms. Lovelace and Oscar Knicely over the last several years have played.

Director Johnson – The major role is, is, as I stated earlier, when these accounts get to a certain point where, I think as Mr. Barrow indicated, there are several notices that are sent to the taxpayer. That continued follow-up and the subsequent prosecution of those cases either civilly or criminally has been done here locally. And we've worked very closely with them. I've worked very closely with Miss Foster here in the office and what we're looking here to do is to, is to immediately augment that process and make it a little more accurate in terms of. I think Mr. Barrow indicated the numbers of accounts. We're talking about thousands of accounts here and in order to be able to track that information, it's not practical to assume that we can, you know, do this with stone and chisel.

Councilwoman Holzheimer Gail – Thank you.

Councilman Delaney – I'm really taken back. I heard the Mayor and the Finance Director say I have no problem with CCA. If there wasn't a problem, then why are we creating a whole new faction of government? We're spending money. We're hiring employees. We're trying to do this in the name of cutting costs. We're implementing brand new software. We have the software, MITIS.

Now, Commissioner Lynch, with the MITIS software what can we do from City Hall? What, what, how can we use that? What is available to us right now to access it?

Commissioner Lynch – Currently, the MITIS version that the communities have including the City of Lakewood, would provide that Tax Administrator access to all of the name and address and financial data for all the taxpayers of the City of Euclid payments through the close of the previous month. They can run queries as to how many people live on a certain street. What is outstanding in penalty and interest? They can generate mailing labels based on a query function. There are standardized correspondence that can be invoked from this. We've put this in many of our communities, some that have active tax administrators in their cities that follow-up similar to what the City of Euclid does. The only thing that cannot be done with the remote access Midas is to manipulate any of the data to make changes to any of the financial records or name and address records. Doing so would compromise the history of that taxpayer's activity.

Councilman Delaney – How is it that CCA, as the Mayor said, is sending out notices to people who may have already moved? Is it going to be possible for the City of Euclid to do it quicker than you?

Commissioner Lynch – I'm not sure. We use a lot of resources to find taxpayers. Currently, we have access to all of the State tax name and address records for those people who file income tax returns through the Federal government to the State. We have, we subscribe to real estate directories that provide us name and address information of anybody who purchases property in any community. We send out registration forms to new residents.

We have a wealth of information in our W-2 files which provide us information on all of your residents as to where they work not all of your residents work within the City of Euclid. As a collecting agent for many, many municipalities all over the State of Ohio, we have millions of W-2 records that allow us, once we enter a tax return into our system, the taxpayer may submit a W-2 but we may find 2 or 3 other W-2s that the taxpayer failed to attach to their annual tax return, say they work here. That gives us the ability to calculate or estimate or actually bill for additional tax revenue.

We have also access to some credit bureau information that we've subscribed to over the years. There's a number of sources or resources that we use. And I think I heard the Mayor indicate that we take a year and a half to do our delinquency work and, typically, we follow and prescribe to delinquency work subsequent to the Federal extension filing of August the 15<sup>th</sup>, too. So, I mean, we don't wait a year and a half before we mail out our delinquency notices. It's that same year.

Councilman Delaney – At our Committee meeting, we were, examples were used of Green, Ohio and Geneva and you just reminded me of, you know, every city is unique. We do have a lot of tax returns of people who live outside of Euclid work in Euclid. People who live in Euclid work outside of Euclid. It's a lot to take care of.

As far as cities that have collected their own taxes, have you signed up some that have come to CCA?

Commissioner Lynch – Yes, we have. As a matter of fact, three communities have just joined CCA as of January 1, City of Barberton, which was a self-collecting city; the City of Bradner, which is up in Wood County on the other side of Toledo, which was a self-collecting city; and Russell's Point, which is south of Dayton. We also have, as we speak, another community whose Council is voting on an ordinance to join CCA tonight and they're a self-collecting city. They chose to go away from that and join CCA.

Councilman Delaney – And I'm assuming, maybe it's their idea of cost-cutting to allow you to do that.

Commissioner Lynch – That's correct.

Councilman Delaney – It's completely opposite of the direction that I see we're going in. How is it, you said you've presented Mr. Knicely with a plan, how is it not effective? Can you help me connect the dots? How are we in this position that we have to take on the responsibility of the Tax Department? What's not working here? Why are there so many delinquencies?

Commissioner Lynch – That is the nature of the economy. Traditionally, taxing authorities whether it be federal, state or local rely on voluntary compliant taxpayers. Most tax administration is directly focused at delinquent taxpayers. Traditionally, 25% of all tax returns that are mailed are not sent back. So we focus on those delinquent taxpayers.

Once we determine and there are a number of processes that take place when we do a delinquency program. If you are a mandatory filing community, not only are you required to file a tax return, there's a penalty associated with not filing. Even though you have no taxable income, but you are a mandatory filing community, you must file a tax return. We will send out a notification to those communities that have mandatory filing requirements for all of those residents who fail to file a return, even though they don't owe tax. If you are a non-mandatory filing community, we find it difficult to enforce

your tax code when we say that you are delinquent because you didn't file a return. We don't know if they, because they didn't file a return, the community wouldn't know if they had taxable income. Most communities today, any community that joins CCA we recommend that they change their ordinance to make it mandatory filing requirement.

We will send out letters, usually we will send 2 notices out. Once we can establish a tax liability then it's a different picture. Then we calculate penalty and interest. We go after the collection of the dollars not just the return that needed to be filed. If that's a billing system, cycle, we'd send out 3 notifications then it goes to final notice before prosecution. In December the program that Mr. Barrow referred to, we send a notice that is rather ominous looking. We assign a court time and an appearance date. If these people fail to respond, then those accounts are turned over to our member communities for prosecution. Each city is required to prosecute their own delinquent accounts. We don't prosecute. We've done this on an annual basis with all of our member communities.

Councilman Delaney – For the record, I called CCA, I got through on the first try and had a nice, enlightening conversation with the Commissioner. As you can see from those results, they sit in front of us tonight. Thank you.

Councilman Daly – Mr. Lynch, when were you approached about coming tonight?

Mr. Lynch – I received an e-mail from a member of Council of Friday asking me if I'd be interested in coming to a Council Meeting. This afternoon I had a phone call from Councilman Delaney and asked if I would come and I said sure, more than happy to come out.

Councilman Daly – I just briefly heard a couple hours ago that you were coming, so it would have been nice if we knew you were coming that we'd be able to get some answers together, or some questions. You had mentioned some cities that are joining CCA. Have any left in the last year?

Mr. Lynch – The only city that has left the agency in the last year is the City of Geneva. They purchased a system from Oscar Kniceley to collect their taxes on their own.

Councilman Daly – Do you know of any communities that are considering leaving CCA?

Mr. Lynch – Today? No.

Councilman Daly – Do you have any objections to our, the City of Euclid, trying harder to collect the delinquent taxes that we're owed, as far as what we are talking about here tonight?

Mr. Lynch – Councilman I have no objection to doing anything that is going to provide more revenue to the member communities. We always work in tandem with all of our member cities. Some more so than others. Anything that can be done to aid in a member community's plight.

Councilman Daly – That's the purpose of this, is that the way I understand it is that, our investing this money that we anticipate doing a much better job on the delinquent tax issue only, so that we can avoid having to maybe charge our residents a fee for a service or maybe go for a tax increase to provide the services that we need to provide because our budgets are tight. That was the purpose as I know of these two pieces.

I have a question for Director Johnson. The hardware that we are purchasing, if we decide not to go with full blown taxation, our tax department, we can use it in other areas of City Hall, can't we?

Director Johnson – Absolutely. The application for the hardware could be utilized in other areas. I think that we've made the point that our idea here is to enhance and augment our delinquency collection. I think we've proven or otherwise we would not have had Mr. Kniceley around for the 11 years that a local presence enhances the collection of our delinquency. When I said earlier I don't have a problem with CCA,

they've collected our withholding and remitted our withholding. With the exception of a couple of instances of issues that we've resolved, but the fact remains that we still have a \$4 million delinquency. What we intend to do is try to collect most or all of that to close our budget gap. When we presented this budget in October, part of the total plan was to collect a part of this delinquency. We had subsequent meetings in December and we reiterated that and that's what we hope to do, that's what we'd like to try to do is to concentrate on the outstanding delinquency here.

Mason I would like for you to address, there was a question that was asked at a previous meeting which unfortunately you weren't in attendance, as to the MITIS software that is advertised on CCA's website. From what I understand we have an earlier version of that software which we do have access to the files. The problem is that the files are inquiry only. It does not allow us to update even taxpayer name or address information if we're aware of it. The posting of the receipts, the payments the taxpayers make, is not immediately on line, at least in the version of the software that we are using right now. From looking at your website, it appears that there is an updated Windows version of the software that allows you to do much more, has much more flexibility. At least that's what it appears to be from the website.

There was a comment made at an earlier meeting that this software was available for free and I'd like you to address that, if that is possible.

Mr. Lynch – I think there maybe some confusion. The version of MITIS that you currently have, is the version that is as old as yesterday. That is very current. It is the version that we provide to our member communities and what it does is provide information but it does not permit any manipulation. If there was a change to a taxpayer's record that took place in the community, it was not recorded properly, we would have a difficult time making sure there was no compromise to that taxpayer's account.

The version you refer to on our website, MITIS, is what we currently use. We have made that available to other collecting agencies that choose to purchase it. That's been out there for, I would have to say 8 years, since we've been on the web. The City of Toledo had planned on purchasing it, that version and instead they choose to hire a consulting firm to build their own version. To date, no one has purchased it. But we do make it available if it is of interest. It is designed to administer income tax for a multiple municipal jurisdiction. A single city could use it, but it would be so powerful, it would be a waste.

One thing that I would suggest in the comment that was the question asked by Councilman Daly, whether or not your computer system would be able to be used for something else, if it wasn't going to be used for a full blown tax system. I would be very cautious in mixing anything else on your tax computer. That's just based on what the State Auditor would probably find difficult.

Director Johnson – I think there is a little bit of confusion. It wasn't that we were going to run multiple applications on the system. Councilman Daly's question was in the event that we decide to scrap this whole thing, the investment in hardware could be redeployed in other areas of the city and that was the point there.

I'm glad you answered the question about the software. There was a comment made at an earlier meeting that this software was available and it was available through you and it was even implied that it was available for free. I just wanted that to be clear.

Mr. Lynch – The remote access MITIS is free to all of our member communities. We don't charge for anything, software, installation of it, we don't, it is a benefit of the membership.

Director Johnson – Also, if you would too clarify the point that the only information that is available is exclusively the City of Euclid. So if we have a taxpayer that we're chasing a delinquent taxpayer that is moving to another CCA city, that information is no longer available to us in order to be able to track this person down. We have a very large transient population here. We have a lot of people that move in and move out fairly regular basis. WE understand that a lot of the notices that go out, go out and then the people are no longer able to be found and it is because of the transients which emphasizes the importance of the statement the Mayor made earlier that we must be more timely in tracking these people. Also too, we need to be able to access where that person is, where

he has moved to and be able to, I don't care whether they've moved to Cleveland Heights, Shake Heights or Richmond Heights, or wherever they moved to, we still intend to pursue whatever they owe for when they lived in the City of Euclid. That's just another point or another reason why we're advocating maintaining our own system of accounts, so that we can track those people regardless of where they move too.

There are a number of other issues that are involved as to why we made this determination to request creating our system here with our own set of accounts.

Councilman Daly – Being here tonight you have no objections to our investing to try to do a much better job on collecting our own delinquent tax?

Mr. Lynch – That is not my responsibility to object to anything that the City of Euclid.

Councilman Langman – Mr. Lynch, how many times have you met with the administration to discuss this process?

Mr. Lynch – This administration, we had a meeting late last year, where the Mayor and the Finance Director and the tax consultant were in our office talking about what we do for delinquency work.

Councilman Langman – So basically one time. I'm sure you and Director Johnson have spoken over the phone, in addition.

Mr. Lynch- We have spoken on a number of times. I think I called to congratulate him when he was appointed as the Finance Director.

Councilman Langman – That was very nice of you.

Mr. Lynch- I don't recall the conversations that we've had, but we have spoken over the years, actually since Mr. Johnson first became associated with the City of Euclid.

Councilman Langman – Thank you. Director Johnson, we had asked for CCA to appear at the Committee Meeting and that request was deemed not appropriate so I'm glad they're here now. The fundamental question is that we've had a contractor working on our delinquencies for many years spanning now three administrations. Why is it that they were not able to collect more of the percentage of the outstanding delinquencies? That's the fundamental question. I'm sure we didn't pay the contractor to collect some of the money. We paid them to collect everything he can get. So why didn't that happen from your perspective?

Director Johnson – There's a direct correlation between the amount of time and resources that are devoted to collection and the amount of money that is collected in the area of delinquencies. Mr. Kniceley has been here for the last 11 years. He has in his first year, and I apologize, I don't apologize, but I'm very disappointed that we didn't have advance knowledge because I would have liked to have Mr. Kniceley address this situation personally. We've identified, the first year he was here we ran a delinquency program and we collected about \$1.7 million. We've identified that every year since he's been here, that we've collected an excess of \$700,000 a year. Now, he's only here two days a week and those two days a week he does some of the basic record keeping, he does the allocation every month between the schools and the city. He attends court for the delinquents that we were pursuing through the court system. He's here for the court sessions on Thursday. One person being here two days a week, I think collecting \$700,000 in a year's time, we've quantified that. I think there's a direct correlation between the number of people that are here and the amount of energy that is spent on this effort.

Councilman Langman – With all due respect, I took the time to speak with the Finance Director in Eastlake and an official from Cleveland Heights. As I mentioned before, the idea has some merit to it. But there are pros and cons to it. I'm going to say what I said at the Committee Meeting. If the administration had made a more complete presentation, we wouldn't need to invite these folks here. That way we could have laid out the issues. With all due respect to the Mayor, we have to have something more than we have

a feeling that we're going to do better, we have a feeling this is going to work. Director Johnson, your answers as far as prior meetings, that showed tremendous ambivalence as to the probabilities of success. Only now that we have good news on the income tax front that you seem to be more enthusiastic about the idea.

The point is, if we're going to invest this money, we should have had a much more thorough and complete presentation instead of having to do it in a piece-meal fashion before moving forward. Obviously they want to keep us as an account. But it is clear that the vendor wants to sell us his software package. He was under our employee for many, many years. The former officials that I spoke to that he never mentioned that we needed to take this step to do a better job. I'm concerned that now the administration is advocating that we need to do this whole 9 yards, buy the hardware, buy the software, to do a better job, when we have people contracted that CCA indicates that they're willing to work with and give them all the records and data and so forth to get the job done. So, that link still has not been made as to why we need the software, the training, the additional staff, instead of working with these folks, perhaps more efficiently, more time put in, whatever, to collect the delinquencies that are outstanding. I haven't seen that final link. I was reluctant at the Committee Meeting and actually what they've said has made me even more concerned about what we're trying to do here. Thank you.

Director Johnson – I think that some of the changes in the way I feel about our effort here, Councilman Langman is a result of the fact that we did hire a tax administrator and she's been here since August. Towards the end of the year we were immediately beginning to see the result of her effort here on a full time basis. That's an additional person. That in it of itself is just one example of the point that I'm trying to make is that she's been here in addition to Mr. Kniceley being here two days a week and we've seen the collection go up. The collection for January has already exceeded our budget for 2005; hence my change in the opinion of this whole project.

I'm not real sure what the alternative is. We do work with CCA. We continue to work with them. They acknowledge that we do have a delinquency. How we collect that delinquency is the question. The alternative of collecting that delinquency is to either further reduce expenditures, or enhance revenues in some other fashion. We had three nights of budget hearings in October. We had another follow up meeting in December. If there is some other alternatives either in the further reduction of expenditures, or further enhancements of revenues, which we don't want to increase taxes to people. We don't want to charge fees for garbage. If there is some alternative solution, I'm all ears. I'm interested in hearing what those solutions are.

Councilman Langman – Director Johnson, you and I both know, nobody wants to raise fees or raise taxes. It simply, you should have a plan, like most businesses do, on how this software is going to get that \$1.4 million, or working with them will get us the \$1.4 million. That's the issue. Good feelings, we're taking a stab at it, is not satisfactory. But, I will support purchasing the hardware but not the software and the training. That's what I will support. Because I think you can do the job working with them and that way you take some of the uncertainties of start-up and uncertainties of costs. I mentioned I did speak with Finance Director in Eastlake and she mentioned that generally doing it on your own in a smaller community can work and they've done it for about 9 years or so. But when you get into a larger community, you have staffing costs that after awhile add up. I'm concerned about that. I'm concerned about the ancillary costs that hasn't been described or explained really beside the budget figure really in any detail.

Councilman Daly – I remember during the budget hearings it was noted that the City of Euclid never was down income in January and February and ended the year up as far as collections went, but that's exactly what our Finance Director projected last year. A number of people questioned that the never in history have we done that, but you're projecting an end that's exactly what happened last year. We were down January and February and we ended the year up. So, Director Johnson does have a little bit of track record with coming through on things that he has projected.

This investment that we're making, \$120,000 is going to net us an additional \$1.4 million. It is a lot of money, but as we just saw earlier in this meeting, we spent \$25,000 to reduce the noise a little bit in a couple of rooms over at the Senior Center. I was well aware of what we were doing. That we were spending this money to collect a delinquent tax so that we wouldn't have to charge fees or other taxes to close the budget deficit

we're facing this year so, since I voted for it in our budget, I'm prepared to support both of these pieces of legislation. Thank you.

Councilman Delaney – I don't know if I looked at this as a guaranteed enhancement as Mr. Barrows outlined there are several reasons why we cannot collect the taxes, there aren't just one. In the end, I think that we can't get blood out of a rock. We'll run into the same walls that CCA runs into. As far as the learning curve, the position we're in, I thought this was a good idea in the beginning, it was sound. As I did my research and talked to other people, I'm convinced that this is not the route to go. We've heard here that the software is as good as yesterday and tomorrow. It is updated. We can plug into it. We can get what we need to get out of it.

Off the subject a little bit, Director Johnson, I also asked for the breakdown of our top 50 companies in 2004. You gave it to me and this is actually maybe apropos because CCA prepares this here in front of me, but it just has the companies listed and it doesn't have the percentage change that we're used to getting. I don't know how that happened.

Director Johnson – I assumed that was the information you wanted Councilman Delaney. Any information like that, that we get from CCA we have to redact dollars. If you want percentage change, we can try to revise that and give you percentage changes.

Councilman Delaney – Yes, that's important. It is all contained in one document. Looking at 2002 and as we sit here and talk about income taxes and the state of the City and revenues, we want to see where we are going, it would have been helpful to actually know where the rises were in our different companies that are in here. This actually looks like there was some effort made to clip-out the increases or decreases that the companies made. And all of Council would be interested at looking at this document.

I had hoped for this. I'm glad you gentlemen came out. You've answered a lot of my questions. I feel with the experience of CCA, where we're going, I don't know if we would be able to do it better. But I'm happier with the course that we're on. This is such a huge investment. It is an entirely new department and I see that as going in the opposite direction of what we need to do as far as cutting costs and bringing in revenue.

Councilwoman Hufnagle – As Councilman Daly said, we've been discussing this since October. I think in the simplest terms, if we were looking at any other vendor that we paid for a service for and we were talking about this kind of a return that was being left behind, we would not be satisfied with that. I don't think that we can look at our citizens and not go after delinquent taxes as diligently as we can. How do we justify that to the people that do pay taxes?

If we have \$4 million that are out there that we haven't collected on, we owe it to the citizens of this city to do everything possible to get that. I think in the presentation that we saw last week, Mr. Kniceley and Mrs. Lovelace went out of their way to show us how diligently they have been working at that. It is unacceptable to me in the simplest terms that we pay you that much money and there's \$4 million left behind. I understand what you said and I appreciate you being here and I appreciate you working with the City. We're not talking, this evening, this legislation is not dealing with pulling out of CCA. We're merely discussing a way to get that \$4 million which this city desperately needs. I don't see how we vote on the budget, how we've spent months talking about that and we don't vote on this, this evening. I think we owe it to the citizens to the citizens that pay their taxes everyday to diligently to be going after this. Like I said, everyday there are people walking through those doors to see Mrs. Lovelace. She is going out of her way to spend time and work with them. In the simplest terms, she said it is a lot easier for people to come here and work with her than to have to make the effort to go downtown. Again, I support this and I think our citizens need to see that we support this and we are diligently going after what is being left behind. Thank you.

Mayor Cervenik – The administration in closing our comments is that we've looked into this long and hard. We're asking for the proper tools to do the job that needs to be done. We presented to you what we feel using Oscar Kniceley's expertise, at one time he did hold the job that Mr. Lynch holds now. Give us the tools, give us the personnel we requested and we'll get the job done. We can't do it without the proper tools. You will see the increase and you will see us reach our budget projections that we have given to you. I will be meeting with CCA before we make any decision on doing full-fledge

collection. In order to reach the goals that we want to reach in an efficient fashion, we need the software and hardware presented to you today. So that we can make our adjustments. So that we can make those collections in house. Thank you.

Councilman Delaney – I would like to hear Mr. Lynch, he has a response to some of those comments.

Mr. Lynch – I have wanted to just inform Councilwoman Hufnagle as many people that come into City Hall here in Euclid and to have their taxes done, we probably see 10 times that many Euclid residents coming into CCA to have their taxes taken care of also.

It is an augmented program to have someone here at the City for the convenience. We do provide that. We send out tax auditors to your community to do tax administration work at no cost. We try and help the community as much as possible, whenever we are asked, we do provide that.

Councilwoman Holzheimer Gail – As I think what we've heard from both CCA and the City, at some point the delinquencies become the city's responsibility, become our responsibility. Currently we've been using, or in the past we've been using Mr. Kniceley. We now have Ms. Lovelace and Mr. Kniceley, not under contract this year, was last year. It is our responsibility. If we're going to do that, let's not even consider right now collecting our own tax. If we're to do that, can we do it to the extent that we budgeted for without purchasing this hardware and software?

Mayor Cervenik – In my opinion, Councilwoman, absolutely not. Absolutely not.

Councilwoman Holzheimer Gail – That was the impression that we got from the Committee Meeting. I think certainly the region is looking at regionalism, looking at combining services. CCA is that. At some point bureaucracies get to big. I think the municipal income tax collection issue is an issue we're going to have to look at very seriously. In order for us to collect the delinquencies that are our responsibility to the level that we expected when we passed the budget, I will support you on this effort. I do want to have serious discussions and we should include CCA, we should obviously include Mr. Kniceley and we should have those early so we can make a decision after we have some time. We need to collect every penny of tax that we can and we need the tools to do that. I would support these two pieces of legislation.

Councilman Langman – I'll just give CCA the last words since they were kind enough to come out on short notice if they have anything to say.

Mr. Lynch – Euclid was one of the charter members of the agency. The purpose of CCA is provide efficiencies in economies of scale. The ability to collect as much as possible for all the member communities at the lowest cost associated with them. There are many benefits to having a Central Collecting Authority. The information that we maintain provides tools that we use to administer the income tax.

We work with the City of Euclid and I expect that we would continue to work with the City of Euclid. I hope that the information that we provide will help you make your decisions. I know what the Mayor's intention is to increase the revenue so he can provide services to the residents of the City. It is our job to try and help in anyway that we can.

My number is 216-664-4401. I do not have an answering system. You should get someone personally to answer your phone call. Usually its me. If not it is my secretary. Free to call me anytime.

President Sustarsic – We have another battle with technology this evening and it seems like we're going to have to, prior to the vote, take a couple minute break because the tape is running out. Again, we'll give you about three minutes and then we can come back and continue.

A short break was taken.

President Sustarsic – If we could resume. I would like to take this opportunity to thank Mr. Lynch and representatives of the CCA for joining us this evening. Seeing no more

questions or comments, I'd like to just close and echo the sentiments in the closing comments by my good colleague Mr. Delaney at the Finance Committee Meeting when he said, there's no reason why we shouldn't go forward, we have to try it and I wholeheartedly agree.

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

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

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

Passed.

**Ord. 10-2005 (271-05) Tax Dept. Equip.**

An ordinance authorizing the Director of Finance of the City of Euclid to execute purchase and lease agreements for the acquisition of computer software, hardware, and professional services to establish the Tax Department. (Sponsored by Mayor Cervenik) (Recommended for passage by the Finance Committee)

Councilman Daly moved for passage, Councilwoman Holzheimer Gail seconded.

Mayor Cervenik – No additional comments other than we would appreciate Council's support so that we can begin this endeavor as soon as possible.

Councilman Delaney – Just to clarify Council President. In between Committee Meeting and the input from CCA, it's obvious that they enlightened quite a bit. To use my words to close a Committee Meeting, obviously I thought I explained to you that in light of this presentation, I certainly had changed my mind.

President Sustarsic – Right, and I appreciate that.

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

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

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

Passed.

**Ord. 11-2005 (275-05) Beer & Wine**

An ordinance amending Section 503.10 of the General Offenses Code of the Codified Ordinances of the City of Euclid to 1) permit the consumption of beer, wine and liquor on the Briardale Greens golf course; 2) permit the consumption of beer, wine and liquor in the Lakefront Community Center; and 3) permit the Director of Public Safety to issue temporary permits to nonprofit organizations that allow the organizations using the Lakefront Community Center to sell beer and/or wine for limited periods of time. (Sponsored by Mayor Cervenik)

Councilwoman Holzheimer Gail moved for passage, Councilman Langman seconded.

Director Frey – This ordinance is an attempt to make the necessary changes to Codified Ordinance 503.10 to identify the place for where in the case of Briardale, beer, wine and liquor will be permitted, not only in the clubhouse facility but on the golf course grounds themselves. Section f will be to allow the consumption of beer, wine, liquor in the Lakefront Community Center consistent with the plan to be able to use that facility for civic and private rentals. Third to issue, allow the Director of Public Safety as with other facilities to issue permits to various organizations, non-profit organizations primarily for the issuance of, the consumption rather or beer, wine and liquor in the Lakefront Community Center.

This mirrors what we have permitted at other public buildings that we have permitted consumption of alcohol in this case however we're adding liquor to both the Lakefront Community Center and Briardale Greens. As you recall, the City received a liquor permit for Briardale Greens allowing for the sale, consumption of liquor on the premises. I believe we are making application for a liquor permit for the Lakefront Community Center that would allow again beer, wine and liquor consumption in sales on that premise.

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

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

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

Passed.

#### COMMITTEE OF THE WHOLE

Councilman Gruber moved to go into the Committee of the Whole. Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

Mr. Jerry Corbran – 24250 Maplewood Dr. Recently Council members criticized the divisive nature of the recall group, it's motives and it's leader John Conway. May I remind him that since 1960's various citizens groups have risen to change the course of action on many Council and School issues.

For example, they formed 23 homeowners groups and they unified to stop further apartment over-development on the lakefront and in the City. They opposed the building of the Euclid Square Mall and Metro City. They fought for the Golf Course instead of public housing at Briardale. They opposed Court Order bussing for our school children into the inner city. They opposed the foolish school reorganization in 1987 which were recently corrected. They demanded school accountability in 1982 forcing a wage freeze of the top salaried staff. They brought an erosion control beach to Sims Park instead of the federal mandated swim facility. They unsuccessfully opposed the income tax 2.85 that launched an unparallel spending spree from 1995 to 2001. They organized to stop a threatened demolition of Henn Mansion. They opposed the cement crushing plant. They called for the end of Council resistance to the lakefront development with a marina and for improvements at Shore Cultural and Memorial Park. Council instead approved a series of poorly conceived real estate purchases at Century Corners, Envoy Inn and E. 205.

Their outrage reached its peak in 2001 when Council entertained proposals to demolish Shore Cultural and make way for a supermarket complex. In reaction during those turbulent years a courageous young woman tiring of it all founded a monthly newspaper which has been a popular forum for alternative thought. A political action committee was formed to help elect quality candidates.

Which brings us up to current council proceedings. Public outrage reached an even higher level when this current council tried to limit public commentary at its meeting. A referendum group formed and brought an issue to the ballot when this Council approved the Hillandale Church zoning. In Court, citizen John Conway was unsuccessful when he sought to become party to the Hillandale Church law suit. When the Administration did not uphold the voters' decision and instead settled the suit, Conway entered a now pending appeal. This private citizen has taken the City to Court when Council allowed the halt of an underway Knuth Center renovations in favor of a smaller golf club house.

To conclude, the Euclid Awareness group could take it no longer and devised a petition to recall the Mayor and the rest of Council subject to their support of the Mayor and his policies. Why am I bringing out this litany? It was suggested this recall group is just being negative and offered nothing constructive. I beg to differ. They have been involved in many charitable efforts in support of the schools. These bright young people have built on the experience of the past and shown us new ways to exercise our Constitutional rights using the Charter and the Courts to seek grievances.

This Council and the public should applaud their efforts instead of criticizing them. Thank you very much.

Mr. Tod Guntner – 390 E. 257. We have a little bit of a problem in the City of Euclid and I am happy to say that it is a good one. The response to the paper recycling program between Abitibi, a private company and several non-profit groups has been overwhelming. People have donated and given us, everyone, so much paper to be recycled it is unbelievable. In less than a week the Animal Shelter and behind City Hall was overflowing with paper. The Hunger Center soon followed a couple days later completely full. Ours has been removed again. We're on our third bin and what is this, about 16 days. That's unbelievable.

I would like to take this opportunity to thank all the citizens whether you support Euclid Petpals, the Hunger Center, City Hall or any other group, for your attention in this matter. Hopefully it will grow and grow and everybody would bring their papers to their favorite charity. I would like to express my thanks to everybody. The problem has become so big so quick and I'm sure Hank Gulich will expound on this, we need more containers. We will be getting additional, more than one container, in each of the sites and look, he's smiling. That's all I have this evening. Everybody have a good evening.

Mr. John Conway – 291 E. 276 Street. Before I get to deep in my comments tonight, I want to make something perfectly clear. I sincerely wish I could embrace your optimism Mr. Mayor about the direction of the City. But for various reasons I simply cannot. Trust is something that you must earn. Based upon your first year in office, I believe that your core base is eroding. It is eroding not because of Euclid Awareness Committee, it is eroding because of your own actions.

You mentioned a word tonight, turmoil. It is my belief that the turmoil is not caused by the Euclid Awareness Committee. But is caused in fact by the fact that every time that there is a debated issue you have managed to receive the same 5-4 or 6-3 vote of approval. This is exactly why we're looking for a change.

Mayor Cervenik in last week's Sun Journal, you were quoted as saying that it was wrong for the EAC to mislead residents into thinking that their vote was going to make a change in the church development. You also reminded us that you have said all along that this matter would be settled in Federal Court. What I cannot believe is that an elected official, someone who has taken an oath to defend the Constitution of the United States and the City Charter of Euclid, has the audacity to tell residents that their vote will not matter. Furthermore, the Courts did not decide the outcome of the Hillandale rezoning. You simply surrounded yourself with lawyers who told you exactly what you wanted to hear. You completely ignored every person who tried to inform you that this case could be won. We even provided you with case studies from national experts who said this case could be won. You simply turned your back on 13,000 residents who expected you to defend their wishes in Court.

I think it is incredibly ironic that you chose to use the word mislead when talking about Euclid Awareness Committee. You want to talk about misleading the residents, I suggest we take a look at your last year and your track record of either personally misleading the residents or allowing somebody to do so with your complete support.

Do you remember the night when we were all in these chambers and you allowed Paul Taylor to mislead the residents of Euclid regarding the Christian Fellowship Center? When he said the project was shut down because the Pastor had a massive heart attack, only to learn later in the process that the Church was shut down because their new worship center was declared structurally unsafe.

Do you also remember that same night when Paul Taylor mislead the residents that anyone who makes between \$30,000-\$35,000 a year can afford one of these new homes? More importantly, do you remember the time that you mislead the residents into thinking that Snavelly was already under contract to build the proposed homes, only to find out in the final settlement that Snavelly only entered discussions to be the building?

Do you remember when you told the residents of Euclid that you would be creating a Citizens Advisory Board to bring people together on the Hillandale project? There are other issues outside of Hillandale. Do you remember when you told the residents of Euclid that the City bond rating would not be affected by the \$2 million loan to balance the general fund? And that this loan would actually strengthen our position? Do you remember that night how excited you were when Outlets USA opened and you

declared to the City that now you have a place to do your Christmas shopping? Did you live up to that promise? Only you know the answer to that question.

It is just hard for me to understand, or actually I should say, is it so hard for you to understand why so many residents of Euclid do not trust your plan. And they do not trust your feelings on how the city can change and how your decisions impact the city. Why should we believe you when you talk about the Clubhouse at Briardale? Why should we trust you about your vision for the Shore Cultural Centre? Why should we trust you when it comes to your projections that we heard about tonight for the City cash reserves and our ability to collect taxes?

By now everyone is aware that the recall effort is underway. All that the Euclid Awareness Recall Committee has done is simply provide the residents the infrastructure to determine who they want to hold accountable for the direction of the City. It is up to the residents to decide if they want to add their signatures to any recall position. They need to make those decisions as to who they trust and who they want to remain in office.

I believe last week's Sun Journal summed up the recall effort perfectly. A recall can be ugly and divisive, but the process is necessary if Euclid is going to move forward. Thank you.

Mr. William Hilf – 891 E. 237 Street. Euclid. I am an ardent defender of free speech. As someone that works in the performing arts, it would be very hypocritical of me not to be. I'm here to speak tonight to Council and to Council leadership regarding that. I am a frequent speaker at this podium and since this Council has come into session back in December, 2003, I have been told twice that what I was saying here was out of order, which is the right of leadership to do that. Council leadership has the right to tell people that they are out of order. I did say the last time it happened that I would be a watchdog and I was going to keep an eye on the behavior of not only those of us at this podium who I guess would be considered opposition to the Council leadership and to the Administration, but also the Council and Administration itself and to its supporters on this side of the podium. The rules need to be applied to everyone and if they are not, that is hypocritical as well.

What I saw at the end of the last Council Meeting I didn't feel was right. I think it is very easy for council to attack members of this public either by name, which I believe is in violation of Robert's Rules, or in general. It is very easy to do that when you get the last word at every Council meeting and we don't get a chance to respond. Very easy to do. You may complain that newspapers are saying things critical of you, giving you nicknames that you don't appreciate. I would agree. I've been called some things myself by people here that I don't particularly find amusing, but you know what, when you put yourself out in public, you put yourself up for scrutiny that the average citizen doesn't have to. Maybe newspapers wouldn't be against you if you hadn't take a Bic to one at a rally.

You complained about citizens coming up here and speaking and asked to have them called out of order. As Council members have gotten up and walked out while they were speaking. Yet at other times have complained that certain citizens weren't at meetings after they had spoken at the last one. Which way would you like it? You say that efforts of citizens groups have taken away from your ability and your time and energy to run the city. But then I see letters to the Editor that takes shots at people that have nothing to do with the rest of the letter. You even get e-mails, using city e-mail addresses that takes shots at people. I wonder, what does this have to do with helping make the city better.

You had a council person at the last council meeting decide to try to use the threat of a city department and their inspections against a group that opposed them and that's wrong. To publicly threaten a group or any citizen with possible sanctions from the city powers that be is just wrong. Things like that should not be happening and they are and it shows just maybe why people are a bit upset with the leadership of this city. This is not the first time this has happened. You may remember back at the meeting that was just talked about with Mr. Taylor. There was a citizen who publicly signed a letter and then distributed it. The very day of that meeting, there just happened to be a walk-by inspection was done for their street and their house and they just happened to be cited and somebody up here just happened to have a copy of that at the meeting that night. Timing is everything. The timing makes me wonder.

You complain about groups keeping you from doing your job. I think had the job been done correctly, you wouldn't have people opposing you. It seems that the point that

it would be to be above and ignore comments that are made about you and to not attack citizens and to ignore things, you take that opportunity to attack. When the opportunity is there that you should try to work with people, instead that is the opportunity you pick to ignore. That is the problem we have. Everything is being done backwards. Thank you.

Mr. Victor Goodman – 20201 Glen Russ Lane. I feel a little like Michael Corleone in Godfather III. Every time I want to leave, I get pulled back in.

I feel that I have to come in front of this body and I have to state a declaration. I am not now, nor have I ever been a member of the Euclid Awareness Committee. The opinions expressed by this mouth come strictly from this brain. I speak for myself, I have never spoken for anybody else. I really think I'm back in Joseph McCarthy day. We have to make declarations of who we are. Loyalty oaths maybe.

Mrs. Hufnagle, I found your comments at the last Council Meeting and I'm not here to attack you, I'm here mystified as you have created an entire new math unknown to anybody else. I'm not saying this to be funny. So I decided to take your math and bring it up-to-date. There are over 1,700,000 registered voters in Cuyahoga County. Only 687,260 of them voted. Leaving a deficit of 319,927. Based on your math of the unimportance of 13,204 votes of the people, I guess you would state that being that President Bush, your candidate, got 221,666 votes in Cuyahoga County and John Kerry got 448,486. You would take that 319,000 not care voters, put them into George Bush, he would have carried Cuyahoga County.

Let's take the vote of 2003. I would like to state that if Euclid Awareness did anything, they helped register almost 7,000 new voters from 2003, one year. In Ward 3, in your election, there are 7,366 voters available. You received 1,825 votes in a no contest. Based on the 75% of the people who didn't care to vote in your district, why are you sitting here? Where does your math make sense? I'm really not doing this to make a joke, I'm doing it to make a point. You took valuable time of the people to state something I find absolutely ludicrous and ridiculous. When did you decide that a no vote is a vote for whatever your position is? Be thankful that more came out in the City of Euclid to vote in the last election, 22,000 out of 37,000 availability came out to vote. Maybe you should nurture the 22,000. Maybe you should nurture that 13,000 for re-election. Maybe instead of discriminating those people and calling them idiots, which you didn't say idiots, but you basically disenfranchised them. Their vote didn't really matter. They are negative people. I'm not a negative person. I really am not. I am here to say to you, if you don't think 13,204 people mean anything, I don't know why you're an elected official. Thank you.

Mr. Mike Tortorici – 635 Voelker. First time I addressed this body, December 6, 2004. I supported this administration and requested some form of accord with EAC. Next meeting, December 20, 2004 members of the EAC came for rebuttal to my position. That meeting I broached the subject of inadequate coverage of the area by the Sun Journal staff. Two weeks later, January 2<sup>nd</sup>, an EAC member publicly berated me at this podium. In so many words he called me a liar and a bully. Check the minutes, I stand by my words. I suppose I should defend my honor, but considering the source I feel no need. This seems to be the usual tactic of the group; half-truths, misinformation, and facts taken out of context. In debate, there is a term, its called adhominem. It is a Latin word meaning appealing to personal interests. Prejudices and emotions rather than reason. It comes from a position of weakness or lack of evidence, basically name calling or attacking character of the speaker.

I never realized how short 5 minutes was until I stepped up to this microphone. It is difficult to express my ideas and information adequately. Let me make it perfectly clear, I have sent a letter to the Editor of Sun Journal. I was told 300 word limit. Ironically the last two weeks there were letters exceeding the limit from the EAC supporters. In brief, the letter states, individuals have attempted to influence the voters through the EAC, Taxpayers Alliance, also the Observer and now the Free Times and the Sun Journal. I ask who stands to benefit from the narcissistic approach? Ed Gudenas, that's who. As a citizen and consumer, I believe we are entitled to fair and unbiased reporting. I believe Mr. Jeff Piorkowski is prejudice in his political coverage of our area. Following excerpts are from the Society of Professional Journalist. Public enlightenment is the forerunner of justice and the foundation of democracy. Professional integrity is the cornerstone of a journalist's credibility. Seek the truth and report it. Journalists should be fair, honest and courageous in gathering, reporting, interpreting information.

Journalist should distinguish between advocacy and news reporting. Analysis and commentary should be labeled. Not misrepresent facts or context. Journalists should act independently and be free of obligation to any interest other than a public's right to know. Journalists should avoid conflicts of interest, real or perceived. Journalists should refuse gifts, favors, fees, free travel and special treatment. Journalists are accountable to their readers. If you agree with my assertion, please contact the Editor of the Euclid Sun Journal. I assure you the EAC will.

Now, I wonder if this will make a paper. I'd like to pose a question to Councilman Delaney and also Langman. Mr. Langman, can you explain the difference between homes being built at Hillandale today and the proposed lakefront condo development by Ed Gudenas back in the year 2000. This following excerpt is from an article in the Euclid Sun Journal by Jeff Piorkowski August 31, 2000. When asked by a crowd member how the city's government could be convinced to go ahead with lakefront development, Gudenas responded, mob rule. You have to pressure them. You have to hound your public officials because for the most City Council had refused to vote on it. End quote. This tactic was developed many years ago and is being used today. The Gudenas supporters of the 2003 campaign have evolved into the Recall Committee.

I remember after the election teary-eyed Gudenas supporters threatening to move and posting on their website, things like, I See Stupid People. Instead, now they come to this meeting and try any means possible to disrupt the proceedings, sabotage, that's what it is. If Bill Cervenik looks good and completes the job that the majority of voters elected him to do, then Gudenas and company look bad. After being confronted and verbally assaulted by a founding member of the EAC out in the rotunda, I decided to do some research.

What was the connection? How does John & Rebecca Conway benefit from all their efforts? They claim no political affiliation. I have copies of a document from the Ottawa County Auditor's Office for public records, its available through the internet. John and Rebecca Conway purchased a condominium from Real America, Inc. in August, 2004. This property is located on St. Hazard's on Middle Bass Island. I have another document that states Real America, Inc. incorporated its owner, Ed Gudenas. Certainly legal ...

President Sustarsic – Mr. Langman?

Mr. Tortorici – May I continue? Would you please stop the clock.

President Sustarsic – Continue. Mr. Tortorici your time will be up and I'd appreciate anybody in the audience, if you happen to read Robert's Rules of Order which everyone so withholds to their heart near and dear. You'll realize that if there's any bantering or any noise or any conversations of any kind in the audience, that is ruled out of order. Consequently it is also disrespectful to the speaker whomever is at the podium. You get up to the podium and realize that people might cheer you on and that type of thing, but that's out of order too. The bottom line being, once someone has the floor and once someone is at that podium, they have the floor. If you wish to address the body then you can in turn, if you haven't already, step up to the podium and address that body. From here on end I would appreciate any quenching of any conversations or anything else like that in the audience while people are attempting to speak. Mr. Tortorici, I'm sorry but your time is up. Thank you.

Councilman Langman – Point of Order, personal nature .....

Mr. Tortorici – As far as public records sir? I have a copy for everyone.

President Sustarsic – This ends it please. Mr. Tortorici you're out of time. Next speaker please.

Mr. Rick Wiegand – 44 E. 224 St. I am the former City Prosecutor having retired two weeks ago. First thing I think in order for me to do is to thank the citizens, the taxpayers of the City of Euclid for allowing me to serve them for 15 years. It has been a heck of a ride and it is only through their generosity that I was able to serve as their City Prosecutor.

Today I speak not as an employee of the City, but as a long time nearly 50 year resident of this city. I speak here because over the last couple of years over the last 15 months, I watched a politically insurgent group of people come up here and try to rip the heart out of my city to satisfy their needs and wants now culminating in what I consider despicable and disgusting effort to recall public officials from office. It sickens me to see this happen. See because those things that Mr. Conway and his wife and the members of his recall group, the ERC as they so call themselves euphemistically and the things that they so boorishly refer to as counts against these public officials. If you can take one thing to the bank today, it has the actions of the Mayor and these Council they talk about, have absolutely nothing to do with their recall effort. Since Mayor and Council, all members of it, have served admirably and with integrity over the last 15 months.

But this recall stuff didn't go on because of what's happened over the last 15 months. It started on the night of November 2003 election, when the supporters of certain candidates could not accept the fact that their candidates did not prevail. That the voters saw through them. They saw the lack of character, integrity, and the down right arrogance. In the end, that was what caused them the election. The supporters of those candidates thought the people of this city were stupid. As Mr. Tortorici just pointed out, that's exactly what they put out, the EAC put out on their website the next morning. That was after some of the supporters tore up the Main Event to the tune of \$1,200 in damage. See it, it is in the police report. It's documented. If they want further details, go talk to the owner.

The frustration of those supporters of those candidates continued for the next 15 months. With ridiculous law suits to the city. I can think of 4 of them as a former member of the Law Department. Two of which I was personally named as a defendant by Mr. Janosik. Those were all thrown all out of Court. The golf course project law suit, thrown out of Court. The Hillandale project, the EAC, thrown out of Court. I really wish Mr. Conway, that you could intervene in that case but on one condition. That you'd have to put up your own property or post bond to cover the cost in the case. I think you'd head for the hills then.

That was the goal of this group to continue to frustrate anything of good in this city over a 15 month period and we know it. We know it from the memo Mr. Corbran inadvertently sent to the Mayor's Office congratulating another member for frustrating the intentions of the City. We know that was their intention. You can see why in City Hall, you heard talk of recall since the morning of that election 2003. The only issue for those people, these people, this recall committee, is to reverse the vote. To take away the vote that the people of this city elected this Mayor and this Council for their stated terms back in 2003. That's what their intention is to take away that vote.

Take a whiff. Do you smell the hypocrisy, Mr. Conway and supporters? I do. It is not hard to do. When they say that this recall effort has something to do with the last 15 months, nothing, nothing could be further from the truth.

We heard some good news from the Mayor tonight. We heard him read that letter. That shows this particular group, this EAC, the people trying to tear down this city, they are a rattlesnake. Their political vendetta is trying to rip the heart out of this city. Anyone who has known me in this city, hear me on this, okay. That kind of action must be stopped. Thank you.

Mr. John Herak – 78 E. 224 St. I wasn't going to say anything political tonight actually, believe it or not, but Mr. Tortorici and Mr. Wiegand, let's jus remember that they are former and current city employees. Enough said.

All right, my thing tonight was a couple Saturday's ago I was at Mama Catena's restaurant to pick up a pizza to go on Babbitt Rd. I ran into an old college fraternity brother, Jim Webb and his wife Terrie. They were having dinner there. While I was waiting for my pizza, we started talking. A couple tables away, a very scary thing happened. A young girl having dinner with some family started choking on her food. When she stood up, her father tried to slap her on her back and it wasn't working. I mentioned something about doing the Heimlich maneuver. I know the basics, of the Heimlich maneuver but I never performed it. I know that Jim being a football coach at St. Joe's he'd have to be certified in CPR and would know the Heimlich maneuver so he sprung into action, still wearing his red St. Joe's shorts. After several attempts and still no luck someone shouted call 9-1-1. After several more attempts, Mr. Webb was able to dislodge the obstruction, a long strand of spaghetti that was un-chewed. Seconds later the EMS arrived. They got there very quickly. As a matter of fact I was very surprised how

fast they did get there. As much as it pains me, a former Euclid Panther to congratulate anything associated with St. Joseph football, I must offer heartened congratulations to Coach Webb and all those associated with the program for having the training in place to handle situations like these. It shows that high school sportsmen play a more important role than just entertainment for those involved in the heated high school rivalry.

I mention this story because it was comforting to know that even during our budget crisis and reduction of staff, that Euclid EMS responded quickly and would have been able to help the little girl, had Mr. Webb not been successful in his attempts. Congratulations to Chief Cosgriff and his staff on a job well done. Thank you.

Mr. Mike Mihalich – 101 E. 202 St. I guess I could say some things on behalf of the EAC, but I'm going to let our record stand as it is. Bringing the Hillandale matter to a vote to the people, getting 13,000 no votes against the 4,000 yes, 60% winner, tells me that we were on the side of the voters in this city. As for listening to a gentleman and he has the right to say what he wants to about certain reporters, about newspapers, whether it is the Observer, the Free Times, Jeff Piorkowski, the Plain Dealer. I can say this about Jeff Piorkowski and the Sun Newspaper. They are the ones that are totally down the middle. Everybody else seems to be on one side of the issue or the other. I don't know where that's coming from.

I do have a request of the people of the City of Euclid. If you don't act, who will? If you don't act now, then when? If its not on these issues, then what will it take? Fiscal irresponsibility. Yes, we have a million dollar surplus, however let's remember we borrowed \$2 million at the beginning of this year. Mr. Mayor, yes or no, did we pay back that \$2 million yet? If this is your way of showcasing fiscal responsibility, you should have borrowed \$3 million, you would have looked twice as good, as least to those not paying attention.

Civil rights. Your right to vote. How ironic that tonight we celebrate or honor Dr. Martin Luther King for his tireless determination in fighting for not only the rights and civil rights of African-Americans, but the rights of all Americans. Yet that decades later in the City of Euclid, our Mayor abused civil rights. Your right to vote. His defense against you, a paper shield called a settlement.

Citizens need to ask themselves several questions when given an opportunity to recall the Mayor and the Council members. Are the actions of this Mayor and Council members conducive to good leadership? Do they see what's best for our future? Should they be making decisions for you? If you answered no to any of these questions, it is not only your right to recall them, but it also your responsibility. Thank you.

Mr. Joe Udovic – 21371 Naumann. The beginning part of this, I'm going to wing it a little bit. I do believe Mr. Tortorici owes the Conway's an apology. To bring a personal document like someone bought a property somewhere, it is not a city's business. As far as community activism, if anybody is a history buff or studied history, throughout history we've had many community activists. Joan of Arc; Susan B. Anthony; Isadora Black was bra burner in this country. She was a community activist. She protested. I am a community activist. I am not now nor have I ever been a minion of Mr. Gudenas. I asked, I did my own research. Over Christmastime I asked 11 questions to the Police Dept. concerning the closing of the jail cells. A lot of these questions were not asked by council during the budget hearings of October, 2004. Were you doing your jobs?

During the response that I received from the Police Chief, another 10-15 questions that popped open. I'm going to ask another question. Have you City Council, thought of these questions that are on my mind right now? Are you currently doing your jobs? That's what you have to answer, each and everyone of yourselves.

Also now I'm going to respond to a question Mr. Daly had at the end of last Council Meeting. Yes Mr. Daly, I do believe there's going to be a recall election held in May of 05. I do believe that Council and the Mayor shall be given the option, once the petitions are certified, either to accept the outcome and resign his or her current occupied seat, or try to fight the seat that they currently have.

Mr. Gruber, I do have a couple corrections to make on your part and I have a couple of questions or comments to make on your part. You made a statement about the error in regard to the closing of the fire station in 2003. It was closed under Mayor, Safety Director, Paul Oyaski's watch. The former Fire Chief Dworning, recommended post closure. The City Council never came up with that idea or proposal. Mr. Gruber you mentioned about the last recall. Yes, Dennis Kucinich was recalled in Cleveland in

the 70's, but if you kept pace with the papers, the News Herald reported that in the City of Eastlake in 2004 the Ward 1 was involved with a recall as well. Plus Mr. Gruber's comments about recall hall being ADA accessible and a requirement of occupancy permits or inspections to enforce any of these violations, if any, from the Fire Dept. and Mr. Pietravoia's office. Mr. Gruber is once again demonstrating and exercising his might against perceived enemy, similar to President Nixon's potential usage of the IRS to threaten his perceived enemies. Mr. Gruber should have shown more concern for ADA accessibility of the Polka/Softball Hall of Fame when it moved here a few years ago. Plus Mr. Gruber, what did you do for the City Hall to make it ADA accessible? What did you do to make this ramp handicap accessible to get people on the dais?

The recall process is in the City of Euclid Charter. The one that you as City Council and Mayor everyone who took an oath swore to uphold and protect when you took your offices. Thank you and have a good evening.

Mr. Harvey Hutter – 1446 E. 204 St. I am not now, I never have been, I don't intend to be a reptile. I am member of the Euclid Awareness Committee, snakes. We provide a vehicle for the citizens of Euclid to express their views on right now two issues. The first one was Hillandale and now the recall. We do not twist people's arms. We don't threaten them. We go around with petitions. We give them the opportunity to express themselves. That is one of our inalienable rights and the recall is going well.

Mr. Dave Griesmer – 314 E. 216. Euclid, Ohio. Tonight I watched the attack of people again. The Conway family for the record, I was a supporter of the Taxpayers Alliance and the Conway family, I never met them during that process. For people to say that they're against the Mayor because they were in support of Ed Gudenas, that is not a true fact here. Just so people know.

Mr. Wiegand said that the EAC came out the day after the election. I'm a founding member of this group and we didn't meet until late December and then we started meeting in January. That's when we were actually formed. The person who may have posted some e-mail was not a member of the EAC because the EAC didn't exist at that time.

I really think the Conway's are good people and I don't think they should be attacked here. If somebody wants to talk to them, I feel they're open to talk to anybody. I feel that's unfair. I really do have a comment from the last Council Meeting. Councilman Tony Sustarsic, he said the guys out on the streets plowing did an excellent job. Well, I don't think that was a good comment. I think the guys probably did the best they could with the amount of money we have and the amount of guys that were out there. But to honestly say that they did an excellent job, I think you really need to open your eyes. Maybe on your street they did an excellent job but on my street, I live at 216 and the intersection of Kennison and people were getting stuck for a couple days there. Tonight, I really think the residents of Euclid aren't getting their money's worth from some of these council people, including Mr. Tony Sustarsic by constantly never asking any questions when the people are here. I think the residents deserve their money back and I think he should resign. I really don't think you're doing your job. I really think you should start asking questions to prove to the people that you really care. I hope you do care. I'll tell you what. I really had a good conversation with the Mayor a couple of weeks ago. I enjoyed meeting with him. We talked about a lot of things and it was a good conversation. To say that people of EAC are negative and nasty people, I'll just state a few of the things that I've been involved in. I'm not bragging and I haven't been involved my whole life, but I lived in Euclid my whole life. I've done some volunteer work with the Euclid Hunger Center. I helped in the recent School Levy. I helped over at Shore when we renovated a room. I'm not bragging. People up here have probably done a lot more than me, some of them, but to say that we don't do anything for the community, that's not a true fact. Thank you and have a good night.

President Sustarsic – Seeing no one else in the wings.

Mrs. Bernie Walsh – 651 E. 266. I have some random statements. First of all, Mr. Mayor, this is what you should tell Mr. Sullivan. You should tell Mr. Sullivan that this is a community of proud volunteers. In the year 2000, I was named the Outstanding Volunteer Director for the State of Ohio. In all my travels, I have never seen a better city

for volunteerism. The immaculate wonderful work of Petpals, a place that the city should be paying for that is staffed by volunteers is to be blessed.

To go down to that Euclid Hunger Center and to see the turnaround and the smiling faces and the good work they're doing. You have no idea when you go to some other communities how that is lacking. That is what you should tell Mr. Sullivan.

I come here not just as a cold person from moving back. I was a little girl here and my grandpa painted the City of Euclid busses. He hand stenciled City of Euclid on the side of them. He would bring the fair boxes home and my job was to wrap the pennies to take back to the city coffers and he would hand stencil the Euclid No Pennies of the fair boxes.

I went to Euclid High. I fought to stay in because money was tight. I learned a lot at Euclid High. In the Civics' class there's checks and balances. Checks and balances doesn't mean you get the check, we get the balance. It means somebody should be watching the store. To do your own accounting, that's setting yourself up. That's just an opinion that Ms. Spretnik put into my mind back in 1963 and it is still there.

I truly, truly, still love this city. When the issue of the recall came up, you know what Mr. Cervenik, surprise, surprise, I voted for you. I thought you were the piece de resistance. I thought the recall was maybe something that would tear the city apart. But I talked to a lot of people, a lot of parents from the theater group. A lot of friends, a lot of neighbors, a lot of associates, a lot of professionals. And a very learned man said to me, Bernie, what are you so scared about? It's time, they are not doing the job. I tried to call the Mayor for one year and he must have the CNC or whatever it is phone number because he couldn't get a hold of you.

It's ironic that you found that million dollars. You found that million dollars now when all this political turmoil comes up. Work on the recall. It is time. I think it is fair and just the way it is being approached. I truly like the way the seats are for Council because you can see your faces. Mr. Daly in one year you said nothing. You issued no, it was blah, blah, blah, you didn't even now what inland insurance was. Yet you did an eloquent speech against someone in this audience at the last council meeting and I ask you, who wrote it because it wasn't you.

We talk about budget cuts and I don't want you to fritter away the million dollars, but if I was minding the store or taking care of my house, I would say to the police chief, why can't the criminals clean the jail and save \$29,000? There might be some problems there but you know have the good guys watch the criminals clean the jail.

Mr. Gruber, you have done me some favors when I called about the garbage. You know you're really good at getting the garbage picked up. For that I will give you credit. But please don't say about the ramps and so forth. It's ridiculous. It's low and beneath you. Finally, Ms. Hufnagle. You sit there and you do what you've been called, you rattle it off like the litany of the Saints in the Catholic Church. It is not something to be proud of. It is something to cure. You need to know, all of you that you have to serve those who didn't vote for you. Mr. Frey, I end with this question. Any of your relatives own shares in the Panini restaurant on Miller Ave.? Thank you and God Bless.

President Sustarsic – Motion to rise and report. I'd appreciate it if anyone else has any comments please get in line, so we don't have to play games.

Mrs. Rebecca Conway – 291 E. 276 St. I hope this is the last time we can hear Ed Gudenas' name at this meeting. Ed Gudenas isn't Mayor, he's not on Council, he's not a decision maker in this community for this community. Why is Ed's name continuing to come up? Let's set the record straight again. Mr. Daly you're going to love this one.

John and I, last November before the Mayor election, you could have put Ed and Bill in a room together, we wouldn't have told you who they were. We didn't know. We didn't vote, Mr. Daly, neither of us did. The reason, we were in Florida for a year for a job transfer, we moved back. We re-registered. I didn't receive the cards and I thought you had to have the card to go to the election to vote. So we didn't vote for that matter.

The truth of the matter is, and for everybody now to know, I would have voted for you Bill Cervenik. Why? Because of my family. We lived in a bubble. We didn't pay attention to what was going on. I hardly read the paper. I didn't watch Council Meetings but here and there. The truth is that it was my neighbors behind me that kept saying this is going on, this is going on, you got to watch, you've got to watch. So little by little we started watching. We came to a meeting together because we wanted to learn more about

Hillandale. I didn't know Sue McGinn, Dave Griesmer, Beth Arbright. I didn't know any of them. None of these people sitting here, no one.

Well me and my personality sometimes can start talking to a lot of people. So one thing led to another after we came to a few meetings and we met people and we formed a group. Ed Gudenas had nothing to do with it. I would like to consider that I have my own thoughts, my own opinions. How am I connected to Ed? We did buy a condo in August because it's beautiful, it's great quality. He knows what he is doing up there. That's the bottom line. I would have shown anyone the pictures. Many people know. I could care less, I bought a condo from Ed Gudenas. What does that have to do with negating votes? What does that have to do with the million dollars you say we have, that we don't have? While I'm on the million dollars, at the fireside chat a woman brought up she got a ticket next to Memorial School because she didn't see the tiny little school sign because there is no flashing light. I beg you, please spend the \$45,000 Mr. Mayor, put up the flashing lights there. Is it going to take some kid to get hurt or God forbid killed? Then that's a real law suit you are going to have in your hands. You sat here publicly and admitted that we need the sign but we don't have the money, we can't afford it. But you just spent \$68,000 for trails or parks or something on the agenda tonight. That's a law suit waiting to happen.

The other thing that I would like to talk about is Mrs. little, old, Ann Raukar, sat here and used a residents name over and over. You asked her not to. She got escorted away. Mr. Daly pointed this out and then another resident tonight. Let's not even talk about hypocrisy anymore people. This is a dictatorship. It's not a democracy. That's what this recall for me, personally comes down to. Can we have three more years of this? Thank you.

Ms. Barbara Davis – 1563 E. 196 St. I wasn't going to come up here and I decided to come up here because Mr. Johnson, the Finance Director and Mayor Bill Cervenik. Please don't get rid of CCA. Your main thing should be try to get those delinquent people to pay their money. Not trying to take over the whole system. That is a big job. I've been there and I've done that and I know. You think you have problems now. You're going to have really big problem if you get rid of CCA and try to do everything yourself.

My suggestion to you is to work with CCA. If you need hardware, software or whatever, pull it together and work with CCA to collect the delinquencies, but please don't get rid of CCA. That's all I have to say, thank you.

Councilman Gruber moved to rise and report. Councilwoman Holzheimer Gail seconded. Yeas: Unanimous.

#### COUNCILMEN'S COMMENTS

Councilman Sustarsic – I'm going to continue to stand by my words. The city crews did an excellent job. That was the third worst snowfall in 24 hours on record in the Cleveland area and it happened during the holidays and them guys did a hell of a job. Short manpower, it took them awhile to get my street done, but I mean it ended up getting done and I didn't want to diminish any of the work that they did.

I really do care. It is tough. I come to City Hall not just during the meetings, I'm out there. I stop in. I ask a lot of questions. I ask my questions, just one-on-one. It is easier for me to do it that way. I just ask the questions, get my answers. I came here and I'm prepared. I don't feel necessarily, I don't know, maybe I just feel like I don't want to showboat, but I mean, you want me to ask more questions, that's fine. I'll repeat the questions I've asked before, that's okay.

As far as the Recall Committee and everything that's going on with that. No, I will not resign if you get enough signatures to take me out. You want to take me down, you'll have to take me down kicking and screaming because I'm planning on running for re-election in November and I'm going to win. See you later. Bye.

President Sustarsic – A couple of announcements this evening. First of all there will be an Executive Committee Meeting on Wednesday, January 26, 7 PM. That will involve a presentation of the future of what some people want for Shore School. That will be January 26, Wednesday at 7 PM.

Also I would like to send my regards and thanks to Mr. & Mrs. McGreevy who this past Sunday had us over at Recher Hall with the Doug Gilmore Worship Ministries.

They put on a very fine, inspirational presentation and I would like to sincerely thank them for that.

One other thing, there is another, how can I say, not to much spoken of jewel in the City. It is an organization known as BRIDGES. They started in Atlanta, Georgia years ago and basically what they are doing, they have what is known as a Parent University. They headquarters of BRIDGES is at Shore in Suite 205, which you can in touch with them for further details on this. Parent University as the brochure claims, is a program designed to offer continuing education to parents and other interested adults in areas such as child care, promoting a child's education, financial and budgeting skills, employment related issues, health care and city services. This second session of Parent University will be held at Euclid High School on Saturday, January 29<sup>th</sup> from 8:30-12:15. We have approximately 6 classes to offer and I say we because I have the privilege of serving with many community leaders on the steering committee. Anything from get checking, using your bank accounts wisely, proper nutrition for you and your child, parent-teacher partnership, helping students succeed in school and the like. Anyone that would really be interested in this and I think it would be of great interest to a lot of people in this city, to build your relationships within the community with other people as far as getting in touch with community leaders, who are teaching the classes. Again contact BRIDGES and they are at the Shore Cultural Centre, Suite or Room 205. Monday through Friday, 7 AM to 9 PM. Again at the same time, time is going, time is fleeting, so again January 29<sup>th</sup> from 8:30 to 12:15. Please give these kind people a call and help advance yourself and help advance the community. I know the Mayor's involved with it. Several members of the administration and these people are just all about educating the community and helping people to help themselves.

I would like to take this time to again I'd like to thank the Mayor and the Administration for all their hard work and their perseverance. Getting into it, I guess you could say that you wonder if the Mayor really had a chance in the sense that a lot of people say that you should bring a business person to run a government. Because God knows politicians don't know how to do it. So here comes Mr. Cervenik who has been a CPA for thirty-some years or something like that and through his leadership and with the held of his administration and with the help of council, he has made very, very tough decisions, not necessarily politically popular decisions. But at the same time decisions, none the less, that had to be made to turn this city around to move it towards the right direction.

Unfortunately when he came into office, everything that fell into his lap was an accumulation of problems that happened going back years and years and years. Now I firmly believe that we're finally on the right track. We're in the 21<sup>st</sup> Century. I see nothing but hope, whereas before it was the light at the end of the tunnel was a train. But I think now it is hope in comparison.

Again I'd would like to thank the Mayor and his administration and members of Council for working together and not being as divisive as things have been in the past.

Councilman Daly – First off, I would like to address some things that happened at our last meeting. I did speak about Mr. John Conway and John's relationship, we've known each other. We've had several phone calls. Sent e-mails back and forth. We met face-to-face and they've always been friendly. They've always been respectful. We haven't always agreed, but we have agreed on things and we disagree. In fact I just met with him Monday, just to clarify some things and we had a good conversation for a half hour. His wife Rebecca, I met her the day before election day. I knocked on their door. Again, I've had several long phone calls with her at my house and at my work. Again we've agreed, we've disagreed.

But, why did I use Mr. Conway's name. John is the recognized voice for Euclid Awareness. He announced the formation of the group. He announced the Referendum. He announced the results. He announced the Recall. He's the one who's mostly quoted in the paper. So, comparing the things that John is saying now for the Euclid Awareness, compared to things that he has said in the past, I think it is fair to examine.

If you look at tonight's comments that Mr. Conway made versus comments he made at our April 5<sup>th</sup> meeting and I'm reading from the minutes of that meeting. Mr. Conway said, but what I really want to talk tonight about is the uncertainty that currently exists as to what may or may not happen as a result of the Referendum petition being submitted to the Board of Elections. Over the next several months we can spend a lot of time and energy speculating on what actions American Church Builders will exercise.

Everyone who has access to an internet can point to some court case that would seem to imply that based upon the religious land use institutionalized persons act of 2000 or RLUIPA, American Church Builders would likely be able to reverse the outcome of the November election. The bottom line here is though that none of us knows for sure what will ultimately happen. There is no doubt that this Act means that churches will have a greater opportunity to win more cases than they have in the past. It has effectively changed the playing field in favor of houses of worship and it makes Planning & Zoning Boards cringe.

You compare that to what was said earlier. He also, in his accusations against me, has placed the burden, or placed the blame for the City being at the brink of fiscal emergency, I ask you to look at the March 15, 2004 at what he said there. He clearly puts the blame for the fiscal shape of the City at the feet of the former Council that was headed by Ed Gudenas. He said despite a fiscal crisis of historic proportions. That's how he described budget situation that this city faced, that this new administration faced, that this new council faced, at its first budget hearing. It was a fiscal crisis of historic proportions. And he laid blame against that council for looking the other way; putting off tough decisions for another day. That day had come and that their mistakes had made the situation much worse.

So, I think it is fair to look at the accusations, the counts that are being made against this Mayor and this Council versus the statements that have been made at this podium earlier this year. I ask, I don't know what has happened where we have gone from clearly blaming the prior Council to now forgetting that and blaming this one. All I ask is that we look back at what was said. He said we may disagree with the administration but we are all obligated to get involved and make suggestions. This applies to residents also. With that I close. I do respect Mr. Conway but I think that over the course, this recall I think its fair that we look back and recall statements that have been made in this room. Thank you.

Councilman Delaney – This whole was not dug in two years. I would enjoy further dialogue with you on that. I thank you Chairman for announcing the meeting on the Shore Cultural Centre. The Board of Trustees who was treated to a preview of that meeting have drafted a Resolution in their official opinion. They've asked me to read it for this record. I believe it was all in favor with a no vote from the Mayor's designee, Director Kathy Will.

Whereas, for many years the Shore Cultural Centre has been grossly mismanaged.

Whereas, a public building serving a community in so many vital ways should not be expected to live or die on the basis of profitability, although generation of sufficient income to make shore self-supporting remains a desirable goal. With effective management there is no doubt that Shore could be profitable.

Whereas, shore long ago should have been designated as Euclid's community center. That in fact is how it has effectively served the people of our city. It is not only a home for the arts, but much, much more. It is reasonable to assume that if Shore had been so named and promoted, more favorable support would have been forthcoming over the years from successive Euclid administrations and Shore would not now be offered for sale.

Whereas, if the condominium proposal were to be accepted, Shore and its operation in that location, so important to a great many residents of Euclid, and a magnet drawing people from diverse areas who would not otherwise visit our city and spend money here, would be blighted by the coexistence of two fundamentally incompatible uses. The public community center/arts portion would then be shoe-horned into a comparatively small section, necessarily sealed and walled off from the bulk of an awkwardly truncated building.

Whereas, as a properly managed office building, with its hallways and freedom of movement unimpaired, including adequate space throughout for its community center/arts functions (a compatible use), there is no reason that it cannot be profitable and, as an added bonus, generate considerably more city income tax from lease tenant businesses and employees than would be paid by a handful of condominium residents. This necessarily would involve provision of professional property management to administer and promote rental of permanent space; long-term, multi-year leases to attract solid tenants and encourage renovation and improvement for leased space; a serious effort to dispel the tenants' long held and very real fear of Shore's almost always imminent demise, while fostering in its place at long last an atmosphere of permanence

and security; much longer hours of operation; cleanliness; and so on. Actions that have not been taken. Obviously much more can be and should have been done to attract and hold income generating tenants.

Now, therefore, be it resolved: that the Board of Trustees of the Shore Cultural Centre Corporation object to any plan by the City of Euclid to sell any part of our community center, the Shore Cultural Centre, and express their strongest and most adamant opposition to any plan for condominium conversion.

Be it finally resolved: that the Trustees of the Shore Cultural Centre Corporation do all in their power to prevent the proposed sale of Shore and urge all citizens of Euclid likewise to oppose and work against any such sale.

I was a member of the Board. I served as President for a few years. I think that after we've seen this Committee Meeting, we should also have a Committee Meeting and see what the Shore Board's ideas are to run the building and the future of the building. The two of those need to be brought out into the public and fair time needs to be generated by both entities. I was not at the meetings that the condominium proposal was presented, but I do look forward to seeing it and I promise that I will continually work with anyone who wants to work with the community and as they say, find a solid and permanent direction for the building. Thank you.

Councilman Gruber – Couple of items tonight. First off I'd like to make mention, one of our Euclid Firemen mentioned to me in a chance encounter that there recently had been a death of a Euclid resident named Laura Henry. She was 88 years old and I believe she lived off of 219. Part of her obituary read, beloved friend of many, saver of life's joys and pleasures, spirited nurturer and wonderful cook. Seemed like a wonderful woman. The end of the obituary closes with contributions with profound gratitude to the Euclid EMS c/o Euclid Fire Department, 775 E. 222 Street, Euclid, Ohio 44123. I think that says something when our residents, the firemen gave me very little background that they had been there several times and worked with the woman. But she thought that much of our services to include it in her final wishes. If anyone would like to donate, I'm sure the Euclid EMS would be very happy to get that and thank the firemen for bringing that to my attention Chief.

I had several comments to make and I write my own stuff. Mr. Udovic made several comments and I will set the record straight. Major recall was the statement. We realized that Eastlake had a recall recently. When I brought up the point about permits, ADA accessibility, I stated at that point its time to bring it out up front instead of after they get open, so it doesn't look like there is some type of retribution. So if they need anything, let's get it going before the doors open.

When Station 4 closed I was one of the few council members that opposed it and it is the job of the Finance Committee Chairman, who is the Council President, to find money to operate these types of facilities.

Finally last but not least, your comments on ADA accessibility, really struck home. Just last week I believe Councilman Langman gave me my book back that helped re-do the Council chambers here. I was going through some pictures last night. It just so happened I brought them to show what Tracy Ave. looked like in 1949 and 1950. Here's a picture in 1955 and Mr. Udovic, I'll give this to you. This is my father coming home from work. He had no legs. He lost both legs on Iwojima in World War II. He got hit 7 times. He was left to lay there to die. They put him on the stretcher and they brought him home. He was in the Philadelphia Navy hospital for 4 ½ years recovering. That's where he met my mother. They moved to Euclid and built a house on Tracy. The house on Tracy had of course a bedroom upstairs, which was uncomfortable for my father who went to work everyday with no ADA help, no handicap parking place. Try to get a job in 1952 or 53 when you have no legs.

He went to work everyday. He came home. He built a better life for himself. He built a home in Indian Hills. A 1,900 sq. ft. brick ranch, without a basement, and we know about those dog-gone basements, you got to have a basement in Euclid. The house he built, he designed himself. The specifications in the kitchen are the specifications in ADA books today, before they wrote it. The doorways are pocket doors an invention in the day wasn't heard of. He thought of that. There is a ramp in the garage, we have no steps. The house was custom designed by a guy that knew ADA. My job everyday is to work with people that are blind and visually impaired to make sure that ADA standards are upheld. I just had a good friend Marilyn move to Euclid. She's a friend of

Councilman Langman's mother. Now they ride the bus together. Marilyn if you're listening tonight, hello and welcome to Euclid. She just got cable and she's excited about tonight's meeting.

I do take this personally. If any knows of any issues dealing with ADA inaccessibility or other things that would impede people's progress, please bring it to me. I will refrain from the comments that I had written on the other subject tonight, because I just don't feel like going into it right now. Thank you.

Councilwoman Holzheimer Gail – I, too, am a member of the Shore Board and because of a previous commitment was not at the last Board meeting when I'm guessing that was drafted. It may have been unanimous for the people who were there. I was not part of that discussion. So I won't comment on that. I'm disappointed that a Proclamation was given before the discussion has even formally given to Council and to the public. I understand their concerns very deeply. There's no question that a building that is properly managed could work there. But again, this is the point that I brought up with the Board at the meeting I was at prior to that, is the million dollar question. How do we improve the building? The capital dollars that are needed in that building are huge. That's the question we need to address.

One possibility is the partnership that we'll hear about. Certainly there's a lot of questions. The questions have not been asked yet. We will get to that. I certainly appreciate their effort and appreciate their thoughts. They're certainly entitled to their opinion, but I just did feel the need to say that as a part of that Board, I was not part of that Resolution.

I have a couple of other community announcements. Saturday, February 5<sup>th</sup> at Shore Cultural Centre is going to be an Open House for all the Pre-schools in Euclid. If you are a parent of a pre-school age child, I believe it is in the community room, Kathy from 9-12. All of the preschools in Euclid will be there. It is a great opportunity to come and visit them all or meet with them all at one location.

I want to congratulate one of the great institutions in our community, the Euclid Public Library will be celebrating their 70<sup>th</sup> Anniversary. We're very lucky to have them here. They've received a wonderful award recently and they are having a celebration on Friday.

I received an e-mail from a gentleman on 218<sup>th</sup> Street. His son, Steve Renko, is a high school freshman. He has been selected to play the drums for the Gibson-Baldwin Grammy Jazz Ensemble. He'll be performing at various Grammy functions including the Grammy awards ceremony. The band consists of High School musicians selected from across the United States and Canada. He's also the first freshman chosen for this prestigious drum chair. So I'm hoping that we can have him here at one of the next Council meetings to share his ability and also give him the recognition that he deserves.

Councilwoman Hufnagle – At our first meeting of 2005, I asked you my fellow citizens to consider several questions that might not be addressed by the EAC, the Taxpayers Alliance or the Observer. Those questions are: which majority of Euclid's 52,000 residents does this group claim to represent? If the Hillandale issue was going to be decided in the voting booth, then why did this group seek to become a party to the law suit? Why does this group continue to inflame your emotions by telling you that your vote didn't count? Why does the taxpayer group continue to cost the taxpayers more money? Why is this group always opposed to everything supported by Mayor Cervenik and 5 members of Council? Why would you want leaders whose motivation for power will tolerate deplorable threats to their opposition? Why would you give a group of people power to run this community when they have lost with the voters and lost in Court, why should we do that? What has this group done to make Euclid a better place?

These were questions I asked but apparently some people only heard me say one word and that word was Hillandale. I asked you whether or not these are important questions. We will fall prey to allowing this to be about one thing and one thing only. There are some who want it to be about one thing but few things seldom are. The entire purpose of my comments was to ask all of Euclid citizens an important question. That question is why. I ask you again, ask why. Why is a very powerful question and it is a question that you should repeat as often as necessary until you get your answer.

Now I have some other questions for you to consider. Will this group mount a 14 month campaign in the leadership positions of this city are filled not by your vote, but by the appointment of their endorsed candidates. Will this vocal minority tell you then that

your vote didn't count? When you sign a petition to recall, you're agreeing that it is okay for someone else to choose your leaders. Unfortunately our Charter does not provide you with a choice for a replacement when you vote. You will not be given that opportunity. Why would you vote to remove someone from office without knowing who was going to be the replacement?

On January 6 I attended the meeting of the Euclid Awareness Recall Committee. In that meeting Mr. Conway stated on numerous occasions that the recall is not about who will be the next Mayor. Why does this group tell the citizens of Euclid that the recall is not about who will be the next Mayor? This is everything to do with who will be the next Mayor. If this was about who we should hold accountable for the current state of the City, then why not wait until November and run a campaign to unseat the 5 members of Council and replace them with candidates of the voters choice. Let's see if the EAC can generate a letter writing campaign on that question.

Another question. Why did Ed Gudenas write a letter to the Editor that appeared on January 6, 2005 claiming that Mayor Cervenik set up a secret committee that met in private to create his version of what should be done at the golf course? Why would Ed Gudenas say such a thing when he knows on December 7, 2004 Judge Villanueva had already ruled that the Mayor had not violated the Open Meeting Act. Ed Gudenas should have known of the Judge's ruling since he attended the hearing and was a chief obstructionist in slowing down the construction.

Do you want leadership that will knowingly misstate the facts? If you support the recall you may end up with just that. The recall is wrong for Euclid. It is not in the best interest of our community and it will not move our community forward. Do not allow this group to waste more taxpayer dollars, waste more of the administration and Council's time with their nuisance activities and do not allow them to force the many accomplishments made during this last year to the sideline. Thank you.

Councilman Langman – First to answer the first resident's questions on why I favor housing on the lakefront versus Hillandale. I think given Hillandale's location, its location on the spur of the commercial development would be the better course of action. I've stated that the entire course of the debate and I stand by it.

As for the other resident, a former colleague who I worked with, I will stand by every vote that I have taken during this term and the prior term. I stand by the candidates that I was associated with during the last election.

I too am very pleased that our income tax collection is up. I think that indicates three points. Number one, the economy is getting better. Number two, we have done a better job with delinquency collection. Number three, we did have an extra pay period which had a relatively minor but important impact on the dollars that we'd receive. However, it must be pointed out that the general fund revenue stream is composed of things like the income tax, our portion of the property tax, various fines and fees and so forth. I would be extremely happy if I can say that the million dollars in the cash reserve came from the fact that revenues outstripped expenditures in the general fund. That did not happen in 2004. Therefore based on those terms, there really is no surplus per se. Because based on income tax collections, property taxes and so forth, we're still short.

Where we got to that point is because in 2004 we did borrow \$2 million. The administration did take money out of Waste Water Treatment and Worker's Comp, etc., to balance the budget. I point that out because it shows that we still have a major structural problem in the general fund. That's not going to go away because the actions we took last year are primarily one time actions.

Where do we go from here? The Mayor, he did propose, it is in the paper that we raise fees and perhaps consider tax increases. People think I dislike the Mayor, I don't. We've had dinner, hopefully we'll do it again. But we did discuss these things not only in September but in October when we met. That was on the table. Now fortunately the income tax collection did pick up. I'm glad that it's off the table because I would have never supported that. I do think though that in the past year we could have done some things better, both on the revenue side and on the spending side. This is clear. I've talked to members of the administration, members of the community, my positions are clear, but I'll make them short since time is growing short.

On the revenue side, if we would have handled Hillandale correctly, we could have obtained a development to generate more revenue out of that parcel. That's really the only consideration in my estimation that the Council and the Administration should consider. Was it the best economic development? I don't think so. I think we could

have done a better job, either through court action or just by negotiating through the church to make it truly an economic benefit to the city.

The second issue and one that is more arcane, more subtle to the resident, is that for some reason we have allowed the Community Development Corporation to wither and basically go dormant. Given the facts that we are in competition with all of the communities in northeast Ohio, I don't expect the Economic Development Department of the City to be able to do all the activities needed to maximize our economic development. But from what I'm hearing is that the economic development department did not work hand-in-hand with the CDC. Therefore that resource was squandered.

On the spending side, I will say it again. I did talk to the Mayor about this at our very first meeting. I think we should have gone to our bargaining units and told them we cannot afford the pay raises that we're offering to you. We couldn't afford it. That was my position then and its been throughout. That would have saved us a ballpark figure of at least \$500,000 in the last budget cycle.

Finally this issue that we've talked about this and unfortunately she's not here, but we have an expert in the health care field on this city council. Health care takes up over \$4 million of our budget and we refuse to do anything differently. We had consultants lined up that I personally talked to that the administration brought in and we wound up and we did the exact same thing. That was a missed opportunity.

President Sustarsic – Mr. Langman, your time is up.

Councilman Langman – Thank you Mr. Chairman and with that I'll make a motion to adjourn.

#### ADJOURNMENT

Councilman Langman moved to adjourn. Councilman Gruber seconded. Yeas:  
Unanimous.

Attest:

---

Clerk of Council

---

President of Council