

COUNCIL MINUTES
September 19, 2005

The regular Council Meeting was held on Monday, September 19, 2005 at 7 PM in the Euclid City Hall Council Chamber. President Sustarsic presided.

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

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

Invocation was give by Dr. Norman Witthuhn of Lake Shore Christian Church.

COMMUNICATIONS

Councilwoman Hufnagle moved to receive without objection a request for a new D3 liquor permit to Joseph Peterlin, DBA Joes Place, 25643 Euclid Ave. Councilman T. Sustarsic seconded. Roll Call: Yeas: Unanimous.

Councilwoman Mancuso – Mr. Chairman, if I may ask, we received a communication in our packet that I have questions about and this would be the time if I could ask those questions so we could clarify.

President Sustarsic – Okay, would that be toward the administration, I would imagine?

Councilwoman Mancuso – It would be. It would be. It is on our beautiful Comprehensive Annual Financial Report.

President Sustarsic – Actually we're going to have the committee meeting on Wednesday.

Councilwoman Mancuso – That's for our current year report. This is the report that is done, that is published.

President Sustarsic – That was passed out this evening.

Councilwoman Mancuso – Correct, it came with our packet. I have questions, there are some errors in here that I think we need to correct.

President Sustarsic – Okay.

Councilwoman Mancuso – Director Johnson, if I may, I'm assuming this is primarily your work. On page 15, I'm going to try to be brief as I went through this. If we can look on page 15....

Mayor Cervenik – Mr. Chairman, Councilwoman Mancuso, if you were going to, we don't have the CAFR in front of us at this time. It would have been very beneficial and helpful to the administration to be able to answer these questions if you could have communicated something ahead of time. If you could e-mail ...

Councilwoman Mancuso – I just did it sir. I just did it. I've just gotten through this myself.

Mayor Cervenik – Then why don't we

Councilwoman Mancuso – That's why Communications was the best place for me to ask the questions.

Mayor Cervenik – It would be wonderful if you could give us those questions and we could be prepared to answer them on Wednesday. We don't have it in front of us.

Councilwoman Mancuso – I'm afraid these need to be done tonight before we go into our current meeting.

Mayor Cervenik – All right Councilwoman, please continue. But communication is a two way street here.

Councilwoman Mancuso – Thank you. I absolutely agree.

Mayor Cervenik – Thank you.

Councilwoman Mancuso – I absolutely agree. This is a huge document, so those of us who are working, it takes a while to go through.

What I found on page 15, I'm just concerned with the wording. We have in here maintaining it's superior credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. That relates to our A-1 bond rating, which I understand.

When a sophisticated reader from outside Euclid actually looks at this and I'm saying that because I've seen it done already, when we talk about maintaining our superior credit rating at A-1, I know we don't mean to be misleading, but we're not maintaining that credit rating, we went from AAA to A-1, first comment.

Director Johnson – Ms. Mancuso, could I address that?

Councilwoman Mancuso – Let me finish and then you can address the whole thing so I don't take up a lot of time, please. So we have changed from Moody's, which they will look up anyway.

The second piece of it is, we do state that we are able to obtain the short term and long term financing at the lowest possible rates. A-1 is not the best rate. We know that and many cities are in the same boat we are. However, if they look at this and they are going to look behind the scenes, it almost looks like we're trying to steer them away from what we have had with our bond rating, which is not unusual for most cities.

So I would ask that we change it to reflect that we actually did have a bond rating that changed to A-1 and we don't put in the statement that it's the lowest possible interest rates because it is indeed not, there are two rates higher than ours.

On page 13, I have a question. I understand you don't have this document in front of you, which I'm sorry for. The first sentence on that page reads, General fund expenditures and other uses totaled thirty four million nine hundred and some in 2004. A decrease of 9.67% from 2003.

If you read your table, it is actually, in 2003 our expenditures totaled \$31,823,000. Our actual expenditures in 2004 totaled \$34,901,000. This is an increase of 9.67. I wish one of you had this in front of you. The table and the narrative are different.

Mayor Cervenik – Mr. Chairman, we would have had it in front of us if we were made aware of it. We will look into that and talk with you on Wednesday.

Councilwoman Mancuso – I would like it done before Wednesday. These are significant sir.

Mayor Cervenik – Ms. Mancuso can you come into my office sometime tomorrow.

President Sustarsic – If I may interject as the Chairman, I think it would be more appropriate and again it would have been,

Councilwoman Mancuso – I wish I could of. I just got done. I really did.

President Sustarsic – If there would have been communication, but at the same time I think it would be more appropriate being that ...

Councilman Delaney – Mr. Chairman,

President Sustarsic – Mr. Delaney.

Councilman Delaney – Would the administration like to use mine? I have it open right here.

Mayor Cervenik – I'm not disputing what she's reading, Mr. Chairman. But what I am saying is that we need to look into where the material and where the information came from that you're reading.

Councilwoman Mancuso – I'm talking about our annual report. I'm concerned with the credibility that we're putting out there. That's my concern as I read it.

President Sustarsic – I can concur with you ...

Councilwoman Mancuso – I don't want anybody to be defensive,

President Sustarsic – True ...

Councilwoman Mancuso – I just want us to be able to put out good information.

President Sustarsic – True, but at the same time I think in this particular instance, being that the administration does not have access to it this evening, or that they were not forewarned, I would think as opposed to prolonging this into any kind of a question/answer period or debate, I would think to at least to get in touch on Wednesday when we do have that Finance Committee Meeting, to discuss the packet that we did receive as well as any other questions that you might have on the budget.

Councilwoman Mancuso – That's a lot on that Committee Meeting sir. Because that's also what we're

President Sustarsic – I realize and we can ...

Councilwoman Mancuso – we're supposed to be discussing our Tax Department also.

President Sustarsic – I realize and we can go overtime on that to discuss anything and everything that we have to do.

Councilwoman Mancuso – I guess I was under the assumption that they would be well versed in this. They are sentence structures. We've made mistakes between tables and narratives.

Director Johnson – Mr. Chairman, I would request that Ms. Mancuso or any other council person that has any questions on this CAFR, if you would please allow me the courtesy of e-mailing those questions to me and I will try to get an answer for you and have it for you on Wednesday evening.

Councilwoman Mancuso – I will have to do that because you're not giving me any option. However, sir, I would assume we were very comfortable with this document since it has already been published and it had already been edited.

Director Johnson – Ms. Mancuso if I would have known what your questions were going to be in advance, I would have been prepared to answer them.

Councilwoman Mancuso – I would have loved to have them for you in advance if I could have sir. Again, I don't want anybody to be defensive, I just want a creditable product to give to the people that are going to be investing in Euclid.

President Sustarsic – Right, I agree wholeheartedly. Council Minutes please.

COUNCIL MINUTES

Councilwoman Holzheimer Gail moved to approve the Council Minutes of September 6, 2005. Councilman Gruber seconded. Yeas: Unanimous.

ADMINISTRATION REPORTS & COMMUNICATIONS

Mayor Cervenik – Good evening, I had the pleasure of attending the production of Peter Pan on Friday night and presenting a Resolution of Condolence and thanks to the family of Chuck Abraham who would have been the Director had he not died very prematurely at the age of 47.

The cast really stepped it up. It was a wonderful play. I took my wife, my son, my granddaughter and my niece. We thoroughly enjoyed the evening. Peter Pan came out flying. Wendy and the boys came out flying. It was just an amazing evening. It was a lot of fun and we extend our sympathies one more time to the family of Chuck Abraham. Thank him, wherever he

is looking down on us now for his contributions and hopefully that theater group will continue to thrive in the City of Euclid.

Hurricane Katrina drop off trailer is behind City Hall. We have Century Lines, STP Ohio Materials Handling, Heritage Beverage, Lakeland Civic Association and the City of Euclid, we're assisting the victims of Hurricane Katrina. They are asking for non-perishable food items, as well as items needed for infants and pets. Diapers, formula, baby bottles, dog food and toiletries. They will be accepted every day behind City Hall and they'd like to have that trailer filled up in the next week or so. If you would like to help in any way or have further questions, please contact Bruce Thompson at 732-8849 or 781-0641. We'd really appreciate your help.

You have before you tonight, Director Johnson has presented you with a Golf Course Financial Report that you requested. That is not the final report. All invoices are not paid. The punch list has not been done, but that is where we are as of this date.

Director Johnson also presented you with the Income Tax Collection Report through August. I think if you look and you start with June, actually May was the month that our Tax Office was really ramped up and ready to go with a full staff. You will see that in the month of June, income tax collections were up almost \$158,000 over our projection. They were \$226,000 above last year's numbers. In July we were almost \$185,000 above projections. \$219,000 above last year's figures. In August, we were \$274,618 above projections, \$318,300 above last year's figures.

I need to really commend Director Johnson, and our Tax Administrator Gloria Lovelace and her staff for delivering the kind of results I told you we would get. We will be presenting to you Wednesday our proposal to leave CCA and continue the work they've done on the delinquencies with our normal collections. That will be coming on Wednesday. Mr. Johnson will have a report for you. This is just very indicative of what can be done. If you read the papers today, the City of Lakewood has left RITA. The difference between the City of Lakewood's proposed budget to their Council and ours is the City of Lakewood at least initially feel that they are actually going to spend more collecting taxes than they are paying RITA. Our budget will show about \$100,000 reduction in expenses. We will still have that 10-15% increase in tax collections, but we'll talk about that on Wednesday.

For the year, we are now \$613,885 ahead of our projected income taxes. \$1,153,000 ahead of last year's numbers. That is very encouraging. We've got a long way to go. We've got a lot of things to make up for. We've got to rebuild our General Fund Cash Balance, we have to rebuild our Self-Insurance Fund. We have to rebuild our Worker's Comp fund, that were spent down in quick fashion a few years ago. We will do that and this is just evidence that it can be done.

Euclid Community Television, the Cable Commission on tonight's agenda City Council has a ordinance appointing a Lottie Collins to the Cable Commission. I strongly recommend that be passed. I, the Mayor, has 4 appointments to the Commission as well as two additional appointments with the approval of the School Superintendent. Dr. Jones actually wants to serve on the Commission and an employee of his, Debbie Novish, will be the two school representatives for the Cable Commission. I have also appointed: Ron Emser, Oaklyn Lewis, Julie Nowak. I have one more appointment to make, it doesn't need Council approval, but I have one more appointment to make and I won't mention the name because we've been playing phone tag and I want to make sure the person is still interested. That's 5 of the 6 appointments I have and I firmly believe Lottie Collins will make a great addition to the 7 member panel. I would see the beginning of October that this Commission would meet for the first time and determine what course of action they want to take.

Last but not least, we have our Community Gathering, this Sunday, September 25th at the Memorial Park near the Strike Zone. Very simple day, bring your blanket, bring some lawn chairs, we will have a band. There will be some kid games, hot dogs, face painting, the Fire truck will be there, DARE van and other people have volunteered to do various activities. As I said, very simple. You can bring your own food, beverages. There will be hot dogs available. We just want to all gather in the park and get to know each other, no real agenda, no speeches, just everybody meet their Euclid resident. It is something we're going to try to do a little bit more of. It should be a good community event.

A few weeks ago I mentioned that Dorothy Fike was honored as a Conservationist of the Year. Dorothy Fike has now received an Honorable Mention from Medical Mutual as a Citizen Volunteer. That Brunch where she will receive her reward is October 6th and I can't wait to be there for a well-deserving person. Dorothy Fike is sitting back there and I'm embarrassing her because I'm mentioning that, but it is time Dorothy receives the accolades that she should get. She's been a big contributor to this community, not only in her attendance at Council Meetings, participation on our Block Grant Fund, participation on various Euclid Creek matters, but also in

her never undying effort to keep the voters aware of what's going on through the League of Women Voters. She's very deserving of this, Dorothy congratulations.

Director Will – As the Mayor mentioned, I had the privilege along with many people in this room to see Peter Pan live this past weekend and it is quite the performance. Everybody in that show did a fantastic job and it is amazing to see those kids and adults flying around on the stage. If you have the opportunity, you can still go this weekend. They will be doing a performance on Friday and Saturday night at 7:00 pm and a Matinee on Sunday at 2:00. You can still pick up your tickets at the Cultural Centre, this week, Tuesday through Friday from 10:00 AM- 4:00 PM.

We'll be taking registrations for our ice skating lessons which will start up next week. Registrations will be held at the ice arena on Tuesday and Thursday from 7:00-8:00 pm this week. For more information about the arena and the ice skating lessons, you can call 289-8649.

We're taking registrations for our youth basketball league which is filling up quickly. We do registrations for that on Tuesday nights from 3:00-7:00.

I'd also like to take this opportunity to thank Ann and Jim from the Euclid Animal Pound and all the volunteers from the Euclid Petpals. On Sunday, September 11th, we held our first annual Doggy Swim. What a sight that was, the dogs that came had a great time. A lot of them spent the day in the Baby pool. They had a great time. We were able to raise \$40 for Petpals. I expect that to double next year. We had about 40 dogs that swam and had a great time. We'll try to continue that the Sunday after Labor Day. To everybody, especially to Euclid Petpals, thank you for volunteering that day and helping us have a wonderful event, we appreciate it.

Just to make reference to two items. Within the next two weeks a contractor will be coming in and removing the concession stand at Memorial Park. I've also been meeting up with various local organizations in regards to the new pavilion at Memorial Park. We've been working on trying to design a pavilion that will meet everyone's needs. Anybody that is still interested in giving me some input, feel free to give me a call in my office, 289-8114. Or e-mail me or write me a note about some of your suggestions. Thank you.

Director Gulich – Saturday, October 1st we'll have our Annual Vehicle and Equipment Auction over at the Service Garage on Lakeland Blvd. Gets underway at 9:00. Come on down and see what the city's got and put in a bid.

Summer sprinkling sign up starts October, November and December. We'll be signing up people interested who haven't already joined the Summer Sprinkling Program. If you're in there, you're in there for good. There is a one-time \$10 administrative fee and please keep in mind savings are not guaranteed. You do have to exceed during the summer your water usage over the winter billing period. We had two rather wet, cool summers. A lot of residents didn't realize the savings they thought they might. We've noticed with the long, hot, dry summer, that residents are realizing savings as never before with this program.

Lastly, leaves are all still nice and green. I guarantee you it is not going to stay that way. Our beautiful weather is going to go away. Our equipment stands at the ready. We have yet to come up with a starting date. Again we will start sooner this and I will be quicker to effect overtime in order to see to it that we don't fall behind during times of incimate weather.

Mayor Cervenik – Outside of wishing my niece Maggie a Happy Birthday whose party I just left a little bit ago, our reports are done for this evening. Thank you.

REPORTS & COMMITTEE MINUTES

Councilwoman Holzheimer Gail moved to receive the Fire Report of August, 2005; Animal Shelter Report of August, 2005; Board of Control 09/29/05 and 09/06/05. Councilman Gruber seconded. Yeas: Unanimous.

COMMITTEE OF THE WHOLE

Councilman T. Sustarsic moved to go into the Committee of the Whole for Legislative Matters Only. Councilwoman Hufnagle seconded. Yeas: Unanimous.

Mr. Dennis Berzinskas – 20890 S. Lake Shore Blvd. Item #10, giving the cities more leadway. There's not enough information here for me to understand what this means. With passage by the Supreme Court of imminent domain, this worries me. If this is anything that would harm the citizens of the city, that would take their rights away. To many people in politics have to much power. There's supposed to be power to the people. If this has any inkling that it would take power from the citizens and give it to the city, turn it down. Thank you.

Mr. Tom Cooke – 25641 Edgecliff. I also have concerns regarding #10, the resolution in support of State Issue 1. Everything sounds great and sounds fine until you get to the part that says expand state and local government authority regarding economic development. It really bothers me when I hear the word expand state and local government. In a lot of instances it is good, a lot of instances it is also bad, especially in light of the Supreme Court decision that just came down. Unless you know something I don't, it might be a good idea to really get in depth to that one issue.

Regarding #5, the purchase of 9 walk-about mobile data terminals. Pretty much anything that will enhance communications is good for enforcement performance and the safety of enforcement personnel. I would be a very strong advocate for that.

Also, #2, the granting of special tax incentives to retain any business in this community is good and should also be extended to local residents. Thank you.

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

LEGISLATION

Ord. 138-2005 (422-05) Insurance

An emergency ordinance authorizing the Director of Finance of the City of Euclid to enter into contracts with Axis, Hartford, and Zurich Insurance Companies, written through the firm of Love Insurance Agency, 34920 Ridge Road, Willoughby, Ohio 44054, insuring City-owned property, contents, boiler and machinery, inland marine, and against crime for the period October 1, 2005 through September 30, 2006. (Sponsored by Mayor Cervenik)

Councilman Daly moved for passage, Councilman T. Sustarsic seconded.

Director Johnson – This is one of those pieces of legislation that is slowly becoming a rather routine piece of legislation. I think I've been in front of you now every year for the last several years requesting a renewal of existing policy with the Wichert Agency. We decided this year that it probably would be advisable for us to do specifications and take bids to see what is out there on the market available. As it turns out, we engaged a firm by the name of Compensation Analysis Inc., Mr. O'Brien is in the audience. He did an excellent job for us, we did take bids and a local agency, Love Insurance Agency, gave us a combination of carries that actually gives us a reduction in premium for virtually the same coverage as actually some of the coverage are improved over coverages that we had previously.

Last year our total premium was \$79,071. This bid, this recommendation that we are asking for here brings a premium of \$67,697 which is a 16% decrease. Mr. O'Brien is in the audience and if there are any questions, I will try to answer them, if I can't I will defer to Mr. O'Brien.

Councilwoman Mancuso moved to suspend the rules. Councilman Gruber seconded. Yeas: Unanimous.

Councilwoman Mancuso – Director Johnson, when was the last time we went out to bid for this? You said we had been with Wichert for awhile.

Director Johnson – I want to say at least 6-7 years, somewhere in that time-frame.

Councilwoman Mancuso – What possessed us to do it this year?

Mayor Cervenik – What possessed us to do this is that we are doing, the administration is doing everything in our power to reduce cost to the tax payers and we felt it was in our best interest to go out and get bids. We were very happy with what we found. That's why we did it.

Councilwoman Mancuso – It has been approximately 6 years you feel Mr. Johnson since the last time?

Director Johnson – 5-6 years.

Councilwoman Mancuso – Our rate has been going up 3% or so every year, or did we stay pretty flat?

Director Johnson – Our rates have not gone up dramatically. About a year or two we did experience a sizable increase. What I presented to Council was a suggestion that we increase our

co-pay or our deductible. That sort of kept the premium almost in the same ballpark. We monitor the market and we also are fairly cognizant of what's out there in the market. We sort of felt that the rates were very reasonable. As the Mayor said, where we can save taxpayers money, we do want to do that, that's why we took the bids.

Councilwoman Mancuso – So we're at the same deductible with a lesser cost to us? Is that where we're at right now with this particular project?

Director Johnson – There is a chart, I believe that should have been handed to you that shows all of the different levels of coverages. There are actually several carriers that are being recommended. Some of the deductibles are actually more favorable to us. The coverages generally are the same as the coverages that we had. Perhaps Mr. O'Brien can elaborate on the difference between the current carrier and what we're recommending here tonight.

Mr. O'Brien – Actually the deductibles have improved. I believe last year you were looking at a \$25,000 deductible for your property program. With a new recommended program you're actually looking at a \$5,000 deductible. From an inland marine standpoint, your contractor's equipment, your scheduled items, the deductible I believe is \$1,000. In the prior year it was \$5,000. The program itself actually improves the level of coverage by having lower deductibles per loss.

Councilwoman Mancuso – I didn't have this so pardon my questions.

Councilwoman Holzheimer Gail – My question is based on the hand-out that was provided by Mrs. Evangelista. One of the suggestions by Mr. O'Brien was that we re-enter the liability insurance market to look at catastrophic loss and coverage. Is that something that we'll be pursuing?

Director Johnson – We are going to look at that, of course that's going to be an additional premium that is not shown here this evening. So the major emphasis here this evening is to try to get new policies in place with the same levels of coverage that we had. We will look at the umbrella liability coverage, it is very important and we don't have it, we're self-insured for liability 100%.

Councilman T. Sustarsic – If you could explain, inland marine, what all that entails?

Director Johnson – I believe Councilman Daly has a very good answer about what inland marine is, probably Mr. O'Brien could cover some of that.

Mr. O'Brien – Inland marine covers a variety of different things. The most important that is covered by inland marine is your contractor's equipment. Vehicles that are non-licensed for road use, mowers, snow plows, contractor's equipment, radio communication, not radio communication but certain items that are related to radio and communication are covered by inland marine. It is basically scheduled loss.

Councilman Daly – The extra deductibles that were offered by Love on their quotes, when we raised it from \$5,000 to \$10,000 the savings were \$2400 for the year. I thought that was pretty substantial. Even if we have a claim over the next two years, we'd be basically in the same position.

Mr. O'Brien – When you are talking about going from a \$5,000 to a \$10,000 deductible, they are going to give us a \$2400 return on that. From my perspective and having looked at your loss history, it is not unforeseeable that you're going to have a loss between \$5,000 and \$10,000. At that point, the premium savings would be eaten up and it just didn't make sense from my perspective to take that kind of extra risk that we'd have multiple losses and take away that \$2400 savings.

Councilman Daly – Is there a penalty for claims basis to our rates? Let's say we should make a, we have a \$7,000 loss and we make that claim for the \$2000 differences. Are claims activity going to reflect in future renewals?

Mr. O'Brien – Claims activity will always reflect in future renewals. You are correct about that. As you penetrate above \$5,000 you have more activity there, the underwriters in the next 4-5

years are going to look at that activity and it definitely will come out in the ultimate rates that you have, not next year but probably the year after, the year after that and it will extend for about 4 years. Your premium is far more likely to be influenced next year by Hurricane Katrina, though than your individual losses.

Councilman Daly – Do you know if we we've had any claims under this, in the last 4 years, as far as those to property, boiler and machinery?

Mr. O'Brien – You have.

Councilman Daly – Over the \$5,000 mark?

Mr. O'Brien – Yes.

Councilman Daly – Do you have any idea on the number?

Mr. O'Brien – I don't have it off the top of my head, I didn't bring the loss information with me, but Rosanne has that.

Director Johnson- In addition to that, I don't think we have had claims over the last several years of various types. I believe the last time we had claims that really got our attention was after the storm of 1993, when we lost a lot of trees and we had quite a bit of damage to a lot of city property. I believe that was the last time we actually had claims that generated a lot of serious attention.

Councilman Delaney – Director Johnson, these are the 4 that all submitted bids, that's correct?

Director Johnson – That's correct.

Councilman Delaney – Jackson-Dieken, Kennedy and Wichert. I see the difference in the premium between Jackson-Dieken and the Love Insurance, Jackson-Dieken was the smallest, but I also see that it did not quote some of the required line items. Could you explain that a little bit?

Director Johnson – Mr. O'Brien, if you would, I would defer to you. Under auto physical damage, Jackson-Dieken did not quote. Under the monies and securities coverage, they did not quote. Under faithful performance bonds, they did not quote. The Finance Director's bond, they did not quote. There is a request to include damage as a result of terrorism, that was excluded. Perhaps Mr. O'Brien you would want to elaborate.

Mr. O'Brien – The Jackson-Dieken quote, it is a very small market place that you have in public entities. They brought in the Chubb which would be a highly unusual insurance company for public entities. Chubb does not have a position relative to what we call prime, money and securities, faithful performance bonds. I believe they were without a market at that particular point in time, so they really didn't submit a quote. My assumption is that they were hoping that someone else had a piece-meal that they could match with a Chubb quote and go forward. The biggest gap in their coverage was the auto physical damage. The auto physical damage deals with your large valued vehicles that are housed in your fire stations. In the event that there is a property loss with those vehicles inside the facility, this particular type of insurance would respond to that loss. That was from my perspective the biggest gap that they had.

Councilman Delaney- That \$3500 difference is pretty much, what did they run out of time? They didn't have time to submit a full bid?

Mr. O'Brien – I don't think they ran out of time, they ran out of capacity, they ran out of a market place. The number of insurance carriers who do business with public entities is relatively small.

Councilman Delaney – I see thank you.

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

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

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

Passed.

Ord. 139-2005 (416-05) H. C. Starck

An emergency ordinance authorizing the Mayor of the City of Euclid, Ohio to enter into an Enterprise Zone Agreement with H.C. Starck, Inc., 21801 Tungsten Road, Euclid, Ohio 44117, for the granting of special tax incentives (75% for 10 years) on personal and real property tax for a project which will modernize and expand an existing facility, retain existing employment opportunities and create additional employment opportunities at 1250 E. 222 St., Euclid, OH 44117 within an Urban Jobs Enterprise Zone located in the City of Euclid. (Sponsored by Mayor Cervenik and Councilwoman Hufnagle)

Councilwoman Hufnagle moved for passage, Councilman Daly seconded.

Director Pietravoia – I'm very pleased this evening to bring forward for consideration by City Council an important economic development project in our Tungsten and E. 222 Street industrial corridor. H.C. Starck is a company that is currently located at 21801 Tungsten Rd. They've been there for over 20-25 years, 40 years, thank you. We have a couple of members from the company that are here representing, Brandon Milich and Joe Doumling, representing H.C. Starck. They've been in the City of Euclid for over 40 years at their current location. This is an exciting project because not only will it result in the retention of existing company, but it will allow for growth, their existing business essentially has outgrown their current building on Tungsten.

The other exciting part of this project is that they are in the process of purchasing the Motch building on E. 222 Street. This building has been vacant since about 2002. The company was sold in 2002 and since that time the building has been vacant. This will create an opportunity for H.C. Starck to expand their current operations in the Motch building location. They currently have 107 employees at their Tungsten site. Payroll of \$7 million, which generates approximately \$200,000 in local income taxes to the city. About \$350,000 a year in personal property taxes and close to \$50,000 in real property taxes.

H.C. Starck is an international organization, they have 5 manufacturing sites in the United States including this one here in the City of Euclid. The incentive that is before you tonight is 10 year 75% personal property tax and 10 year 75% real property tax abatement that will allow the expansion to go forward here in the City of Euclid relative to these other locations in the U.S.

The company will invest in the new building approximately \$2.5 million in real property renovations. They will invest a total over a period of years of about \$4.25 million in new inventory, furniture and fixtures. We consider this job creation incentive as well because there will be initially 13 new jobs as part of this project in the move into the new building. Six of the currently 107 jobs that I mentioned earlier will actually move over into the new building. So it is retention of 6 existing jobs and creation of 13 new jobs, initially.

The exciting thing about that building for H.C. Starck is that we hope to see in the future, the building is a substantial building and will provide ample room for them to grow again here in Euclid in the future. The company manufactures and they might want to comment on this, there is a particular metal alloy that they specialize in. They serve a world market with that alloy. It is used by both the aerospace industry, electronics and health care market. There's been tremendous expansion and demand for that particular product which is what's driving this whole project.

I'm very pleased to bring this forward for your consideration tonight. Mr. Gliha is with us. He helped to package the enterprise zone application. Both of us would be happy to answer questions as well as the reps from the company.

Councilman Delaney – Director Pietravoia, it is true that the State of Ohio is going to phase out the personal property tax?

Director Pietravoia – Yes Mr. Chairman, Councilman Delaney, that is correct. A significant part of this particular application is for inventory and the inventory tax will stay in place through 2009, I believe. The benefit of the abatement on the personal property tax side is related primarily to their inventory, since that will be in place for several more years.

Councilman Delaney – Well a few years, 4 more years?

Director Pietravoia – Yes, correct.

Councilman Delaney – What the 10 year will wind up being is for the property tax, correct?

Director Pietravoia – Primarily, yes.

Councilman Delaney – I've got the article from Crain's Business that you were so eloquently quoted in. As it stated that we would see this phase out, you said that communities would be looking for, looking at other options. Perhaps a way to look at doing something with the income tax, payroll tax, any ideas on what you might have?

Director Pietravoia – As Council is aware we've had a couple of specific projects where significant new jobs have been brought into the community and we've considered on a case-by-case basis offering an income tax based incentive. Several other communities are already doing this, Euclid is on the leading edge with those communities and Cleveland is currently entertaining creating a similar type of incentive.

The other thing that I think is likely to occur similar to what the state offered in the past with real property and personal property tax abatements, there's a new tax, commercial activity tax, that essentially will take the place of the personal property tax. It is structured differently, it is based on the volume of sales. My expectation is the State will be asked and will eventually offer incentives related to that commercial activity tax, in the same way they did in the past with real and personal property taxes.

Councilman Delaney – I certainly commend your hard work. As we all know the schools are on the ballot for yet another tax levy. I see that we've already given tax abatement to three of our largest tax contributors. We're digging a hole here. I don't think anytime soon we'll see a different way of paying for the schools, but somebody is going to have to pay for it. Unless we have our balanced tax base and we all share the burden, it is just going to be put onto the homeowner. I believe our tax abatement for new construction on vacant lots is still in place at 7 years, isn't that correct?

Director Pietravoia – That's correct.

Councilman Delaney – By continually pushing our property tax abatement off of businesses, it is going to shift, somebody has to pay for it and that goes into our homeowners. I've got to believe that no company would look in their long term and see that this inventory tax is going to come off the books and would plan to leave or relocate in just a few years.

I think it would be more attractive to offer and maybe more lucrative to offer something on our income tax rather than to keep battling our property taxes because the lion's share of that does go to the schools and their levies aren't going to go away, they will put it on until it passes. I just have grave, grave concerns about what we're thinking. Our high income tax I think is the real albatross, the real weight on our shoulders. We have to re-invent that. We have to look at rebating it, or repealing it. That's the dialogue we need to have here. We need to get something that is a little more competitive as far as payroll and taxing profits. I think that's what really holds us back from attracting jobs and new business and new growth. I'm very hesitant to vote for another property tax and another one of our contributors because I know it is just going to get picked up by the residents.

Councilman Gruber – I'd like to commend the administration and the Ward 3 Councilwoman for working with the company. They can go anywhere in the world and keeping them here in Euclid and creating 13 jobs. My fellow councilmember is correct in the assumption of the income taxes. However part of our income tax does go to the schools. That's part of the reason the income tax is as high as it is because some of it does go to the schools. Until the State of Ohio comes up with a fair and equitable solution to the school funding problem, most of these cities are going to be competing for these jobs and they are going to be offering the same things. This is a great project that turns the lights back on in a building that was empty for a long time. It brings 13 new jobs to the City and retains 107. I commend you and I do agree that we do have to look at other ways for funding for school taxes, but we're in the same boat as other cities. If we wouldn't have done this, somebody else would and then we'd have another empty building and we wouldn't have any taxes. I commend you all on this and thanks for staying.

President Sustarsic – I would have to add that comment as well that this pretty much keeps up on the competitive edge with the other communities because as my colleague eluded to the fact that if we didn't offer them anything, if we didn't pursue their retention, it would go somewhere else. Up until the time that the State comes up with a different program, it is a matter of us to get in touch with our State Representatives, with Columbus, with Cuyahoga County as well to see if in fact they're definitely has to be a better way. There's no question. We have to look for something that will be more beneficial in the long run to the school system, to the community. But at the same time, for the time being, having a lack of that, we can keep pursuing it to that end, but at the same time to welcome these people back to the City of Euclid.

Councilwoman Hufnagle – Director Pietravoia, I have a copy of the letter that you addressed to the Supt. Dr. Jones and all of the School Board members on this issue. Did you hear any response back from them?

Director Pietravoia – We did get a couple of comments in support and questions about the numbers themselves from the Board members. The State requires a notification, it doesn't require them to take any action or approve the abatement, it just requires a notification.

I can tell you with this project as well as those that we've done in the recent past, the comments that I've received from the School Board generally have been very supportive. They understand the importance, particularly of retaining our existing largest employers and the benefits that generates for both the city and the schools ultimately.

Councilwoman Hufnagle – Director Johnson, can you tell us again what percentage of our income tax the schools receive.

Director Johnson – The schools receive .47 of the 2.85%. That interrupts to about \$5 million a year for the schools, roughly.

Councilwoman Hufnagle – If I'm not mistaken, this is kind of a unique situation. There aren't districts surrounding us that are in the same situation where the schools receive a portion of the income tax?

Director Johnson – I believe we're the only political subdivision in the State that shares their income tax with the schools.

Councilwoman Hufnagle – As we've gone through aggressive procedure to collect our income taxes in-house and our income taxes have gone up the portion the schools receive has also gone up, correct?

Director Johnson – That's correct.

Councilwoman Hufnagle – I, too, would like to thank the company for putting forth this effort and this faith in Euclid. Director Pietravoia, my compliments to you and your staff. Another outstanding job in Ward 3.

Mayor Cervenik – The .47 translates into approximately 16% of the income taxes paid by workers and residents of the City of Euclid going to the schools. But please, understand I believe it is less than 11% of their budget. The nice thing about the schools sharing in some of the income tax is the fact that as we grow, they grow with it. Please remember that 10-11% is a substantial part of a budget, it is not going to solve their problems. Until the State of Ohio changes and commits to educating our children, the schools have no choice but to ask for the levies such as we're being asked for now.

I, too, want to thank H. C. Starck for their positive contributions to this community. It was a pleasure working with them. We look forward to working with them in the future. I personally see great things happening on 222 Street. Not only H. C. Starck but a number of other companies we've been in contact with. I just didn't want them to get the impression that because the schools receive a certain portion of income tax, they don't need the levy they're asking for. They do need the levy they're asking for in order to educate our children and to raise the test scores. Gentlemen, I look forward to having you be in here in Euclid for a long time.

Councilman Delaney- Director Johnson, what's the millage that the City collects from property tax and the dollar amount?

Director Johnson – Are you talking about real estate taxes? There are several types of real estate taxes Mr. Delaney and I don't have that figure in front of me. We probably collect somewhere about \$1.5 to \$2 million a year in property taxes that goes into the General Fund. This is from my memory, I don't have it in front of me. There are additional amounts of real estate taxes that are collected for debt service, for the two recreation funds, recreation operating and recreation capital. We collect the 2 mill sewer levy which was voted on by the people, and one mil for permanent improvement. If you're referring to what we collect in property taxes in the general fund, its about that amount of money. I believe the millage totally that we levy is about 16 mils.

Councilman Delaney – So the lion's share of property taxes goes to the schools. Their operating budget, I think is about \$68 million. You are right Mayor that \$5 million that comes out of our income tax is a very, very small amount. But what we're doing here with 75% tax abatement with now 4 of our biggest, if this passes, 4 of our biggest or bigger tax contributors, we're putting them further behind, this is my point. I'm certain income tax collection will go up. Its going up all throughout our area. Actually northeast Ohio is probably the last to respond. What we're doing is we're making it more and more difficult and perhaps having them come back for another levy as soon as this levy passes. So, this is the quandary we find ourselves in. This is the dialogue we need to have. I don't think we can continue to hand out property tax abatement. I think we really have to look at how we can better acclimate our companies with an income tax reduction. It is really the only way in my eyes. Thank you.

Councilman Langman – The main point, Director Pietravoia is that this is probably one of the last times were going to construct incentives with these tools. I think as Mr. Delaney as said and former Mayor Oyaski has said in his role in the County, we have to come up with new tools. As my colleague, Councilman Gruber, said that its nice to fill an older building, but as you know there's lots of vacant industrial properties throughout the region. I don't know if you've sat down with Mr. Gliha and the rest of your staff to begin hammering out a strategy moving forward. I hope that if you have not that you will do that very soon.

Director Pietravoia – Not only have we've had internal discussions, but we're working with the First Suburbs group as well as the other economic development directors in the Greater Cleveland area to better understand what kinds of tools we might bring forward, or ask the State to put in place as these are phased out. So we have begun those discussions.

Councilman Langman – Can you share what some of those strategies might be?

Director Pietravoia – As I pointed earlier, we expect the State will probably come forward with an incentive related to the new commercial activity tax. That's going to go along way toward taking the place of the personal property tax that's being eliminated. I expect that's where the attention will be directed.

I also wanted to point out and the company is very well aware of this, on the real property side, in this case, it is important that everyone understand that the abatement relates to the improvements that are being made, not the underlying value of the property, that still stays the same and continue to pay taxes on the value of that property. It also assumes that the \$2.5 million in real property renovations that they'll be making will be considered in their entirety as taxable by the County. We won't know until the improvements are done and the County re-evaluates the building; whether they'll consider that full amount as having an effect on the value of the property.

Overall in this particular case, while I understand Councilman Delaney's concern, in this particular case, the real property side is also a very modest abatement given the value of the improvements that they're making in the building.

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

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

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

Nay: Delaney

Passed.

Ord. 140-2005 (414-05) Patco Group

An emergency ordinance amending Ordinance No. 16-2005 and authorizing the Mayor of the City of Euclid, or his designee, to enter into an amended Professional Service Agreement with Patricia A. Kost of Patco Group, Inc., 1900 Superior Avenue, Loft #104, Cleveland, Ohio 44114, for the purpose of providing continuing financial advice and to act as a lead negotiator for the Harbor Town Lakefront Development Project. (Sponsored by Mayor Cervenik by request of the CS&ED Director)

Councilwoman Holzheimer Gail moved for passage, Councilman Gruber seconded.

Director Pietravoia – As I reported at the last Council Meeting, the Harbor Town Project continues to move forward. We have a series of additional agreements that will need to be completed that were considered sub-agreements of the overall development agreement that Council passed in June. What is before you this evening, both this ordinance and the one that's following, is looking for authorization, contracting authority and authorization to continue our contractual relationship with both the Patco Group on the financial services end and the next ordinance coming up with Calfee, Halter and Griswold on the legal end.

We have structured the ordinances because the work does continue, since these were on-going relationships that we have with these two companies as emergency ordinances so that we could immediately continue the work with those two groups upon consideration and hopefully passage by Council this evening.

We did not establish a dollar amount in these ordinances given that we've been back a couple of times already. The funds will come from the TIF's that are already in place and we do have the ability with all the work that's already been completed as well as the future work to reimburse these expenses once the TIF related to Harbor Town is actually put in place.

If there are any questions on this or the following ordinance, both Bob Gliha and I are here to help respond to those questions.

Councilman Langman – Over the past month or so I've talking several times with Director Pietravoia or Mr. Gliha and this is not terribly unusual to acquire additional funds as part of the negotiations. We're making progress but anytime you're dealing with a private developer they are going to want certain things, certain changes and you have to expect that as part of the due process in the negotiation of the final agreement. I am in support of these agreements. I talked to Mr. Gliha as we were discussing the need to engage in this and therefore I urge my colleagues to support both of these pieces tonight. Thank you.

Councilman T. Sustarsic – Is this going to come back up to the table again? Is there going to be more money needed down the line, or is it just a one shot deal for that?

Director Pietravoia – We anticipate that we can complete the majority of the work by the end of this calendar year. It is difficult to estimate. We do have a ballpark figure. Rather than include a dollar amount in these ordinances, we left that open ended. We'll go to the Board of Control as we incur expenses from both of these consultants.

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

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

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

Passed.

Ord. 141-2005 (415-05) Calfee Halter

An emergency ordinance amending Ordinance No. 73-2005 and authorizing the Mayor of the City of Euclid, or his designee, to enter into an amended Professional Service Agreement with Calfee, Halter & Griswold, L.L.P. to provide continuing legal and bond counsel for the Harbor Town Lakefront Development Project. (Sponsored by Mayor Cervenik by request of CS&ED Director)

Councilman Langman moved for passage, Councilwoman Mancuso seconded.

Director Pietravoia – Just for clarification of the two, this particular ordinance relates to the continuing legal services we'll need for Harbor Town. Both Calfee, Halter Griswold which this ordinance relates to and Patco have given tremendous service to the City so far and we'd like to continue that relationship. I urge Council to pass this ordinance as well this evening.

Councilman Langman – If you could explain for the folks in the audience and at home, are we using one type of service more than the other at this point, at this stage of the project?

Director Pietravoia – At this point the majority of the work that needs to be completed actually is on the legal end. There are additional agreements, I believe there were about 8 sub-agreements that were partially drafted and were included as exhibits on the development agreement that Council passed in June. We'll be completing those and completing the negotiations related to those. It is primarily legal work at this point.

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

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

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

Passed.

Ord. 142-2005 (419-05) MDT's Police

An ordinance authorizing the Mayor as Ex-Officio Director of Public Safety of the City of Euclid, or his designee, to purchase nine (9) WalkAbout Mobile Data Terminals (MDT) from DRS Tactical Systems, Inc.-WalkAbout Computers, 1501 Northpoint Parkway, Suites 103-104, West Palm Beach, Florida 33407, at a cost not to exceed Forty Four Thousand Nine Hundred Dollars (\$44,900.00). (Sponsored by Councilman Gruber by request of Chief of Police)

Councilman Gruber moved for passage, Councilman Daly seconded.

Mayor Cervenik – Before the Chief gives a presentation, I would ask, after you hear his presentation, if you feel it appropriate, we would like to have this amended to be an emergency ordinance so they can be purchased immediately rather than waiting 30 days.

Chief Maine – This purchase if authorized would allow us to complete our information system network that we've been working on for about a year now. This is the last major purchase. It will allow us to put 9 additional mobile data terminals out into the cars, so that the officers can begin to start writing their reports in the cars, a majority of the reports, anyway.

This purchase not only would be by the MDT's but also the docking stations as well as the key boards and give us an additional 2 year warranty after the initial one year warranty is expended. These can be purchased under a GSA contract, however this particular vendor is giving us an additional 17% off that price. That's why we didn't go out for bid. This money is coming from our Law Enforcement Trust Account as well as the vehicle immobilization fund. There's no expenditure out of the general fund. If there are any questions, I'll be glad to answer them.

Councilman Langman – How will this make the officers more efficient, for lack of a better term? Number two, 9 doesn't seem like enough. Are we planning to purchase additional units in the future?

Chief Maine – We presently have about 11-12 mobile data terminals already in some of our vehicles that we've purchased over the years. That right now gives us CRIS and LEADS and NCIC access to those cards, as well as BMV. These will put them in additional patrol cars, as well as our traffic cars. It will give us one portable unit that the Detectives can use. But more importantly this will give us access to our own in-house record management system so that the officers can write reports in their vehicles. It will require less down-time in the station. It will also because of the enhancements of the system itself give them more access to information on the road, rather than having to rely on the dispatchers to get that information.

Councilman Langman – What's your total number that you wish to obtain over the course of time?

Chief Maine – I believe with this purchase it will take us up to about 22 mobile data terminals, which will put them in almost everyone of the patrol vehicles as well as our traffic vehicles.

Councilman Langman – What is the age of the oldest system?

Chief Maine – The age of the oldest MDT is probably about 5 years. We updated about 4 years ago and made a rather significant purchase. They are between 4-5 years old, the oldest ones.

Councilman Langman – And the life expectancy of those older ones?

Chief Maine – I think Mr. Johnson can tell you that the expected age of any computerized piece of equipment is generally the 5-7 year before it becomes outdated. We'll make do, these are good, they should last a long time and the ones we have are pretty much the same model except they are the older model.

Councilman Gruber – I saw how important these units are on the ride-alongs that I do with your officers. It is really a remarkable piece of equipment the information that comes out of that in such a short amount of time. It is really a valuable tool. Again, you can't say enough that this isn't coming from the city budget which we thank you for. Could you maybe expound a little bit on the law enforcement trust and vehicle immobilization fund and kind of give the people at home an idea where that money comes from.

Chief Maine – I'd be glad to. If I can also expand on your thought about information getting out quickly, along with this purchase of the MDT's there's been tremendous upgrades in the speed of getting information out. There is a new technology that our air carrier that gives the information to the cars, its called EVDO. It will essentially allow us, if we can get the proper additional equipment at some point in the future, the ability to put streaming video out into the cars which will allow us to have surveillance cameras and give greater capability to our officers to watch those areas that give us some problem right now. That's down the road, but we have the capability.

The Law Enforcement Trust Account, those monies come from forfeiture cases. As many of you know we belong to the Caribbean Gang Task Force which as a result of those investigations has produced quite a bit of monies over the years. The purpose of this fund is to provide for equipment that can't be purchased through the General Fund or regular capital budgets. It is specifically for this kind of purchase.

The Vehicle Immobilization Fund is money that is put into that fund by the Judge when she immobilizes cars and the costs that are associated with having the offender pay an immobilization fine. It is for the same sort of thing.

Councilman Gruber – If there are no objections, I would like to add all Council's names to this ordinance. Any objections? Thank you.

Councilwoman Mancuso – Chief Main, do they charge us when we take the unit out of the car and put it into the new car, is there a fee for that?

Chief Maine – There is a nominal fee if we have to switch over equipment from one car to another. We generally try to maximize the efficiency of our change overs so that it is not just the vehicle miles that we take into account, it is also what equipment has to be moved, so we try to minimize that cost.

Councilwoman Mancuso – You're trying to keep it in the same vehicle?

Chief Maine – If we can.

Councilwoman Mancuso – That's covered by our maintenance I would take it?

Chief Maine – We have a company that does that switch over for us, yes.

Mayor Cervenik – I would just like to state that this is just more evidence of the administration's commitment to modernize and keep our safety forces well equipped. With Council's approval

we were able to replace all the hand-held communication devices this year. We had the approval to purchase a pumper. It's been ordered in 2006 for the Fire Dept. Next year on our proposed capital funding we will be replacing all the mobile radios, the radios contained in the various vehicles, updating those. We have this year, provided our Fire Dept. EMS Squads with PC Tablets which allows them to file their reports automatically, upload those reports to the State of Ohio and directly either upload or download and that doesn't matter to me, all I know that it directly gets into our ambulance billing program and it is greatly enhancing the speed at which we can bill for ambulances.

One more thing, I did attend awhile back a meeting of the Caribbean Task Force. It is a very, very impressive group of law enforcement agencies that all work together. They went through a film-strip of many of the criminals and the long term investigations that they've had and they've taken a lot of people off the street and it does generate money for the communities to purchase these kinds of things. I commend the Chief who is involved in that, as well as the Department of Justice and the FBI and all those departments that work in the Caribbean Task Force.

Councilman Gruber moved to amend to an emergency ordinance. Councilman Langman seconded. Yeas: Unanimous.

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

Amendment passed.

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

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

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

Passed.

Res. 143-2005 (420-05) Cable Commission

A resolution designating Lottie Collins as Council's designee to the Cable TV Commission. (Sponsored by Council President Sustarsic)

Councilwoman Hufnagle moved for passage, Councilman Gruber seconded.

President Sustarsic – Speaking to Ms. Collins earlier in the evening, she wasn't able to join us this evening, but she was very appreciative of the fact that she was gotten in touch with and she will be able to serve as Council's designee on the Cable Commission. Just a little background, she is a resident of Euclid, naturally, living at 19771 Upper Valley Dr. She is employed by the Cuyahoga County Board of Mental Retardation as a Community Employment Specialist. She has worked over the past 5 years with various media groups. Within the past year she undertook the venture, she's a producer, if anyone would be familiar with the show on Adelphia, entitled, Help I Need a Make Over. She is the producer of that, which has been seen for the past year and has been seen as well in about 87 cities throughout the country. We welcome her to the Commission and we look forward to working with her and getting her viewpoint and getting a new task on this thing.

Councilman Langman – Sounds like she'll be a fine addition to the Commission. I do have a question for the Law Director. Law Director Frey, is the Cable Commission, are they compelled to meet or do they meet on an as need basis?

Director Frey – I believe the Commission meets as needed. I think they do have a requirement and I'd have to check the Codified Ordinance, I don't have that section here this evening. I believe they are required to meet annually. Other than that I think its any other time other than one annual meeting would be as needed. If we get to a break tonight I will pull that Section of the Code and report back before the meeting is over.

Councilman Langman – I don't know if anybody can compel them to meet, but it seems like every campaign year there's always some controversy as to how we use public access television and there's controversy and so forth. To be pro-active, it would be good if they do meet relatively soon to discuss some of these issues and how they may address them.

Mayor Cervenik – To answer some of that, I believe it was early spring, I had a resident gentleman, that's very well versed in various commissions and rules and regulations, he helped formulate some of the rules and policies that he felt how we should run our public access and our government. One of the first things I'm going to ask the Cable Commission to do is to review that document and come up with their suggestions on policies/practices for public access, as well as the overview of the government station and the school station. In addition to that, in the legislation, they are charged with coming up with recommendations for equipment replacement, budgeting and items like that. Naturally, if I have a chance of hiring a couple of policemen and a fireman instead of increasing some of the equipment for our TV station, it is going to be a tough decision. We do want them to look at that because we do have to address our needs. We've had some problems with some of our equipment. It is getting old, as you've heard, computer equipment lasts 5-7 years, we have some equipment that is 10 years old. We are going to ask them to address that as well and we'll look into what we need and put together a long term budget as to what has to be done. It is going to be more than just, what can be on channels and what's not. We'd like them to really take an overview of the whole operation and long-term planning. I think the people we have, as well as the other gentleman that I will probably talk to tomorrow, we've got a real good commission with all different backgrounds and I think they are really going to compliment each other. My appointments are Ron Emser, Oaklyn Lewis, Julie Nowak and on the School-side we have Dr. Jones and Debbie Novish. I will let you know by e-mail as soon as I have confirmation from the last person to round-out the committee. We look for good things and I look forward to their suggestions to keep the station in the quality that it's been in so far.

Councilman T. Sustarsic – I would just like to thank you, Council President, for spearheading this effort. You're the one that got out there and discovered Ms. Collins and her credentials are very impressive. It is going to be good to see a fresh face up here and some new blood, some new ideas to offer the perspective of what our residents are looking for and it is going to be good to see her and I wish her the best of luck.

Councilman Delaney – Speaking of fresh, when was the last time the Cable Commission did meet?

Mayor Cervenik – To the best of my knowledge, it was sometime in early 2003.

Councilman Delaney – So it hasn't been more than a year that they haven't met?

Mayor Cervenik- Technically there is not a Commission put in place. We need to rectify that. To be honest with you it wasn't one of the priorities of running city government when I first came in. We had a lot of financial issues and other issues to take care of and we're ready to go full speed ahead now and work with this Commission to make our community television even better than it has been in the past.

Councilman Delaney- You said there was no commission in place?

Mayor Cervenik- There was no commission in place, Mr. Delaney.

Councilman Delaney – I'm sure there was a commission in place. I was actually at one of their meetings in 2002.

Mayor Cervenik – In what year?

Councilman Delaney – Probably 2002. And you said the last meeting was 2003. You're saying that there is no commission in place.

Mayor Cervenik – Their terms expire at the end of each year.

Councilman Delaney – I see, that answers my question.

Councilman T. Sustarsic- With the terms of these new members on the Commission, they are going to expire at the end of this year and we'll just have to renew them again? Or are they effective now until a year from now?

Mayor Cervenik – It is my intention that each of my appointments will be renewed and we will make sure there is legislation on the December agenda so that you can , if you wish renew yours as well.

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

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

President Sustarsic – Welcome aboard to Ms. Collins.

Res. 144-2005 (417-05) Issue 2

A resolution authorizing the Mayor of the City of Euclid to prepare and submit an application to participate in the Ohio Public Works Commission State Capital Improvement and/or Local Transportation Improvement Program(s) for the year 2006, and to execute contracts as required. (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Sustarsic moved for passage, Councilman Gruber seconded.

Director Gulich- Before we can turn in any Issue 2 applications for financing, we need to pass this legislation authorizing the Mayor to sign any and all documents. Earlier this month the engineer and myself did attend the Issue 2 workshop. We got their latest input, we asked a lot of questions on what projects they felt merited the most attention. We took their advice. We're limiting our application to two. This first project would be for reconstruction of E. 214 St. from Lake Shore Blvd. to South Lake Shore Blvd. You'll see the wording in there I do have "slash" Lake Shore Blvd. That wasn't to confuse anybody, that is to make the point with Issue 2 people that in order to complete the work properly on E. 214 St., we do need to go out on Lake Shore Blvd. and perform some work out there. That will give us a better project and enhance our chances of getting financing on this. Should we be successful on this application, we won't find out until January 2006, we couldn't even begin spending any money providing we do get the authority until after July 1, 2006. This is only authorizing us to submit an application.

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

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

Res. 145-2005 (418-05) Issue 2

A resolution authorizing the Mayor of the City of Euclid to prepare and submit an application to participate in the Ohio Public Works Commission State Capital Improvement and/or Local Transportation Improvement Program(s) for the year 2006, and to execute contracts as required. (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Gruber moved for passage, Councilman Daly seconded.

Director Gulich – Same comments would apply to this piece of legislation as the prior. Again Tungsten Rd. we've talked about that quite a bit at recent meetings. Thanks to Council we've got authority to enter into an agreement with RTA, we is currently putting their agreement together. This project should dove-tail very nicely. Rather than having half a fixed street, we'll have an entire fixed street. This project would also include work on the water lines. Tungsten Road is currently in the 7th year of the Michael Benza priorities. If we don't get funding from Issue 2, if we're unsuccessful, we could wait 7 more years. I feel this is the time to get this additional funding and move ahead with the improvement on the entire project. Right now I don't have working estimates. I'll be spending a lot of time with our engineer in the next couple of weeks to get these into Issue 2, complete and on time. I'll be glad to share that information with Council once we have it submitted.

Councilman T. Sustarsic – This is good to see. I've heard over my last two years on Council numerous complaints on the condition of Tungsten Rd. and this would be nice to finally get this fixed up for those residents over there. Thank you.

Councilman T. Sustarsic moved for passage, Councilwoman Hufnagle seconded. Yeas: Unanimous.

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

Ord. 146-2005 (423-05) Bids Chemicals

An ordinance authorizing the Director of Public Service of the City of Euclid to enter into various contracts, after advertising for bids, for the purchase and delivery of the City's requirements for the years 2006 and 2007 of the following chemicals. (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Gruber moved for passage, Councilman T. Sustarsic seconded.

Director Gulich – I think this is the first time Regina was spared the tongue-twisting list that she did so well at all those years. Again, in order to operate our two wastewater treatment facilities, the larger facility at Lake Shore and the Sludge facility on Lakeland Blvd., we require the use of a number of chemicals. These chemicals are very important in the treatment of the sewage, allowing us to put the water back into Lake Erie and acceptable to all of our EPA permits.

I just want to mention to Council that although we're being authorized to enter into contracts for 2006 and 2007, on a couple of these chemicals I will only go out for one year bids. I've talked with Bob Gall, the volatile nature of energy these days, we felt it would be better to just go out for one year bids for some of these. On the contrary for our polymers, we will go out for a two year bid. It makes more sense to go out for the polymers. The one chemical sodium chloride, sodium nitrate, I'll come back to Council in ensuing weeks and ask for an extension of the existing contract and at that time I will be glad to explain why I feel it is in the best interest of the City to do so. We're just going to do something just a little bit different than business as usual and I think we'll get better bids in the long run. Thank you.

Councilman Langman – Do you know what all of these chemicals do?

Director Gulich – I cannot tell a lie, I am not a chemist. I can't tell you what they all do. If Council would be interested I could have Bob Gall do a quick caption statement of what they do. Some of these things sound very complicated and some of them are little more than bleach or alum, something we are all aware of in household terms. Chemically-wise they are necessary for the treatment of our sewage.

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

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

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

Res. (413-05) State Issue 1 - Tabled

A resolution in support of State Issue 1, amending the Ohio Constitution to authorize the issuance of general obligations of the State to finance local government public infrastructure, capital improvements, research and development, and the development of certain sites and facilities in Ohio, and to expand State and local government authority regarding economic development. (Sponsored by Mayor Cervenik)

Councilman Delaney moved for passage, Councilwoman Mancuso seconded.

Mayor Cervenik – Two pieces of legislation prior to the last one you just enacted on is called Issue 2. Issue 2 is being rolled into what I'm asking you to support which is Issue 1. It will be a combination of the Ohio's infrastructure programming that we've taken advantage of over the years. It will also be, what is now called the Frontier Program for new business. There is going

to be over \$500 million in bonds for research and development companies, one of which is actually looking at a building in Euclid. State Issue 1 really has nothing to do with eminent domain. Eminent domain is a decision that is made by each individual political subdivision and each individual project they may face. The City of Euclid has been treated well through the Issue 2 program. We hope to be treated well through the new Frontier Program. It is all being rolled into what is now called State Issue 1 that we will be voting on in November. I would really request to ask that all your names be put on this, but that is strictly up to you. I think Director Gulich has a little more information about this as well.

Director Gulich – Thank you Mayor, you summed it up very nicely. I think all on Council are aware that we've been tremendously successful in getting these funds from the State. The most recent example is the work that we are going to be able to do next year on E. 222 St. with the reconstruction and the widening. Earlier we've had funding on some 35 projects over the last 18 years in total representing some \$30 million or so in improvements that have gone a long way to restoring neighborhoods, making neighborhoods look nice and really help out the neighborhoods as well as seeing to the viability of the infrastructure for future generations.

President Sustarsic – In other words we would be voting on Issue 1 projects as opposed to Issue 2.

Director Gulich – Issue 2 will now be Issue 1.

Councilman Langman – Mayor I appreciate you bringing this before us, I do have some questions so in light of that, I would ask that perhaps table this until the next meeting. We're lumping a lot of things together and while Issue 2 is a very good program, now it is going to be lumped into something else where the State is in essence going to choose what companies have promising technologies, what companies don't. I'm not sure if the State has the capabilities of doing

Councilman Langman – Mayor, I appreciate you bringing this before us. I do have some questions so in light of that I would ask if you can perhaps table this until the next meeting?

Mayor Cervenik – That's fine.

Councilman Langman – It's, we're lumping a lot of things together and while Issue 2 is a very great, good program, now it's going to be lumped into something else where the State is in essence going to choose what companies having promising technology, what companies don't. I'm not sure the State has the capabilities of doing that in the appropriate manner. So I don't have enough information to say yes for sure this is a good thing to support. As far as the infrastructure goes, while it does help Euclid, until the State changes their investment priorities so that some of these investments aren't way out in Geauga County or out in Lorain County, then we're still on that same road where the State actually works against older communities by their investment decisions. So if I could have a little more research, I would be happy to support it if I could see conclusive proof that, in fact, this is the way to go.

Mayor Cervenik – As and I'm going to call it Issue 2 because that's what it is right now, Issue 2 is geared towards cities just like the City of Euclid. It is geared towards rebuilding infrastructure not building new infrastructure. But if Council wishes to table this and sends me a list of questions or concerns about this resolution, we will be happy to get that information and the County Development Department who are all supporting this. I have no objection at all. I just think it's important that our residents understand that voting yes on Issue 1 will have great positive consequences to the City of Euclid.

President Sustarsic – Any questions or comments?

Councilman Delaney – I support Councilman Langman's request. It's a good idea that the Mayor had. It would be able to educate our residents better by having that committee meeting and I know that Councilman Langman has made urban sprawl one of his hobbies so I look forward to that.

President Sustarsic – Okay, is there a motion on the floor then to table this resolution?

Councilwoman Mancuso moved to table this resolution; seconded by Councilman Gruber.

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

Resolution tabled.

Ord. 147-2005 (424a-05) Utilicon Corp. Contract

An emergency ordinance authorizing the Director of Public Service of the City of Euclid to enter into a contract with Utilicon Corporation, 888 East 70th Street, Cleveland, Ohio 44103, for the 2005 Water System Improvements in the amount of Six Hundred Sixty-Two Thousand Six Hundred Sixty-Three and 90/100 Dollars (\$662,663.90). (Sponsored by Councilman T. Sustarsic by request of Service Director)

Councilman Sustarsic moved for passage; seconded by Councilwoman Hufnagle.

Director Gulich – I know we’ve talked a lot about water system improvements and finally got to the point where we are ready to start the Year 1 priorities. This would call for work on Glenridge Blvd., Delaware, Sagamore and the installation of a new regulator up there. I think as many of the residents can attest they’ve had very fluctuating water pressure problems up there, low fire flows. This is the work that’ll be necessary to strength out that neighborhood, get the pressure where we need it and make sure that the regulator prevents the mishap we had some 2-3 years ago on Glenridge with water tanks blowing out left and right. So again, this is the first year priorities and we can proceed.

President Sustarsic – Okay, thank you very much. And naturally this lends itself towards helping out the Fire Department, too, I would imagine as far as whatever needs they may have. Any other questions or comments?

Councilman Langman – One procedural question, Mr. Chairman. Law Director Frey, in Section 1 where the amount is spelled out should that be six hundred twenty-two?

Director Frey – No, it should be six hundred sixty-two thousand six hundred sixty-three dollars and 90 cents. I’m not sure, yeah, our numeric representation is correct; no, I guess that’s correct.

President Sustarsic – That sounds like modern method.

Director Frey – A lot of sixes.

Councilwoman Mancuso – I don’t have it.

Councilman Langman – I don’t have that.

Councilwoman Mancuso – So there’s an amended ordinance that’s correct?

Director Frey – I’m sorry, you should have had 424a where that correction was made. That was distributed last week.

Councilman Langman – But you did fix it somewhere?

Director Frey – Yes, we did. Ordinance temporary number 424a-05 was the correction on that and that was sent electronically last week.

President Sustarsic – Okay.

Director Frey – You have the amended agenda tonight with, that reflects that number 424a on it.

President Sustarsic – Any other?

Councilman Langman – Director Gulich, when were the bids for this service sent out? Do you recall?

Director Gulich – Some time in the last 6 weeks or so.

Councilman Langman – So what, that’s what the end of July?

Director Gulich – Yeah, approximately, I can't recall the bid dates from memory; but we did go to Board of Control. Course, opened them up in public. Bid and specs were prepared by Benza; we did the award and this is the final, final piece to put into place. Keep the horse in front of the cart.

Councilman Langman – And then, they were the lowest bid?

Director Gulich – Lowest bid, yes.

Councilman Langman – Okay, thank you.

Councilman Gruber – I urge all my colleagues to support this issue. This has been long in coming for one of the higher areas in the City and it's, like they said, it will help provide fire service, additional fire service pressure and I know that there's been several residents that have had very fluctuating water pressures. And last year we must have had 6 or 7 breaks right in that area and I look forward to this project getting underway. It's very needed and I appreciate the Service Director's attention to this. Thank you.

President Sustarsic – Very good, any other questions or comments from Council? Seeing none.

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

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

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

Passed.

Ord. 148-2005 (425-05) Nerone & Sons, Inc. Contract

An emergency ordinance authorizing the Director of Public Service of the City of Euclid to enter into a contract with Nerone & Sons, Inc., 19501 South Miles Road, Suite 1, Warrensville Heights, Ohio 44128, for the installation of sanitary and storm sewers and water line for the Police Mini Station located at 20001 Euclid Avenue in the amount of Twenty Seven Thousand Dollars (\$27,000.00). (Sponsored by T. Sustarsic by request of Service Director)

Councilman Gruber moved for passage; seconded by Councilman Daly.

Director Gulich – For anybody that hasn't noticed, the new Mini Station on Euclid Avenue was delivered and set into site last week. This work will allow for the storm and sanitary lines to be hooked up to Euclid Avenue. We did seek multiple proposals. Nerone & Sons, who are our current emergency contractor, turned in the lowest proposal and with Council's approval we can have this infrastructure installed in short order and have a building up and running very quickly for the Chief.

President Sustarsic – Excellent, questions or comments?

Councilwoman Mancuso – Was this \$27,000 part of our original budgeting for this, for the Mini Station? Whoever, Chief or?

Chief Maine – Maybe I can answer that. No, it wasn't part of our original budgeting.

Councilwoman Mancuso – Okay. I don't remember ever seeing it before.

Chief Maine – There were a number of components of this whole project that we thought we could get pro bono work done by different people. This was an area that fell short. There were other areas where people did come through, but we felt pretty certain that there was some individuals that were going to help us out with this part of it and for reasons they did not. So this was not part of the original budget.

Councilwoman Mancuso – So this is additional funding?

Chief Maine – Correct.

Councilwoman Mancuso – Did we, do you look for anything else while you're putting this Mini Station together that you may need that may not come across pro bono?

Chief Maine – No, we should be set.

Councilwoman Mancuso – This is it, then?

Chief Maine – This should be it.

Councilwoman Mancuso – Okay, thank you.

Councilman Sustarsic – Nerone & Sons, I mean, I'm sure they're aware this is an emergency ordinance and how soon are they going to be able to start working on this to get everything up and running?

Director Gulich – I plan on meeting them out there tomorrow morning.

Councilman Sustarsic – Soon enough.

President Sustarsic – That's pretty good.

Councilman Gruber – Thank you for that quick response, Service Director Gulich. This has been a long time coming. This is the final step for a much needed and a much wanted facility on Euclid Avenue. We'll look forward to the grand opening shortly so get them out there early tomorrow morning, Director. Thank you.

President Sustarsic – It's even on the ordinance for that, too. Any other questions or comments? Okay, seeing none.

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

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

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

Passed.

CEREMONIAL RESOLUTION

Res. 137-2005 (421-05) Charles Abraham Condolence

A resolution of condolence upon the death of Charles Abraham, who passed away on August 31, 2005 at the age of 47. (Sponsored by Mayor Cervenik and the entire Council)

Councilwoman Hufnagle moved for passage; seconded by Councilman Daly.

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

Passed.

Councilman Sustarsic moved to go into the Committee of the Whole; seconded by Councilman Gruber. Yeas: Unanimous.

COMMITTEE OF THE WHOLE

President Sustarsic – What we'll do at this time is have anyone in the audience, who is so inclined, to come up and speak for the betterment of the City. Your comments will be confined to 5 minutes, but please give us your name and address for the record. Thank you very much. First speaker, please.

Mrs. Dorothy Fike – 20271 Delaware Rd. First of all, thank you, Mayor, for again, I'm flabbergasted with all this. I mean, the, another award, you might say and I'm very proud to be in this City and what I'm getting. But I also want to talk on #11 and thank, Service Director Hank and my Councilman Chris Gruber. I have been complaining about my water pressure on Delaware Road for over 2 years and I know they have been working on it diligently and I didn't want to speak to it before until I made sure that you passed it because it's also, everyone should know that your house insurance rates based on your fire hydrant, how close you are to it. And with the low water pressure that we have up there off and on, it's been a concern so thank you very much that I'm finally going to get my water line. Thank you, thank you.

President Sustarsic – It's our pleasure. Next speaker, please.

Mr. Tod Guntner – 390 E. 257. Good evening. First of all, I would like to thank Kathy Will, Kathy DeAngelis and Valerie Vento of the Euclid Parks & Recreation Department. They hosted a wonderful Doggie Swim. It was great. The people had a good time; the dogs had a great time. If you could see those dogs running in the baby pools, it's unbelievable. Thank you, again, we appreciate your support.

Next, I'd like to thank the Order of the Rainbow for Girls, Euclid Assembly #83. They spent the last couple of months collecting newspapers and they have taken them to the bins to help us raise more money for food and medicine for the animals.

Next, Pet Pals does an awful lot of asking for money. Almost every time I'm up here we're asking for something. We do need this. This is an important service for the City of Euclid to keep the Animal Shelter open. So what I'd like to do Sunday at the Community Coming Together, we were asked by the Mayor's Office if we could come and do some kids' games. So I said absolutely. I said this is a wonderful way for Pet Pals to give back to the community for all of their support. So we're going to have a couple of children's games geared for animals. We're also going to have face painting which we can turn you and your children into dogs and your, and/or cats. So we'd appreciate you all coming out and joining the community. We will be there and we will look forward to giving out lots of prizes.

Next again, I want to remind everybody that October 28th is our 3rd Annual Four Paws Clam and Boo Bash. Again, that's Friday the 28th of October from 6:30 to 11:30. Tickets are \$40. That includes an open bar, clams, chicken, sweet potato, corn on the cob, strudel, coffee, tea. It's a great event. There'll be dancing 'til midnight. There will be lots of prizes and raffles. Tickets should be available by the end of the week. You can give me a call on Friday or later at the Shelter from 9 until 4 at 216-289-2057.

We also have the Our Town All Around books on sale and have them in stock. They are \$20. Last year we got a late start. We started in November sold 98 books. So hopefully, we'll sell a lot more this year. I have a hundred in stock, hope to sell out. We get \$7 for each one, which means we raised just shy of \$700 last year for just that one project.

We also have T shirts back in stock. We have XX this time. So if you'd like a Pet Pals T shirt, come on down to the Shelter \$10 for Large and X-Large and \$12 for XX. Still have a couple of Youth Large left and those are \$8. Thank you and you all have a good evening.

Mrs. Ann Raukar – of 272nd St. A week ago while tilling my burned out tree lawn a young man stopped and said the City installed sod on his tree lawn. I was very interested because I knew the City did not do this. This young man, I asked him, I said to him you must be a new neighbor. Oh no, I've lived here 7 years and he pointed in the vicinity of the elder Sustarsic. I wondered if Chairman Sustarsic knows anything about this. It appears taxpayers hard-earned money was buying votes not accessible to all candidates. How many more sods were installed? Maybe the interested public might be able to point out some of these illegal processes. I called up Parks & Recreation and talked with Kathy Wills, who assured me that no one received sod on their tree lawn. The City only takes care of the trees. I knew who it was fibbing and it was not the young man.

This is just one more reason we need a change in Council membership. You who do not vote wisely and you who are not concerned enough to vote will help deliver our City and County into the hands of selfish, self-serving and corrupt politicians and greedy businessman who make their fortunes on subsidized housing, talk about Communism, it's here now, only it's in private hands.

These two have joined forces, meaning the businessmen and politicians that will run Cuyahoga County to suit themselves. Wake up people. It's later than you think. You can make a change this coming election and dump 5 of Cervenik supporters. We need persons who will work for the, for Euclid and not for Cervenik.

On July 26 I left a note from my doctor, nothing of importance, for the Mayor, Mayor Cervenik. The Mayor called me. After a short conversation the Mayor offered to look into

having the neighbor change the garage downspout to the other side of the garage. That should have been done in 1933 when the downspout was originally installed. Mayor, you brought up this violation. It did not provoke me or excite me. This symbol of your mentality, contempt and disrespect for 2 ordinances, one of which you had written up by Erik Tollerup and passed November 17, 1997, while you were Council President. You added a hidden agenda that no corrections were to be made on the garage downspout located at 252 E. 272nd next door to me. It's tragic how you keep flaunting your oath of office.

This whole business of 4 Black churches, new houses not recorded for real estate taxes and people favored with lower real estate taxes. They should be made public as delinquent taxpayers are made public. The Justice Department should look into what has been going on in eastern Cuyahoga County. Thank you.

Mr. Dennis Berzinskas – 20890 S. Lake Shore Blvd. Ann Raukar how can you top her? Peter Pan at Shore, we had 3 performances last weekend and it's a joy for young and old to see the performance of Peter Pan. Peter really does fly so do the children. It is something to see and behold. It's enjoyable. Do come out and see it. We have the 23rd, 24th at 7 o'clock on Friday and Saturday. Sunday the 25th it'll be at 2 p.m. It's really worth going out and see live performances. Do your heart good.

And also at Shore on October 21st, 15th, that's a Saturday. They're going to have Italian night from 6:30 to 10:30 and music by the Gigolos, food and drink. It's \$25 per person. Put it on your calendar and think about it.

Thinking about other things though, Item #2 on the agenda tonight, you might want to think about a clause in there. If you give them a 10-year suspension of paying taxes, but in with that if they do move before that 10-year period, you collect what they didn't pay.

Point in question, Argo-Tech, are they moving out? I've heard rumors. Are they true? We gave them tax abatement. We give anybody tax abatement; but if they move out before that 10 years, we don't have any recourse to get our money. I think you should actually think of putting legislation together that the clause in there is if you move out before that 10-year period, you owe us the full taxes. It'd be worth considering. I mean it.

Director Pietravoia – I would like to respond to that because Mr. Berzinskas raises a good point. The State does require in our Enterprise Zone agreements, and we have our own local requirement as well, that there what we refer to as claw back provisions. When they sign an agreement, if they leave prior to the number of years the agreement was for, they're required to pay back the taxes that were always abated in the previous years. So that is covered by our agreement.

Also, I have no knowledge, have heard no rumors. We just entered into an agreement with Argo-Tech not too long ago. I've heard no rumors about them leaving the community. If anything, they're better grounded here than they were prior to that incentive.

President Sustarsic – Thank you, next speaker please.

Mrs. Bernadette Walsh – 651 E. 266. And I thought it was extremely interesting in reading this week's Newsweek, which had a lot of devastating articles to find out that Kathy Will was on the cutting edge because they have an article that throughout the United States dogs are pushing people out of pools and it's the trend to do this. So next year I'm sure it's going to be \$120, no limit there. It's kind of cute that Euclid is right on the edge of doing this.

Also this week is my wonderful, wonderful Spirit of America, I do have about 20 tickets for each night. I don't have any more afternoon tickets left; but if anyone wants to see me, they are free and it's at the Gund. And as I said stop me tonight because you can't get them any place else. And it was a pleasure to work on that committee. Thank you and God bless.

Mr. William Hilf – 891 E. 237 St. I'm hear to thank Council and the Administration for 2 pieces of legislation. The first being the ceremonial proclamation regarding Chuck Abraham and the great work he did for the City of Euclid. I had the opportunity to see Peter Pan Saturday night and was able to take my 5-year-old daughter. She had seen the version with Mary Martin downtown earlier this year and she loved the Euclid version just as much as the one she saw with the pros with their big budget. There's 3 more performances. I would encourage everyone to go see it.

Also, I would like to thank, I didn't get a chance to do this at the last meeting, to thank the Council and Administration for the resolution regarding foreclosures and predatory lending. I work for a title company and I spent 2 hours today sitting in sheriff sales. And while Euclid didn't have the most sheriff sales, we did have 5 sheriff sales today. And that seems to be about

the average lately is that about 5 homes per week in Euclid are up for sheriff sale and that's not a good thing. I'm sure most of us here have, know someone who has been through foreclosure or have been forced to live near a house that's in foreclosure. Personally, the house next door to me has been empty for over 2 years. They just put it up for sale last Monday. This year I've had to watch, since the last winter that above ground pool collapsed in on itself and it stood up, it stood there collapsing in on itself until about a month and a half ago where they finally came in and tore it down. So now I have a deck in my neighbor's backyard with some mangled wood that leads to nothing but about a 4-foot drop and a brown circle where a lawn's supposed to be. And this is just one example. I have a house across the street from me that was sold at sheriff sale in June and it's got a broken window on it and nothing's being done about it.

So thank you as our State Representative, Mr. Yuko said at the Democratic Club meeting Thursday night, this is a problem. He was thankful for the resolution and more needs to be done about it. And I thank the City for taking the lead and fighting the State on the Bill that they passed outlawing Home Rule on predatory lending. Thank you.

President Sustarsic – Before we proceed to the next speaker, if we could take a 5-minute break to change tape and we'll be right back. Thank you.

Mrs. Penny Riha – 1515 E. 195th St. First of all, I wanted to remind people that there's recycling bins behind Shore for the Hunger Center. It's real easy if you, when you get your groceries you just throw your papers in there. It makes me kind of sad 6 full bins for the dogs and 2 half-empty for the hungry people and I hope we could work on that a little bit.

Next thing, I want to thank Mayor Cervenik for the fence along the tracks. I wish you'd come down and see the difference it's made and peace and tranquility in our neighborhood. And it's 32 days and it's still standing. I think it's going to be there for a while.

I want to thank Ms Kathy Wills and the Recreation Department for all the improvements they put in our playground.

And I want to publicly thank all these people that have helped. They have come around from different parts of town and come over in our neighborhood and helped us with cleanups and some of the things we wanted to do. And I want to thank Victor Goodman, John Conway, Sue McGinn, Charlene Mancuso, Pat Delaney, Ed Gudenas, Bernie Walsh, Fred and Angie Lisy, Rebecca McFarland and the Euclid Public Library, Emma Jackson and Marlene Avery from BRIDGES, Lisa Cartalone from the Euclid Hospital, the Salvation Army, Harvey Hutter, Linda Keith, Debra White and the Praise Dancers and all the neighbors of Heritage Park that have been so helpful with our cleanup and our picnics and our outreach. And I just wanted to make sure that those people got thanked.

And I'm looking forward to our new Mini Station. I think things are going to be really nice. Thank you.

Mr. Vince Riha – 1515 E. 195th St. The comment about the Dog Swim was great and probably well accepted and maybe they should think about putting a pool in the Dog Park. But going on to my questions for tonight to the Recreation Commission, what's the progress on Whitley Terrance is one question I have?

And maybe we can get an update on the Justice Department problems and maybe the point man for that, Mr. Gruber, can give us the contact name and numbers for people who would like to contact the Justice Department. And also update on Store America, is there any progress there or is that back in the drawer until 2007?

And we're now 6 months into recycling. I wondered if we have costs as to what these dumpsters are costing us and if there's any record of how much extra manpower has been used to cleanup the drop sites for the recycling to see if we really are cost effective on that. And in the direction of recycling the State charges by the cubic ton to store solid landfill, solid waste and I wondered if there was any record as to the increase in our solid waste since we stopped doing curbside recycling. And this the State has increased as of July an additional \$1.25, I believe it is, on the State tax per ton, how that will affect us?

Also, we're talking about going through our ordinances and I had a few here that might want to be looked at to be thrown out to save the space and the printing. The sign ordinance that we passed just recently probably should be thrown out because of the 87 signs I reported over the summer. The only ones that have disappeared have rotted away naturally.

Then also, we might want to look at Item #941.27. That concerns the hours trash trucks can be on the street. They must not be on prior to 7 a.m. or past 7 p.m. And there are many times this summer where they were then past 7 p.m.

And then also, 1129.02 about spitting on sidewalks, streets or parks, I guess there goes baseball. And then #1743.25, which states every ground graphic, wall graphic, roof graphic,

projecting graphic and pole-mounted graphic shall relate directly to the businesses or enterprises conducted on the premises or to the property on which it is situated. Now we know that the apartments and businesses put political signs up so, obviously, we should get rid of that one, too, because that's never enforced. So I thank you.

Mr. Dave Griesmer – 314 E. 216. Tonight, I'd like to encourage all the Euclid voters to support the Euclid School levy in November. My children attend the Euclid schools and I'm a Euclid school graduate and I'm pretty proud of it. There's many good things happening with our schools. Test scores don't indicate everything. The Euclid Schools have to educate every child that comes to them. They can't kick kids out because they don't want to educate them. There's quite a few kids that have recently graduated from Euclid and have earned scholarships and there's many recent Euclid schools graduates that have graduated from college that are very successful.

The levy's been reduced from 7.9 to 5.9 and I hope people will, can support that. It's really needed. I have a few facts here that I wanted to present. The schools have already cut 4 million from their budget and a lot of children are affected. My daughter's affected and other kids are affected. But the Euclid Schools Teachers' Union just signed a recent agreement with no raises. The Euclid Schools Administrators have been under a wage freeze and there's just, the cost of educating the children just continues to go up. And I definitely don't have the answers. I'm not that connected to the schools or the School Board, but I urge the residents of Euclid to call the Superintendent or call the Treasurer or even contact one of your School Board members to find out what the real facts are, why this is needed. Don't just vote because you can't, you don't like one thing. Make sure you have the facts.

In closing I'd like to thank Hank Gulich and his streets crew. I called him. I had a problem with the apron right near my street and sidewalk and they came out and repaired it and I really appreciate that.

And I've got another quick question about the recycling newspaper bins. I was just curious when they were put out. Who determined the locations and I know we went through a few changes, but are we going to actively look at splitting the money that comes in to a number of charities within the City? I don't have any problems with the charities receiving money. I just think it should be split evenly somewhere because these people that run these charities really need the money. Thank you and have a good night.

Mr. Griesmer – Excuse me, could I get an answer to that one about the bins?

President Sustarsic – Mr. Gulich or Mr. Mayor?

Mayor Cervenik – We took Pet Pals and Hunger Center and pretty much left it up to each of those organizations to promote their locations as they see fit. It's, it's really a private organization driven fund. There's also a number of the schools have contacted Abitibi to place bins in their place, Villa Angela-St. Joe's, I think a number of the churches have them that we had no control over. And they are marketing those amongst their parishioners and school children and families.

Furthermore, it's and I'm hoping I didn't misunderstand the person from Abitibi, I believe, they're telling us that the total newspaper recycling is probably going to increase over what we did while we were doing curbside and I need to verify that with her. But it's really up to these various organizations and we'll help them anyway we can to promote their location and to get their members to bring the papers. For instance, the schools ask parents when they drop their kids off to bring their papers with them and throw them in the bin. But I will do anything I can to help these organizations to promote.

Mr. Griesmer – I don't mean to debate it, but I understand that say St. Robert's wants to do it, that's their property; but these, the ones that are on the City property. There might be some out here; there's some on Lakeland; there's some behind Shore. Those are City properties and I just thought yeah, the money goes to those charities that may be located there, but I just thought who decided, who decided all that? Maybe Hank did; maybe it just needs to be looked at again and say maybe we need on City property we need to decide more evenly on where they're at. Thank you.

Mayor Cervenik – Okay, we'll take a look at it, Mr. Griesmer.

President Sustarsic – Thank you, next speaker, please.

Mr. Ron Emser - 26501 Farrington Ave. I want to come up here to thank the Mayor for his support and the support of several of the people on the Council here for a vote of confidence relative to the appointment to the Cable Commission. That was really kind of a surprise and a very welcome and appreciated one.

Let's see, I'd also like to express kudos to the, to those associated with the video streaming effort of the Council meetings on the library video server. I think that's a great, great idea; and, of course, giving people who don't have access to cable at least another means to witnessing their democracy in action here.

And if I may for a minute, just change hats and what I wanted to do is thank the musicians and the volunteers that helped out through the summer. The Sunset Celebrations, we only had a couple this year. It was hard getting musicians together and making it happen, but we did pull off two of them and it was volunteer efforts. Erie Waters fed the musicians so a thank you to them.

And also to plug an event that we have coming up for November 12th, which is going to be 2nd Annual Winery bus trip out to a few of wineries out Geneva, Madison way and it's going to be a Saturday afternoon. And it's November 12th. There's more information on the website at lakeshoregroup.org, all one word or you can call me at 216-731-5213. And it's like 16 bucks; it's a good deal. It's a fun afternoon and we've been doing this for, this a couple years. We've had St. Pat's and Mardi Gras trips and they've all been sold out and it's been a fun time and it's November 12th so it's post-election so all that nonsense is out of the way so life will go on at that point. So thank you very much all of you.

Mr. Lou Nagy – 1483 E. 250th St. You said something about for the betterment of Euclid. Well, I have something for the sorrow of Euclid. This lady was very, very much loved by people in our neighborhood. She left home on January 9, 1937 and she returned home on September 9th, 2005. She lived on this earth for 68 years and 8 months. In this time she took the name Faith and lived a life, a very pleasant life, very sweet life. She smiled all the time and she made people feel happy when they were around her. Her last name, final last name was McKinney and she was the secretary of our neighborhood association. She was involved with various things in the City including Weed-N-Seed, neighborhood improvement and relationships, and like I said we gave her a very well bon voyage on her trip home and in our faith leaving home is leaving God's place and returning is what we call death would be returning to God's home. This is what has happened to her. I just wanted to let people know that. I've been, since she's died, I have been called by various people and I couldn't tell any of them what had happened so I'm telling them now. I'm telling the City of Euclid and saying good-bye to her. Thank you.

President Sustarsic – Are there any other speakers in the audience? Seeing none

Councilman Sustarsic moved to rise and report; seconded by Councilman Langman. Yeas: Unanimous.

COUNCILMEN'S COMMENTS

Councilman Gruber – And I, too, knew Faith and she was a wonderful lady and she will be missed. And I echo your sentiments. Along the same lines there, we lost a very long-time Ward 4 resident, Mr. Erosky passed away and we send our condolences to his family as well.

On a little lighter note I would like to say that we have a new playground in the works for Ward 4 behind the Mini Station and it's well planned; it's a beautiful facility; it's a great location because it can be used by, it's closer to the center of the Ward rather than one side or the other. It will be supervised. The Police Mini Station will be right there and that will also be a draw so the kids can get in, more of the police can get to know them. So I'm looking forward to that legislation in the near future. I believe that's coming.

The Golf Course Clubhouse, we had the Grand Opening about a week ago or so and that was a really nice event, good turnout, lovely facility.

There's a house, I've gotten several complaints about a house on 212 off of Euclid Avenue. That house is scheduled to be tore down on next Tuesday, I believe, so that's one less problem we have over there.

I'd like to thank Tod Guntner, you know, Tod's up here every week and I've worked with him at the Shelter and I've seen his compassion, his dedication and we're lucky to have and Tod's not the only one we have in the City, but what a job he does over there. Endless worker, tireless, selfish, really caring, compassionate and, believe me, there's a lot of animals better off for your compassion and your care over there. So, Tod, hats off to you.

There were some rumors, this is to Director Pietravoia. There was some rumors that circulate every once in a while about the property on Hadden Road that's owned by the Sisters. I

was wondering, I have not heard any development plans. I don't believe that there's anything in the works. That's the property off of Hadden Road.

Director Pietravoia – I have not heard anything to that effect either. I haven't even heard the rumors to be honest.

Councilman Gruber – I'd like to assure the residents up there that there's nothing we are aware of that's happening there right now.

Director Pietravoia – That's correct. We haven't had anything submitted or any discussions with anyone about development at that location.

Councilman Gruber – Another individual I'd like to commend and this would be Ron Emser. Ron Emser and I haven't always seen eye-to-eye on a lot of things and we don't sit at the same political table, but he is well versed and well knowledgeable in the cable TV business. He worked here for several years. He helped me with a show that I had done for a while and he is the right man for the job and I think you made a very good choice, Mr. Cervenik, and I support Mr. Emser's appointment and I know he'll do an excellent job.

Also to answer Mr. Riha's questions, the Storage America plans, I believe, are in or about to be in.

Director Pietravoia – They're in.

Councilman Gruber – They're being reviewed by the Building Department and I look forward to the ribbon cutting with you, Mr. Riha. And also, the Justice Department has all the Council members and some of the former Council members and City administrators had been interviewed by the Justice Department and it is an ongoing investigation. I believe that if you contact the Law Director, he could provide you contact information with them because they have different, different investigators for different things and this is a multi-faceted investigation. So I'd recommend talking to the Law Director probably before the meeting's over. And that's about all I have for tonight, thank you.

Councilwoman Holzheimer Gail – I was able to attend Peter Pan on Friday night and it was a wonderful performance. I wanted to thank the cast and the crew and all the people who worked so hard to put that together. It really was a wonderful event and many Euclid residents are in that so I would encourage everybody to take the time to go see it. They will have performances again this Friday and Saturday at 7 and Sunday at 2.

And I also want to thank the Shore Board, who has spent a lot of time, countless hours and a lot of hard work repainting the hallway where the auditorium is, cleaning the restrooms, work in the auditorium. Dolly Luskin and others, Dennis Berzinskas are here. They really have spent a lot of time, a lot of hard work and to the donors who helped donate paint and equipment. We, it really was very evident that your hard work is paying off. It looked great. So congratulations to you.

I wanted to say thank you to East 216th Street, who invited me to their neighborhood block party on Saturday. It was a nice event and I was able to stay for a little while.

Also wanted to announce an upcoming event, the Senior Programs will be having their 1st Anniversary Fundraiser Spaghetti Dinner on Friday, October 7th at the Lakefront Community Center. Doors will open at 5; dinner will be served starting at 6. Adults are \$6; children are \$3 so it's a bargain. They will have entertainment, door prizes and a raffle and I believe the fundraiser will be to help support the Senior Programs. So I would encourage all residents to help them in that effort, again, Friday, October 7th, doors open at 5; dinner at 6, a spaghetti dinner.

And lastly, my neighbor's son, Ken Laycock, Jr., who's a graduate of St. Joe's has enlisted in the Army and he will be leaving tomorrow for Fort Jackson so I am going to ask all the residents to join me in keeping him in our thoughts and prayers as well as the rest of the young men and women who are serving in the Armed Forces. Good luck to you, Ken, we will be thinking of you.

Councilwoman Hufnagle – Mr. Mayor, something I'd like to see an update on is how the rentals are going at our Lakefront Community Center. I'd like to see, you know, how many we've had? What types of events they were? I'd like to know who the caterer was at those events because I know there was some concern about how we decided to run that so I'd like to see that everyone's getting an opportunity to be in there. Some update on the income and then possibly an update on

the events that are planned for it. I know we've only done it a few short months, but I'd like to see how that's working out for us.

Mayor Cervenik – We can do that. I believe we've provided a report each and every month from Forko who's operating it and we can do that. If you've seen your budget packet, we have income of about \$9300 through August 31st; but we can provide you with that report. I'll try and have it for you Wednesday night.

Councilwoman Hufnagle – So he provides you with a report each month that, how many events were held?

Mayor Cervenik – What they've booked, yeah, he ties into the deposits, what he's paying us, what's he's charged, what he has to charge them, how many hours they're renting it, who's the caterer. It appears that most of the events seem to be self catered. That there's not been a lot of catered events. There's been a number of larger weddings that have been done, but it seems like a lot of the events are not catered. But I'll get all that information to you from day 1 and we'll also give you the bookings for the future. We have a list of those as well.

Councilwoman Hufnagle – Okay. I would appreciate that and then if we've had any conflicts with the, with it being in the same building as the senior citizens, how that's all working out. I'd like to know that too.

Mayor Cervenik – We've had a few conflicts and more centers around the fact that the building isn't cleaned by those certain people that have leased the building as well as the seniors would like to see it. And we had a meeting in my office last week with James Foreman and we think we've got that pretty much rectified now but we should be okay. I'll give you that report.

Councilwoman Hufnagle – Good and I know that I've spoken to Director Will about some of the landscaping issues in the back there, about the weeding a little bit. So I know that you're taking care of that and I thank you for that.

And then I would just like to extend my sympathy to the family and the many, many friends that Faith McKinney had. And to those who knew her she was a real fireball and you probably didn't know she was sick because she was a very vibrant person and I'm sorry to see her go and she will be missed. Thank you.

Councilman Langman – First, Law Director Frey, did you have a chance to pull the information on the Cable Commission?

Director Frey – I did, Councilman. The Codified Ordinances section is 719.04e and I was in error. There is no requirement for a certain number of meetings or an annual meeting. Meetings are at such time as the chairperson deems necessary or upon a member's petitioning the chair for a meeting. So there is no set number of meetings required for the Commission.

Councilman Langman – Okay, thank you. Another issue, we've been talking, myself and Mr. Petkovic and Mr. Torowski, who's not here this evening, about the retail strip behind Arthur Treacher's on Lake Shore Boulevard and I believe I sent you an e-mail about perhaps mediating this problem. The owner's been cited. We know where he is, is that possible in your estimation? And if you've responded today, I'm sorry I haven't looked at my e-mails today.

Director Frey – To answer your, I think you asked several questions in your e-mail and no, I had not responded to that e-mail yet. I'm not sure the Police Department's protocol as far as transporting. If this individual, and I believe if I'm not mistaken he resides on the west side, if, if he's stopped for some reason by a Police Department and they check and see there are outstanding warrants, they would contact the Euclid Police Department to see 1) if they want the individual held and 2) if Euclid would pick that person up. I would have to defer to the Chief as to what the department's protocol is for those type of Code enforcement issues as to whether they would go to western Cuyahoga County to retrieve the individual. As far as the cost of, it's not an extradition because it's within the County, the cost of the transportation of the individual from the detaining community to Euclid. The Court could figure that in as part of a fine. We don't have anything that particularly allows the Court to assess that as a cost, for instance; but the Court could figure that in as part of the fine to be imposed in a case and I would imagine would do so particularly because it's a business owner.

Councilman Langman – Sure, well, I look forward to discussing with you this situation in more detail. Director Will, read something in the Sun Journal about the performance at the Golf Course that we're down quite substantially. Is that accurate? Is that true? If so, how much are we down or up as of now?

Director Will – Actually, Councilman Langman, the figures in the paper were correct. This was as of September 5th and this is as current as I have it right now. We're doing the figures, but one thing in the paper it did not state that the revenue in 05 and the expenses in 05, revenue is down but so are the expenses and it didn't state that. And I want to make sure that everybody realizes the expenses are down comparable to last year. I just pulled the report for the Golf Course for the last week and we're up approximately, in one week, \$12,000 in just our food and beverage. I'd be glad to give you accurate records, you know, again tomorrow; but as of right now we are down. That is correct, but it's down in all golf courses; but so are the expenses.

Councilman Langman – Okay, thank you. Director Johnson, better late than never but I'm glad to see that the format for the Golf Course, wait a minute, maybe I should back up. I'm assuming you did this maybe it was Director Gulich.

Director Johnson – I did it. I did it, Councilman Langman. What I tried to do was to, at least, consistently present the same format and try to provide a greater level of detail. I wasn't quite sure what you were looking for, but my hopes were that that provided the additional detail you were looking for.

Councilman Langman - Yes, well, obviously, we just received this so there are several questions pertaining to it. I don't think it'll be too difficult to answer. Just one that pops out is the expenditure of the audio equipment, the video equipment, the security, is that included in the total expenses or is that in addition to the 1.3 expenditures so far.

Director Johnson – Those are not in addition to the 1.43 those are separate and apart which is why we segregated them below. Those are not considered a part of the budget but in the interest of full disclosure, I thought that we should list those expenditures.

Councilman Langman – Well that doesn't, on the surface I'd like to probe a little more but my time is running out so I would like to suggest that if Chairwoman Mancuso agrees that we call a Building and Standards Committee to go over the Golf Course construction budget to see where we're at and explain some of these figures and, hopefully, since I did hear we're going to operate this building year round that we can have some sort of business plan for the building to operate during the winter that would include operating budget etc. So I would like to do that as soon as possible. Maybe Thursday? Make it a Council week and next week we're off, I don't know. I don't know if that's good.

President Sustarsic – Okay, we'll see when everyone is available and we'll put that together.
Ms. Mancuso?

Councilwoman Mancuso – Are you done? Is he finished?

President Sustarsic – Yes, he's finished.

Councilwoman Mancuso – I'm going to limit my comments other than to say happy anniversary to keep somebody out of trouble here. Mention Laura's 31st wedding anniversary, thank you and her husband probably should say thank you over and over and over again. So Happy Anniversary, Laura that should keep Ron out of trouble.

I'm going to spend the rest of my time actually going over what I started to speak about during our communications as far as what I, as I read through our Annual Budget Report. And I do this in total cooperation and trying to keep us credible knowing that the biggest part of my job is to make sure what we put out to the public, which I'm told has only come out to us so far, correct? We're the only ones that have this at the moment is actually a credible document.

A couple of the questions I had already posed with an error, that I feel an error in language on page 15 and then the, I think, our narrative and our tables are in absolute contradiction on page 13. We say we're reducing expenses and then our numbers show that we have increased our expenses between the 2 years.

On page 16, we have a paragraph that's actually speaking to an initiative, and I apologize to the public because it's a lot so I'm going to try and describe it, but be short. There's a paragraph

that talks about an initiative that as the Administration, we're very proud of our 3-year projections made and these projections were distributed to Council in 2004, June, and I assume they're the projections that I have the 3-year budget projections that go from 2005 to 2007. I'm making that assumption because I don't have any other one. In that as we talk about that if the reader would actually ask us to see the projections because we're proud that we have a 3-year projection, if we go back 2004, we actually look at a budget of 34 million 711. They're no routine monthly reports after that and our projection by the end of the year was \$3 million off. Our 2005 budget projection in our document, which we have to admit we have not updated since the time we got it, was 33 million 679. Now in our update, at least what I've gone through so far, we're budgeting for 2005 at 34 million 433, which is just short probably 300,000 of what we actually put in our 3-year projections for 2006. So if somebody goes in to look at our projections because we're proud of it and we're saying we're proud of our 3-year projections, we're actually showing a 7, or a \$12 million deficit in a 4-year period of time. So my suggestion, and I'm asking to go through and look at it, because we haven't updated it, we haven't actually done what we're telling them we're doing, is to take that paragraph out of there because if somebody goes in to look at it while we're not, I know we're not deliberately misleading, it speaks to our credibility.

On our Roman numeral page ix, we have in there a Certificate of Achievement for Excellence in Financial Reporting, which looks great; but it's actually for the financial report that was completed in 2003.

Director Johnson - That's appropriate. If you look at the CAFR from the previous year, it will be for the certificate that we earned in 2002.

Councilwoman Mancuso – So that's appropriate for it to be a year behind?

Director Johnson – Absolutely.

Councilwoman Mancuso – Okay, I don't mean to make you defensive I'm just asking questions. Okay? I just want this to be a credible document for all of us because it's part of all of us.

Roman numeral xv, we do not show our Delinquent Tax Department in our organizational chart and I know we were talking about it in 2004. It might just be a good thing to show since we're, we have a Delinquent Tax Department and we're going to have a Tax Department.

Director Johnson – It didn't exist in 2004.

Councilwoman Mancuso – At all, we weren't even talking about it in 2004?

Mayor Cervenik – It didn't exist.

Director Johnson – It didn't exist in 2004. We just created the department in January.

Councilwoman Mancuso – Please don't be defensive.

Director Johnson – I'm not.

Councilwoman Mancuso – Okay.

Director Johnson – I'm sorry. I don't...

Councilwoman Mancuso – Please don't be defensive.

Director Johnson – mean to sound intimidating.

Councilwoman Mancuso – Under, page Roman numeral xii, under our Risk Management discussion, a detailed listing of insurance coverage is not on Table 20 as it states there so that's a correction. And I haven't, I've only read through it like once and I apologize these are the notes I could take and I'm not back in town 'til Wednesday night for the Finance Committee. So whatever we're going to do amend this, I'd be happy to discuss the rest of it with you. I'm after a credible document that investors are going to look at when they look at the City of Euclid for future monies that we can obtain. And with that I will say goodnight.

Councilman Sustarsic – I'd like to thank the people, the good people of the Gateway Retirement Center threw a pancake breakfast yesterday. It was a real nice event for the seniors. It was nice to get out and meet with them. The Mayor was there; Council President, Councilman Daly, good time was had by all.

Last week I had the opportunity to go to the Brandywine Pump Station site. We met with some residents with Service Director Gulich and Councilman Gruber. It's a necessary inconvenience for these residents, but it's an important one for them, especially for one resident because it goes right through his backyard. But I want to thank those residents for their understanding and cooperation through this process.

Driving home from work I saw the Dunkin' Donuts. They started excavating over there so it's exciting to see some construction happening over there. Going door-to-door talking to people, the #1 complaint I'm getting is recyclables. I'd like to see, you know, Mr. Gruber mentioned it before we went into recess for the summer maybe looking going once a month if that's financially viable. I don't know. It's something I'd like to discuss if I could hold a Service, Public Service Committee meeting and we could discuss some numbers and see if it could be worthwhile do something again because I know there's a lot of senior citizens out there. It's hard for them to get to the site that they have to go to over there by the Service Garage. I mean, it makes a lot more convenient for them.

And then I'd just like to echo the sentiments of Mr. Griesmer, who was here before, with the school levy, it's very important. He's got children in the system. Hard to believe, probably about 3-1/2 years from now Eddie's going to be in kindergarten. It's getting close and I want those schools to be nice for him, too, so I think as the Council here it'd be nice to put a resolution in support of the school levy if we could have it on the next agenda. And with that I'd like to close and wish everybody a good night. Thank you.

President Sustarsic – First off, I'd like to offer my condolences to the family and friends as well and I would like, I'm proud to have considered myself a friend to Faith McKinney. She very, very energetic she was a lot younger and more vital in her years than a lot of people. She was really dedicated to the neighborhood and to the City and it's an individual like that who will not be replaced and the City as a whole suffers a little bit for it so my condolences to her and hers, her family.

Next, Ms. Holzheimer Gail, good luck again to that individual leaving for my alma mater down to Fort Jackson. Hopefully, they've changed some of the buildings since then and I'm sure he'll be a credit both to the City and the Country.

Again, Gateway, they did have a tremendous crowd yesterday and it was, met a lot of nice people, a lot of elderly people, naturally, that were those who set up this community and made it as good as it is and what it can be.

Congratulations to the Cable Commission appointments. I look for great things from them. I look for a lot more valuable things and useful things and ways to use the cable TV that we have.

I have to tell you it was like déjà vu all over again at the opening for the Golf Course Clubhouse because here was Mayor Sustarsic, but this time instead of hitting out the first ball as he did 28 years ago, he was cutting the ribbon to go into the Clubhouse. It was, he can't really swing a golf club like he used to any more but again, it was very pleasurable on his part and we thank the Administration for his participation in that. And it was great to see him out there.

Lastly, there will, well, second to last rather, there will be a committee meeting on Wednesday, 7 p.m., Finance Committee. On the agenda is the General Fund update and the in-house income tax collection, which I believe every Council member has received so I look forward to your participation there. And in addition to that any other questions or concerns that you might have relative to of a monetary nature that involves the City.

And lastly in the newspaper today, it was reported in the Plain Dealer as well as the television news programs that all of a sudden there is a pilot program that was announced today by the City of Cleveland, whereby Fannie Mae and 5 banks will provide more favorable mortgages for borrowers burdened by high interest rates and fees, the inflated appraisals and harsh pre-payment penalties. In other words they're actively going after the loan sharks as was hoped they would. Again, we still have the County waiting to get involved. Our County Treasurer has talked to banks about starting a separate rescue fund. Again the banks in mention, if I may, Sky, Huntington, Ohio Savings, Dollar and Fifth Third; but again, we really need to remedy this situation and I believe that with the resolution we passed at the last meeting, with the cooperation of our State Rep. and State House, hopefully, with the County and to, I think, by this Council and Administration just to be persistent in putting that program together to make this a much more viable community to live in. And with that I will turn my comments over to Mr. Daly.

Councilman Daly – I, too, would like to thank Rosie and all the nice ladies that I had breakfast with at Gateway. It was a very enjoyable event, had probably too many pancakes; but it's always a good thing. I wanted to apologize to Mrs. Riha and to the Heritage Park Association. I'm sorry I missed that event. I don't remember seeing an invitation, but next time, you know, if I know about it, I definitely would show up. So again, I apologize for that.

On the Golf Course I know revenue is down through the year. There was, it was a construction site, you know, during the 2 busiest months for the Course; but now that construction is completed and we have the construction trailer out of there I was talking with the Golf Pro, Tom Sloat, and he said that for September 1 through today versus last year revenue has doubled. So it's just a shame that there was some delays that were out of our control and that the building couldn't be opened for July 1 that was projected and we would have made the 2 large months so.

Councilman Langman kind of stole my thunder. I was planning on calling for a committee meeting on the Golf Course and the budget after the article that was in the local paper as to costs and revenue and cost to operate. I know that some different numbers have been put out in the paper to the public and I know that Mr. Ilcin that was nice enough to go through the, our committee meeting last time when we gave an update was going to approach on an acceptable format for, for cost and revenue and, you know, that was something I was planning on after seeing when you were available and the format. Also seeing when the local reporter was available 'cause both at our other 2 committee meetings there was a scheduling conflict and he couldn't be there and just to, once and for all get the numbers straight. So we're kind of gearing up, you know, to answer those questions. And as soon as we get that done I, we can firm up a date and I can have that for you.

Last but not least I would like to again congratulate the Administration on keeping HC Stark. As Councilman Langman pointed out earlier, there is a glut of industrially zoned property not only locally here in Euclid, but locally, but also in this region and we compete, you know, for businesses not only with our region here in the state, you know, and Michigan and Illinois. We compete worldwide and a fact of life on getting, you know, industry is incentives. I appreciate the Administration, their efforts and I hope you continue to do so and with that wish everyone a good night.

Councilman Delaney – I have in front of me the Golf Course Project Budget and Mayor do I understand that you said earlier today that it is not final?

Mayor Cervenik – You understood correct, yes, it is not final, there are still things to be done.

Councilman Delaney – As Director Johnson said, with the related expenditures that are about \$87,000, I was wondering what the parking lot resurfacing and maybe Director Gulich can answer this, did we re-engineer the drainage? Is there new drainage under that parking lot?

Director Gulich – Councilman Delaney, there was no additional drainage installed as part of that resurfacing project.

Councilman Delaney – You know I didn't think so because I did see the \$60,000 figure. That was in the original project and the reason why I raise this is because there was terrible pooling in that parking, as anyone who uses the course after it rains knows. That was the problem for the previous Knuth building for taking on that water because it was incorrectly engineered. My hope is that we don't run into that because the building is in the same vicinity. But I knew that if you look back at that project, that was one of the most important things is to re-engineer the drains.

This also is not reflective and I believe that when we had conversations we were going to include the money that had already been spent on this borrowing, some \$289,000 or \$287,000, \$283,000.

Director Johnson – Councilman Delaney, my understanding which is what the report reflects is that we were going to include the cost of the asbestos removal. The asbestos removal would have been an expenditure that would have been incurred in either scenario of the project and that's what is reflected on the report was the cost of the removal of the asbestos.

Councilman Delaney – So not the entire, it was close to \$300,000 I don't remember. Also I believe that there was actually a project one that included the combination of the Senior Center and the Golf Course Clubhouse, a brand new structure built and there were architect costs that may have been involved with that. I see that we have for architect here, \$65,000. I'd be curious to see a total project cost from the Golf Course Clubhouse as it initiated as we started spending

money until this. Sitting here we've asked for it months and months. We've cut the ribbon, we've opened it up and it is disappointing to here that you don't have a final budget. From where we sit and what we do is the most important thing.

I had read on of the pages that Councilwoman Mancuso had eluded to and Director Johnson, I just want to read these numbers. The text here says, it's management discussion analysis and obviously management discussion is you. General fund expenditures and other totals \$34,900 in 04. A decrease of 9.67 from 2003. Then the actual expenditures in 2003 is \$31.8 million and 04 it goes up to \$34.9 million. That is roughly a three million dollar increase.

This is completely opposite as I commend Councilwoman Mancuso. We have this in our packet. We get it over the weekend. I would have expected we spend just as much time on a liquor license. I would have expected to discuss this at any point. The General fund expenditures were accomplished through staff reductions, this has to be addressed before we sit down Wednesday night. This is page 13. I hope it's a misprint.

President Sustarsic – Mr. Johnson, or Mayor, anybody any response?

Mayor Cervenik – Mr. Chairman, we'll look it over. Okay. Some of the questions like you've got a 2003 Certificate in there, yes because the 2004 year end isn't done until 2005. Those kinds of things. I know they're being constructive. We will go through each and every one. I hope you would write down and send to me each of your questions so we can look into them. Some of this is boiler plate, some of it goes from year to the next and that can need to be changed. So please write them down, get them to us, we will sit down with the staff that were involved. We will sit down with the auditors and make sure that it is correct. If we feel we are correct and for the most part we do, on most of our statements, if not all of them, we will give our reasoning. So write them down.

Councilman Delaney – You're the one who wrote it, so.

Mayor Cervenik – Write them down. Write them down.

President Sustarsic – Okay, we have a motion...

Mayor Cervenik – Mr. Chairman, Mr. Chairman.

President Sustarsic – Mr. Mayor.

Mayor Cervenik – I believe Mr. Riha asked a question or two that were not answered if I'm not mistaken and that's mainly about the recycling and I think you had one.

The recycling right now is estimated say it's somewhere between, somewhere around \$75,000. We will present to Council during budget hearings options. It really wouldn't, Waste Management does not recommend going to once a month. They would say if you do go back to it go back to twice a month. We're going to get some figures from the County to determine because they keep track even to Abitibi the increase and changes in our recycling. If Council was to push for curbside recycling, that \$70,000 would need to come from somewhere or else possibly some other program we want to do. So we will have, we will have figures for that. That'll all be addressed during budget hearings.

Director Johnson – In addition to that I think, and I don't know if this addresses, Mr. Riha, if this addresses your question, but you're right. The State did levy an increase in the tipping fees effective July 1. That has amounted as a cost to the City about \$4,000 a month. So that is going to increase our house-to-house collection budget by approximately \$24,000 for the balance of this year; but that's because the State increased the tipping fees.

President Sustarsic – All right and with that we have a motion.

ADJOURNMENT

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

Attest:

President of Council

Clerk of Council

