

COUNCIL MINUTES  
MONDAY, JUNE 1, 2009

The regular Council Meeting was held on Monday, June 1, 2009 at 7:00 PM in the Euclid Municipal Center Council Chamber. Council President Holzheimer Gail presided.

Members Present: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman,  
Holzheimer Gail.

Excused: Van Ho (came in 7:15)

Councilwoman Scarniench moved to excuse Councilman Van Ho. Councilman Gruber seconded.  
Yeas: Unanimous.

Others Present: Mayor Cervenik, Law Director Frey, Finance Director Johnson, Service Director Gulich, CS&ED Director Pietravoia, Recreation Director Will, Chief Repicky, Fire Chief Cosgriff, Asst. Director Gliha, Mr. Castelletti, Sgt.-at-Arms Novosel, Clerk of Council Cahill.

Invocation was given by Pastor Willie Gary of Kingdom Community Fellowship Church

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Councilman Gruber moved to approve the Council Minutes of May 18, 2009. Councilwoman Jones seconded. Yeas: Unanimous.

ADMINISTRATION REPORTS & COMMUNICATIONS

Mayor Cervenik – I have a couple of announcements. First on my list is we talked about our Amnesty Program and letters went out last week. I was slightly wrong in my interpretation of what happened. What really happened is some people are getting letters that are not delinquent. The reason that was done was the computer list printed out labels for every tax return for 2008 that was not posted yet; even though they were filed by the 15<sup>th</sup>, there were still some tax returns that aren't posted. Therefore, a number of people, probably 1400 returns in all had the opportunity to receive a letter and I think that's what your father, that's what I got, because I got my letter right here as well because I filed my on the 15<sup>th</sup>. Please be assured that anyone who filed their tax returns in the last two weeks of the filing season they are posted now, you are not delinquent. If you would like to verify that, please do call the number and give the reference number and the tax department will let you know.

On the other side of the coin, the vast majority of calls we are receiving are from people that are delinquent. They're asking what they have to do to arrange payment and to save on interest and dividends. So the program we feel that even though it got off to a bumpy start with those few letters, it is going to be very positive and help with our cash flow through this very trying time through 2009 and 2010.

On top of that, speaking of taxes, unofficial results have our May income tax collections at approximately \$70,000 above our projections for the month. We were a little over \$9,000 ahead the month before, so we're close to \$80,000. When you're dealing with a \$20 million number, that's not a lot, but it sure beats being the other way. We're on track there. We're very confident that if this trend continues, we will get through the year as projected.

I want to thank all of our for participating in the Memorial Day Parade. It was a wonderful morning. People were in a good mood, the weather is fine. It is just a very, very positive feeling from 228<sup>th</sup> all the way down to the Library and beyond. I want to thank everyone here, I want to thank you. I want to especially thank the Directors and most importantly their employees. They really work hard that week or two to put their best foot forward. We're patching holes on E. 222 St. and Lake Shore Blvd., flowers are going up, grass is being cut. The place looked great and people felt like it was a wonderful day to celebrate. I'm proud of that as well.

Recycling, our drop off recycling, we now have six bins at Villa Angela St. Joseph High School on the Euclid-Cleveland border. Please take your recycling there, all recyclables can go there. I'm still encouraging everyone to take their paper products to one of the Abitibi bins in Euclid and to take your cans to the fire station or up at Petpals, they have a bin for the cans as well. The remainder of your recyclables, please take to Villa Angela St. Joseph High School. We have a partnership with the City of Cleveland. City of Cleveland like Parma have a contract that requires them to have an "x" number of tonnage. If they don't reach that tonnage, they get penalized. Therefore, we're helping Cleveland and Cleveland is helping us. It is at no cost to us. That's sort of regionalization in a small pocket of this area. Please do that.

We've had some calls that seniors would be unable to drop it off. Call my office. Seniors keep your recyclables, your cans, your bottles, your tin, what have you and I can arrange to have someone, maybe once a month come and pick up your recyclables.

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We want everybody to participate whether they are physically able to or not. We have Boy Scouts and other volunteer groups that would be happy to pick up your recyclables at your home and they will drop them off at the appropriate bins. That information is contained in the newsletter. The newsletter is expected to be released some time at the end of this week. It is half the size of the last one, but it has a lot of pertinent information such as recycling.

President Holzheimer Gail – Mayor, thank you very much for making that happen. I don't mean to ask of more, but is there a possibility to get one on the south side off of Euclid Ave., by Cleveland?

Mayor Cervenik- We're working on it. The Law Dept. of Cleveland wants to assure themselves that they're not violating any of their charter or tax laws where they are providing services to the City of Euclid. We looked at one spot on Chardon Rd. just north of Euclid, they thought was owned by the City of Cleveland, next to the Water Plant, it was not. We will find a place on the south side as well, but we're not that big of a city and a couple of miles in the meantime won't hurt to drive down there, but we are working with Cleveland. Cleveland sees this as an opportunity for them and we're looking, we hope to find some place. Those are my announcements and Director Will has quite a few announcements to make.

Director Will – I would first like to apologize at the last Council Meeting, I neglected to thank the Key Bank volunteers. On May 5<sup>th</sup> Key Bank has their Make a Difference Day and they had contacted the Mayor and we were able to have approximately 8 employees from Key Bank here in Euclid come over to Triangle Park in front of Shore and they helped us weed and they helped us mulch. I apologize for not thanking them before and recognizing that. They certainly saved the Parks Dept. quite a few hours. We had them for about 2 ½ hours and had the work all done. Thank you again to the employees of Key Bank for helping us out with that.

Remind everybody you can still register for the classes that we have coming up. Registration is on Tuesday from 3:00-7:00 PM. We'll have a special registration on Sat. June 13<sup>th</sup> from 9:00-12. On Monday, June 15<sup>th</sup>, at 1:00 all the pools will open. Memorial Pool and the four neighborhood pools. That will be on Monday, June 15<sup>th</sup> at 1:00. If you need to get your pool passes, you can come on Tuesday 3:00-7:00 or on Saturday June 13<sup>th</sup> from 9 AM until Noon.

We do still have openings in most of our classes. However, our basketball league for the 5-7 and 8-10 year olds, at this time we are taking a waiting list. For all other groups, we do still have openings. You can call our office 289-8114 to get more information.

I would like to remind everybody that the Annual Pond & Garden Tour will be held June 27<sup>th</sup>, Saturday from 7 PM until Midnight. Sunday, June 28<sup>th</sup> from 1:00-6:00 PM. We currently have 18 homes on the tour this year and 10 of them are new homes which have never been on the tour in the past. We're looking for an exciting day. Come and see what some of these houses here in Euclid have. It is \$8 per ticket. I have tickets available at the Parks & Recreation Dept. If you still wanted to be on the tour, call Marcia at 289-2726. The deadline to put your home on the tour is this Friday.

I would like to remind everybody of a Special Event we will be having this summer in Sims Park. It will be the Ohio Chautauqua event. We want everybody to join us as we once again explore the lives and legacies of those who have help shaped our modern world. The Ohio Chautauqua tour this year is based on Inventors and Innovators. We will have Thomas Edison, Mary McLeod Bethune, Andrew Carnegie, George Washington Carver and Alexander Graham Bell. The characters will share their fascinating experiences and help us understand how their innovations guided Americans through the 20<sup>th</sup> century.

Not only will there be entertainment and the scholars performing in the evening. There will be day and afternoon adult workshops and children workshops based on these characters. We have Ohio Chautauqua companion readers that just came out. There are 200,000 of them that are circulating through the State of Ohio. I do not have all of them here, even though it looks like when you walk into City Hall. Again they printed up 200,000. Euclid is hosting Ohio Chautauqua along with 4 other cities, so everybody's information is in this one companion reader. So everybody in the State of Ohio that will be attending the other four, will also find out about Euclid's. It is a great publicity piece for the City of Euclid. On page 19 is the schedule and my telephone number if you have any questions, you can check out our website. That's July 15-July 19. We hope to see you at Sims Park and the Library and the Lakefront Community Center who will be hosting some of the workshops.

Last but not least, May 18<sup>th</sup>, the Coral Management Group per City Council is leasing the Shore Cultural Centre building for 120 period. While they're doing that they are putting together a strategic plan. They had promised that they would keep the community involved. Their first meeting for anybody that attends any classes, or ever attended a show at Shore Cultural Centre, on June 17 @ 7:30 PM at the Shore Cultural Centre auditorium. That's June 17<sup>th</sup> @ 7:30 PM. If you

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can't make it on the 17<sup>th</sup>, they'll be offering Community Meetings on June 22 @ 3 PM and June 24 @ 7:30 in the Shore auditorium. If you have any questions about the community meetings, call Shore Cultural Centre at 289-8578.

We look forward to a great summer. We'll be starting all of our programming up within the next week. If anybody has any questions, feel free to call our department. Thank you.

Mayor Cervenik – The last thing I'd like to mention, which I neglected, although I couldn't be there this weekend, I heard that the 200<sup>th</sup> Street Stroll was phenomenal. I would like thank Sherrie Zagorc personally and I'm sure some of you will be talking about it because I heard it was just a fantastic day. I'm trying to avoid it, but I guess I have to do it, Director Gulich has a couple comments.

Director Gulich – The Mayor asked me to inform Council tonight and the rest of the city that I intend to retire as of the end of August of this year. It has been great working with all you guys. The Mayor has worked hard to try to convince me otherwise, but a highly personal decision and after confiding with my family at length I think I'm making the best decision for myself. Thank you again.

Director Gulich received a standing ovation.

President Holzheimer Gail – We're not happy that you're leaving, we're thanking you for a job very well done.

Mayor Cervenik – I did do what I could to convince him otherwise, but he's earned the retirement and we will miss him very much. I'm going to count on him over the next few months to help us find, we're not going to find a replacement, but find a new person for that position. Your out pouring of support, he's been around 30 years. He knows every sewer, he knows everything underground in this city, let alone above ground. He's going to be missed, there's no doubt about it. We're going to be a little less fortunate without him here.

Director Gulich – In the meantime, over the next 90 days, there will be no slacking off, so don't hesitate to call me.

Mayor Cervenik – You're damn right there won't be.

#### REPORTS & COMMITTEE MINUTES

Councilman Gruber moved to accept the Housing & Building Standards Minutes of 4-22-09; Executive & Finance Committee Min. of 4-27-09; Board of Control Min. of 5-11-09 and 5-18-09. Councilwoman Minarik seconded. Yeas: Unanimous.

#### COMMITTEE OF THE WHOLE

President Holzheimer Gail – This is the Committee of the Whole for Legislative Matters Only. Anyone who would like to speak to anything that's on the Agenda this evening may do so now. Seeing none, we will move forward with the legislation and Item #1.

#### LEGISLATION

##### **Ord. (325-09) Rezoning Braeview-2<sup>nd</sup> Reading**

An ordinance to amend Section 1 of Ordinance No. 2812, as amended, and the map and map designations, which map and map designation, as amended, form a part of Ordinance No. 2812, as relates to and designates U-3 and CI use districts relative to said property. (Rezoning of Alliance Healthcare Braeview, Inc., 20611 Euclid Ave.)

Councilman Gruber moved for passage, Councilwoman Scarniench seconded.

President Holzheimer Gail – this is the second reading and I would like to announce that even though the 3<sup>rd</sup> reading is at our next council meeting, it is not 30 days from the initial first reading, so we will have to have a Special Council Meeting over the summer to hold that third reading and item #2, the third reading for that as well.

We would like to announce that we will hold the Special Meeting July 22. That is a Wednesday, a little different from typical, but Wednesday, July 22 seemed a date most people could make. That is the date the Public Hearing will be scheduled for at this point.

Second Reading.

**Ord. (334-09) Rezoning 250 E. 222 – To P&Z**

An ordinance to amend Section 1 of Ordinance No. 2812, as amended, and the map and map designations, which map and map designation, as amended, form a part of Ordinance No. 2812, as relates to and designates U-8 and U-4 use districts relative to said property. (Rezoning of Wendy's, 250 E. 222 St., P.P. No. 642-11-042)

Councilman O'Neill moved for passage, Councilwoman Minarik seconded.

President Holzheimer Gail – This is a rezoning so it does have be heard by Planning & Zoning. Director Pietravoia did you have any comments this evening?

Director Pietravoia – Yes, just to request that Council would refer to Planning & Zoning, they'll hear this at their June meeting. We had word in enough time to get it on their Agenda. Just want to explain briefly that one of the parcels involved, we've discussed in the past that Wendy's is planning to rebuild their restaurant on E. 222 St. One of the parcels historically had an office building on it, it is what it would be today the southern parking lot of Wendy's and it is still zoned U-8. So we're cleaning up the zoning as part of the project to make it all retail and we'll explain further after it comes back from Planning & Zoning.

President Holzheimer Gail – Similarly this will need three readings so that should be timed well enough to be heard on the July 22 Special Council meeting.

Councilman O'Neill – To Director Pietravoia, to clear up any questions, this will fall within the Downtown Overlay, correct?

Director Pietravoia – The parcel that's being rezoned is within the Overlay District and the project itself, the rebuilding of the Wendy's restaurant will have to comply with the Overlay Design district.

Councilman O'Neill moved Ord. (334-09) to the Planning & Zoning Commission. Councilman Langman seconded.

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho,  
Holzheimer Gail  
To P&Z Commission.

**Ord. 117-2009 (332a-09) HUD Homes Purchase**

An emergency ordinance authorizing the Mayor of the City of Euclid or his designee to enter into sales contracts for the purchase of homes from the U.S. Department of Housing and Urban Development (HUD) and other banks or similar institutions, at a price not to exceed \$35,000 per property, ~~and rehabilitate or dispose~~ for the purpose of the rehabilitation or disposal of the property under a disposition strategy developed by the City using funds from HUD's Neighborhood Stabilization Program. (Sponsored by Mayor Cervenik) (Recommended for passage as amended by Housing & Building Standards Committee)

Councilman Van Ho moved for passage, Councilman Langman seconded.

Director Pietravoia – This piece of legislation was heard at the Housing Committee last week. Had a thorough discussion there regarding this piece as well as Item #4, a related item. Just briefly to re-explain, this will allow us to go forward through a Board of Control process with the purchase of anything beyond the \$1 HUD program. Council previously had approved legislation giving us authority to purchase the \$1 HUD homes. HUD is now offering, depending on appraised value, homes for \$100 and \$200 and in addition to that, the reason for that not to exceed \$35,000 is if there's a bank-owned property that we need to move quickly on, we would have the ability to do that through the authority of this legislation.

We are setting in place a series of procedures in order to work both with Board of Control and with Council to make sure there is full disclosure on which homes we're selecting and the reasons were doing that. Foreclosure Committee is also involved in helping with this process. I'm not sure if I'm missing anything, Councilman Van Ho or those members that were here at the Housing Committee would like to add to that.

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Councilman Van Ho – I don't think the Director missed anything. I think we should pass this so that we give our people the maximum flexibility to buy these houses and hopefully improve the various neighborhoods as the Neighborhood Stabilization Program was designed to do.

Councilwoman Minarik – I wasn't able to attend the meeting or read the minutes yet, Director Pietravoia, the difference between this and the \$1 homes, this money when we rehab a home, this must be for low, mod, income? Whereas the \$1 homes, if we rehab those, they can sell at market price?

Director Pietravoia – I'll respond and then if either Marty Castelletti the Manager or Mr. Gliha who is here tonight, they might want to add a comment as well.

Any of these homes that we purchase, whether it is the \$1 HUD homes, the private bank-owned or those that are \$100 or \$200, if we're using the NSP funds for the acquisition, then those same income guidelines would kick in. It is the source of funds that we're using to actually purchase the property that causes that requirement to kick in. We are anticipating that we will be using those funds so all of these would have to come under those same income guidelines.

Councilwoman Minarik – For these rehabbed homes, in order for the low, moderate incomers to purchase them and for the neighborhoods to keep their property values, if I understand it from the previous meeting we had in January, we will assist with the down payment or we will mark up the home to meet the neighborhood values and then we assist the new homeowner if they need it with the down payment, is that correct?

Director Pietravoia – There is an aspect of the program that will provide down payment assistance. Mr. Castelletti or Mr. Gliha might want to comment on that. But I do want to caution, through HUD's rules, the price that we sell the home for can't exceed the amount of money that we've expended to purchase it and rehab it, including any carrying costs that we might incur. So your comment about setting the price, it will actually be established by a formula that HUD has provided. In essence in the simplest form to explain it is that it's the money we're actually spending and putting into the home will establish the sales price when it is completed.

Councilwoman Minarik – What if it is lower than the surrounding neighborhood price?

Director Pietravoia – By HUD rules and by HUD's laws, were obligated to sell it for that price, regardless of whether it is lower than the surrounding homes.

Councilwoman Minarik – We could actually be hurting the value of the neighborhood homes in some cases?

Director Pietravoia – I would anticipate that would never happen because we intend to rehab these homes to a point where they are, the finishes and materials we're using are actually probably going to be better than what were in the homes originally and would meet modern day standards and the types of amenities that people are looking for. Because of that, we'll be putting a substantial amount of money into the rehab which would bring it likely up to or maybe even a little bit above the surrounding home value.

Councilwoman Minarik – What happens if we can't find low, moderate incomers to qualify to purchase the homes? Are we then free to sell the home to anyone?

Director Pietravoia – I'll answer that in two ways. We're already getting inquiries on the program even before we've rehabbed a single home. We're starting to pre-qualify individuals or families through assistance from NHS. We're fairly confident we're going to have a good pool of interested buyers.

Second part of my answer is that we again by their regulations, we don't have a choice unless HUD changes their rules or makes an exception. We have to sell it to people who meet the income guidelines. You would have to take whatever amount of time it would take to sell to those individuals.

President Holzheimer Gail – If we could remind people what that income threshold is. It is not, in my opinion, terribly low.

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Director Pietravoia – For a family of three for example, it is \$67,000. For a family of four, it is \$74,500. These are reasonable incomes and we do expect that we'll have qualified individuals or families that meet those income guidelines.

President Holzheimer Gail – Just the other comment to keep in mind is that we're replacing an abandoned, vacant home with a truly rehabbed, brought up to, probably above market standards in many cases. As we get to the next piece of legislation, you'll hear that we're actually using an architect to look at can we create it to meet more of today's living styles and standards. I think that's a positive move. Through the NSP program, we are purchasing homes. This will actually save us in that cost and allow us to hopefully either purchase more homes or spend more money on the rehab of homes. We're not looking to do thousands of homes, certainly, we're slated through the NSP program to do?

Director Pietravoia – A total of 90 but that includes those that will be demolished. The rehab is?

Mr. Castelletti – We plan to do about 25 rehabs over the course of 4 years.

Director Pietravoia – As the Council President pointed out, with our ability to purchase the homes for \$1 or \$100 or \$200, it is going to expand our ability to do more, although we're still not going to get into the hundreds. We maybe able to do 50 rather than 25, by stretching our dollars through the purchase of the dollar program and \$100 and \$200 program.

Councilwoman Minarik – The \$64,000, seventy-whatever thousand, that's the most that they can make? Or is that the minimum standard required? A family of three making \$64,000 is that the maximum? Anyone who makes more than that would not qualify for the home. But anyone who makes less than that could qualify for the home. They just can't make more than \$65,000.

Director Pietravoia – That's correct.

Councilman O'Neill – It is my understanding, correct me if I'm wrong that part of the Neighborhood Stabilization program is to rehab these homes to the value or exceed the value of the surrounding homes. That's part of the stabilization program. As the Council President was saying, these are homes that are abandoned and in a lot of disrepair. We come in, we put an upgrade, electrical, kitchens, whatever, and it meets or exceeds what's happening in the neighborhood. Am I correct to assume that?

Director Pietravoia – Yes.

Councilman O'Neill – As far as financing, a person qualifies with their income and family size, let's say \$67,000. How do they get the financing for the house? They've got to get that on their own, how does that come about?

Mr. Castelletti – The plan is they have to go through a certain amount of counseling first of all before they can be qualified. Along with that counseling, they have to get their own financing through a bank or whatever financial institution they choose.

Councilman O'Neill – Once we rehab the home, it is really on the buyer to secure their own financing. We don't get involved in that portion of it?

Mr. Castelletti – That's correct.

Councilman Wojtila – Do we know how many HUD discount homes there maybe for sale now that maybe offered to the City?

Director Pietravoia – With the dollar program it is a matter of waiting the six months. If they don't sell in six months, then they'll offer them to us for \$1. The \$100 and \$200 program, I don't think we've actually tallied how many fit into that category at this point in time, it changes monthly, actually weekly, there are new lists put out by HUD. The risk we would take, rather than wait for them to get to the \$1 level, what we've found is happening is some of the investors are purchasing them, maybe for \$5,000 for example. At that point, when they are down to that value, we can buy them for \$100 rather than risk an investor buying them and maybe they're not going to put the same finishes and type of quality materials that we plan to put into the home.

Councilman Wojtila – Between this piece of legislation and the following piece if both approved, is there anything that's preventing us from moving forward with implementing the program? Are the funds available, can we start buying and either demo-ing or rehabbing?

Director Pietravoia – We are already purchasing. I think we've purchased a total of 15 \$1 homes to date. The rest of the process that will take a little bit of time is there's a review required by the State Historic Preservation office. They're telling us it will be about a 30 day period. The funds are loaded into their financial system. We have an ability to draw down funds now. It is just a matter of getting through all the processes that they're requiring. We expect to be starting, well underway during the summer months. That's another part of the reason we wanted to get this to Council before summer recess. We do have three homes identified that we've already purchased. Those will be the first three that we rehab, two on E. 195 St. and one in the F&S homes area.

Councilwoman Minarik – The 195 houses, those I thought were purchased with the \$1 HUD program?

Director Pietravoia – That's correct.

Councilwoman Minarik – Those two homes on 195<sup>th</sup> will be rehabbed, but they can only be sold to a family of three that makes \$64,000 or less, correct?

Director Pietravoia – Absolutely correct.

President Holzheimer Gail – That's just the limit for a family of three though. If you have a family of 4 or 5, it goes up. I just want to make sure people don't think it can only be a family of three.

Director Pietravoia – It can be any size family if they happen to have more children, up to a family of six, would be \$86,000. The dollar limit varies depending on the family size.

Councilwoman Minarik – I'm just though concerned that we're actually encouraging, it is like a Willo Arms situation. We're discouraging people with disposable income by using these funds, that's my concern. It is such a nice little street, 195, and I think the homes, I don't know what the neighborhood would think about something like that. I'm just concerned.

Director Pietravoia – Generally the comments we've received have been very supportive. People are enthusiastic for us to get started because they want to see these problem homes rehabbed and reoccupied. If we left those homes alone, they're only a couple of houses away from each other, they could take that whole street down. I think the way we have to look at it is we need to get these houses rehabbed as quickly as possible and reoccupied with a family or an individual that's going to take advantage of this program and put the house back into productive use.

The other thing to remember is that at the time of purchase, you have to qualify. HUD is trying to improve people's lives. As you qualify, get into the house, over the years you start bettering yourself, making more income, that's not going to preclude you from staying in the home. It is just at the initial purchase that you have to qualify for these income guidelines.

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

Councilwoman Scarniench moved to suspend the rules, Councilwoman Jones seconded. Yeas: Unanimous.

Roll Call: Yeas: Gruber, Scarniench, Jones, O'Neill, Wojtila, Langman, Van Ho, Holzheimer Gail  
Nays: Minarik

Passed.

**Ord. 118-2009 (335-09) Bids/BOC/HUD/NSP**

An emergency ordinance authorizing the Mayor of the City of Euclid or his designee to solicit for bids and enter into contracts through the Board of Control for the rehabilitation of properties purchased by the City of Euclid using funds obtained through the Department of Housing and Urban Development's Neighborhood Stabilization Program. (Sponsored by Mayor Cervenik)

Councilman Van Ho moved for passage, Councilman Langman seconded.

President Holzheimer Gail – This was discussed at the last Housing Committee, although it had not been formally introduced.

Director Pietravoia – This is a companion piece. We did bring it to the committee even though it hadn't been introduced yet so we could discuss them both at the same time. In essence this would give us authority to establish a process for approving the hiring of the contractors that will actually be doing the rehab work. We'll be establishing a pool of qualified contractors. To date we already have about a dozen that are qualified. Through this process, we'll bid each home and then the lowest bidder of those qualified contractors will be awarded the contract through Board of Control. We're trying to establish a process that can make the process efficient, but also have it still be transparent and a public process by going through Board of Control. In particular during the summer months, as you can imagine, this would allow things to move quicker when Council is not in session.

I've asked Mr. Castelletti or Mr. Gliha to comment on our intention to hire architects and describe a little bit about the process on how we plan to rehab the homes.

Mr. Castelletti – For the first three houses that we've chosen, we're going to use an architect to go in and initially try to do some redesign work and bring the houses up to the current market standards. We're also going to ask them to try to incorporate some type of green type of construction methods and just make them more marketable for today's living style. Once we do that, we'll bring in our spec writer, we'll do our lead paint testing to see if there's any lead paint hazards. The spec writer will write the specifications for the house based on the architect design work. The lead paint specifications, once he's done that, we'll put that all together into a bid package and send it off to all of our contractors that we have in a pool that we've asked for qualifications from and pick a winning bid for the contractor, do the rehab and then in the meantime, once we have those houses going we will also be hopefully having people doing their counseling getting qualified so that when the time comes, we'll have eligible buyers for the properties.

The two on 195 and the house on Oak Court, those are going to be our demonstration homes. We plan to use those as a model for what we want to see. We want to set the bar high and we want people to see what we expect when we do a rehab in the City of Euclid. We want to use these houses, basically as an open house for people to come in and see what can be done if people in Euclid want to rehab their house or make changes to their houses, they can see what's capable of taking place.

President Holzheimer Gail – I don't know if you talked about the maximum independent living for the house on Oak Court?

Mr. Castelletti – The house on Oak Court we plan to rehab for disabled. That property will be redesigned for maximum accessibility and visibility. Hopefully when we're done with that house, that house will be a good example of what can be done for handicapped and wheelchair bound people. It is a ranch-style house, it is very low to the ground, so it will be easy to access. That type of program is going to be really successful. The F&S homes area has a lot of those style ranches and going forward once we finish that one and the word gets out, we'll have a lot of interest in those types of properties. I think we'll probably have people very much interested in purchasing those houses.

Councilman O'Neill – I applaud Marty and the group there that are going to rehab these homes. Looking towards energy efficient homes, green energy and I'm sure there's a lot of different organizations out there that would love to get their product at a low cost or just get their name involved with rehabbing these pre-existing homes and bringing up to more of a green standard. I like the idea of the homes in the F&S area that are on the slab. I would like to reach out to some of the disabled Vets that are in our community and maybe help those folks out a little bit to try those folks that are in need the Veterans into some of those homes.

My last question is, to Director Frey, we will own these homes after we purchase them, is that correct?

Director Frey – Yes, the 15 homes that we've signed purchase agreements at some point, we will get the property deeds transferring those to the city.

Councilman O'Neill – Once we take possession of those homes, how does that impact our labor agreement with the unions? Being that they're going to be working on city buildings and we do have a labor agreement, how is that going to impact?

Director Frey – The Project Labor Agreement had a minimum dollar threshold. These won't come anyway near that dollar figure. I don't know the contractors that have qualified to do this work, whether they're union or non-union contractors, I'm not familiar with the list of those. Certainly we would encourage union contractors to bid on that renovation work.

Councilwoman Jones – Director Pietravoia, I just have a couple of questions. Out of the 15 homes that were already purchased and those that are designated for rehab and demolition, what's the time span that you're looking at or estimating from the time that we start the projects to the time that we're finishing. Are we hoping to get these completed this year?

Director Pietravoia – I would say that each property is going to take at least several months, but with multiple contractors eligible to bid, there could be a number of houses that are going simultaneously. We would like to complete the ones we've already purchased if possible by the end of this calendar year. We do have to be cautious while there is a great opportunity to buy these homes at a very low price, we have to be cautious on how many we're taking on because we will be responsible once they transfer to the city to keep them secured and at least the exterior maintained until they're rehabbed and resold.

Councilwoman Jones – My other question is, I'm sure we're going to encourage the contractors or whoever to use Euclid businesses to purchase their products where need be?

Director Pietravoia – We've had an offer and several meetings with Home Depot in particular. They run a program that guarantees, it is similar to the State program where you get a guaranty low government price. They run a similar program and have assured us they can get any products, even if they don't sell them in the store, if we're looking for a higher end product for example, they would be able to order and get those products for us. We expect that most of the materials, if not all at least for the initial homes will come through that government guaranteed program right here in Euclid.

President Holzheimer Gail – The other comment I wanted to make was and I think you have said this at the Housing Meeting, but Euclid is really ahead of the curve in many cases and has been looked to from other communities for guidance on how to set up their programs. I want to congratulate your department and Mr. Gliha, Mr. Castelletti, Director Pietravoia for all of your expertise and hard work. I think that's really telling when other communities are looking to us to help set up their programs. I think in terms of the planning and the submission of the grant, to how we're setting up the protocols, I know through the financial system Euclid has become the model and the trial for that. We appreciate all your hard work and that's another example of your professionalism and hard work, thank you for that.

Director Pietravoia – Thank you. It is very much appreciated. I will say that we're finding several weeks after we've taken a step, HUD is then offering guidance on how to undertake that step. There's a lot of pressure for us to get the program moving and yet unfortunately as we've found over the years the federal government in particular doesn't always move as quickly as we would like.

Mayor Cervenik – If I could ask Deputy Director Gliha just to go over the, I don't want the inference that was made that we're selling to extremely lower income people than can afford the house. In the areas we're talking about, what is the average household income?

Asst. Director Gliha – The census tract that the area that we're talking about is known as 1524. The latest census data shows that 80% of the residents that live in that census tract, their incomes fall under the 100% of the median income. As an example, Director Pietravoia was citing the upper end. The 100% of the median income for a family of three is \$55,890. So 80% of the residents currently living in that census tract make less than \$55,890.

In looking at this and Mayor and Jack, I hope you don't take this wrong, but probably 90% of city employees would fall well underneath the income limits that are set for this program. I think that's another way of putting it into a realistic term. The 100% and 120% are very substantial incomes for northeast Ohio. Mayor I hope that sort of clarifies and answers your question?

Mayor Cervenik – That does. I think some people fear that these homes are going to be sold to people that have already foreclosed on other properties. They will not be able to maintain these properties and that is really the farthest thing from the truth. Right now as the Council President said, these homes are vacant. These homes are a detriment to the neighborhood. These homes are

not producing any income tax to our community. I can just look at a lot of the young people I know, my daughter that's getting married and bought a home in Euclid and they're not at those income levels at this time, but they will be at some future time and they will be great contributing residents to this community. That's what this program is all about. Thank you for your comments on the department, I appreciate it.

President Holzheimer Gail – The other aspect when we look at whether the city having taking this role and being proactive in it is that the City is setting the bar for the level of rehab that we want in our community and it is guaranteed to be owner-occupied. Whereas if an investor buys it, we have control over the fact that they have to meet the housing inspection criteria but we have no control over whether then it is owner-occupied or rental or whether really the extent of the finishes, looking at new living styles, looking at green sustainable buildings. I think it is certainly a positive effort that will help in the long term.

Councilman Langman – Director Pietravoia, have you been able to find actually how many homes we'll be able to rehabilitate versus demolition? Do we have a ratio of how many rehab versus how many we may demolish?

Director Pietravoia – We commented earlier, the original estimate was that we would rehab approximately 24-25 and the remainder of that 90, so it would be about 64 or so would be demolition. That was our original plan that Council and the federal government approved. Because of the prices, we're able to get these properties for, we believe those numbers will increase for both rehab and demolition. It is really difficult to estimate how much they'll increase because we don't know how many homes we'll be able to purchase at the discounted prices.

Councilman Langman – For the homes that we actually rehabilitate, will a single contractor get all of them, or will there be a ratio divided among various contractors of let's say they get 4-5 or a dozen a piece, have we given thought to that?

Director Pietravoia – The system that we proposed is to take the qualified list of rehabbers, right now there's about 12 and that could grow. If we bid them in a group, they could bid on all of them and if they happen to be the best and lowest bidder on each home, they could potentially, say for these first three, a single contractor could get all three. But we'll bid them separately to all the qualified rehabbers, so we could end up with three separate contractors or we could end up with one that's giving the best and lowest price for all three.

Councilman Langman – I would like to see obviously the best contractor in each home. And at the same time, I would like to see Euclid businesses or minority businesses, female owned businesses get some of this work. I'm sure HUD has all kinds of guidelines so that we can ensure that process. Can you speak to that?

Director Pietravoia – The process that I've described is actually one that, I'll ask Marty to respond because I'm not sure that HUD has actually approved our process yet. But it is one that encourages in fact our list of the qualified rehabbers already a number of them are from Euclid and I believe at least 1-2 are minority and possibly even female owned. As to whether or not HUD has specifically reviewed and approved the process yet, I'd have to ask Marty and Bob to comment on that.

Mr. Castelletti – HUD has encouraged us to, as you said encourage hiring minority and also female owned businesses and we have a couple of minority and I believe one female owned business right now. We plan to, once we have our process completely down and in place, I believe HUD will be final approval of whatever we decide.

Councilman Langman – Can the Council be updated as to which firms are getting which properties to rehab? Can we have that information as the process goes along?

Mr. Castelletti – Absolutely.

Director Pietravoia – We're going to be notifying council at the front end when we're purchasing a home that's in your ward, so you'll know that the process has started on a property in your ward. Then, as I mentioned earlier, each item will come to Board of Control for approval. I believe all of Council gets the minutes, as well as the agendas for the Board of Control. You'll be aware through that process as well.

Councilman Van Ho asked as Chair of the Housing Committee that we provide regular updates to Council on the entire program, not just this specific rehab aspect. So we plan to do that every two-three weeks, sending a written update to members of Council as well as the Mayor to keep everybody up-to-date on the program.

Councilman Van Ho – One of the things I'd like to see us do to go along with what Councilman Langman was saying about women and minority businesses, can we advertise for qualified contractors in the Sun, the Plain Dealer and the Call & Post, which should cut across the lines and get everyone in?

Director Pietravoia – I don't believe we advertise that extensively in the first round for the 12 or so that we have, but as we pursue expanding that list, we can make sure that we're advertising in all of those publications.

Councilman Van Ho – I think this piece of legislation is great because we'll once again give the administration the flexibility to be out front on doing this and basically creating our own destiny as far as we can with the money that they've given us.

Councilman Wojtila – On the contracts when we're rehabbing, we're going to enter into the contract with the rehabber or the contractor, so the City of Euclid will?

Director Pietravoia – We'll have a separate agreement with each rehabber. It will become a standard form that we use for all projects, but there will be a separate one for each.

Councilman Wojtila – Just two comments on the contract itself. I would encourage strict time limits because the neighbors that live around these properties have suffered long enough, we don't want them to suffer any longer through the reconstruction of those homes. Tight limits on timing would be important. I know Councilwoman Scarniench brought up bonding. At the Housing Committee meeting I initially didn't like that idea but the more thought about it, the more I thought it might be a good insurance policy, especially when the costs are going to be rolled into the house and \$700-\$1,000 on a house might be a good insurance policy to make sure it gets done and done well and then it would be in the cost of the house. We might be where we're selling these a lot lower than surrounding people are trying to sell their private homes, so this would add some money to that cost, not that we're looking to drive up the cost, but we want to be consistent with what the private sector is selling concurrently.

Director Pietravoia – We will ensure that the sample contract that we use for the program will incorporate those. We're working with Director Frey to look at the bonding issue and we can certainly put timeframes within the contract.

President Holzheimer Gail – The only thing I was going to add, it goes along with Councilman Wojtila's first point of being considerate to the neighbors is just a clause of being considerate to the neighbors and adhering to our rules regarding building and time and things like that.

Director Pietravoia – A good neighbor clause, we'll add that as well.

Councilwoman Minarik – This one I don't have a problem with. I would like to make a comment about the median income. It is not the low, moderate that bothers me so much as it is the denial to the entire segment of population to purchase homes in these areas. That's what's bothers me more that it is just as exclusive as if you said only people making \$150,000 or more can move into a street, that's what bothers me. Thank you.

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

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

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho, Holzheimer Gail.

**Res. 119-2009 (333-09) CDBG Amendment**

A resolution approving a “second substantial amendment” to the FY 2008 Annual Action Plan for the CDBG-R supplemental funding authorized by Title III of the Housing and Economic Recovery Act of 2008 for funding of CDBG activities that preserve and create jobs and can be implemented within 120 days from the date the funds are made available and authorizing the Mayor to submit said amendment to the Department of Housing and Urban Development. (Sponsored by Mayor Cervenik by request of CS&ED Director)

Councilwoman Minarik moved for passage, Councilwoman Scarniench seconded.

Director Pietravoia – Just as we pass an annual plan for Block Grant, all the additional funding now that is going to be coming through as a result of the Stimulus Package requires us to make an amendment to that plan. That’s the simple explanation. We could end it there but I know you probably want to hear more from Asst. Director Gliha, so I’ll turn it over to Bob.

Asst. Director Gliha – I’ll try to briefly summarize where this program stands. As with the NSP program, this is an amendment to our fiscal 2008 program. The Chair did send an e-mail requesting clarification between what program are we actually in now and when was the 2008. The City of Euclid runs on a calendar year for our federal grant. Most cities run on a July 1 year. So our FY 2008 was actually the calendar year 2008. We presently are also operating under a current FY 2009 Annual Action Plan. Due to the fact that these funds were passed before most cities had their FY 2009 Annual Action Plan even started, Congress and HUD determined it would be an amendment to the 2008 Action Plan.

With that, similar to the NSP there were new pages of regulations. This one was not as bad. I think the NSP had about 60 new pages, we only had 20 with the CDBG-R provisions. HUD was kind enough to actually break it down into six power point slides and I’ll just quickly review that.

The first one is entitled Recovery Act Special Provisions. Prioritize activities that can be under contract with 120 days of receipt of funds. Use funds to maximize job creation and economic benefit. No recovery funds and they felt compelled to put this in, no recovery act funds for aquariums, casinos, gambling establishments, golf courses, swimming pools, zoos, etc. I’m not exactly sure why, but they felt compelled to include that.

The next slide is Responsible Use. Activity should address the recovery act by preserving and creating jobs and promoting economic recovery. Assisting those most impacted by the Recession and providing investment needed to increase economic efficiency.

Project Activity Elements. Keys, number of jobs created or retained. Job categories, performance measures, full time equivalents. Examples of projects, infrastructure projects and projects which leverage additional dollars.

Action Plan content. Specific activities proposed which if you reviewed the Action Plan, we are proposing to fund additional monies towards storefront renovation and additional monies towards muni-beautification. Prioritization of quick start projects, project activities that will maximize job creation. Of course the number of jobs estimated to be created or retained must be in the plan. The application process as I stated earlier is a substantial amendment to the 2008 Action Plan. Citizen participation was a 7 day comment period. We were required to post the proposed amendment on our web page which we have for three weeks now and we did run a legal notice in the Sun Journal. The comment period I believe ends tomorrow.

There is special tracking with this program. It is a separate supplemental appropriation, separate contract language and different grant number. It will be treated as a stand alone grant, separate from regular annual CDBG funds. The reporting and funds draw down will be using the IDIS system but in a separate way. The IDIS system is an on-line system which stands for Integrated Disbursement and Information System. That’s how we do our monthly reporting to HUD and do our monthly draw downs.

That is the summary of what HUD is expecting from us. In the memo and if you saw the proposed amendment on the web, we are proposing to fund the existing storefront renovation program, \$240,000 and use the remaining \$41,400 towards muni beaut which would be specifically going to a piece of legislation that hopefully will be past in a little bit for the three corners of the E. 222 Street and Babbitt Rd. intersection. If this Council remembers when the administration presented the Lake Shore Plaza storefront renovation project to you for your approval, we had just received notice on the CDBG-R funds and some of the preliminary qualifications. We did mention that this would be an ideal use for these funds, thus fulfilling some of HUD’s requirements of 120 enactment, creation of jobs, especially creation of jobs that benefit low and moderate income citizens and retail jobs are traditionally known to benefit low and moderate income citizens.

Plus these shopping centers also provide certain necessary services through groceries, drug stores and such to our citizens.

We feel that these will be two great uses of these funds that will meet the HUD requirements that will only allow us to implement the projects quickly, retain and create jobs and also benefit our citizens. This amended application is due to HUD by June 5<sup>th</sup>, no exceptions. With Council's approval of this legislation tonight and the seven day comment period which actually was last Friday, we intend to put the package together and have it sent overnight to Columbus HUD tomorrow. If there are any questions, I'd be glad to answer them.

Councilman Langman – To Mr. Gliha or Director Pietravoia, the Lake Shore Plaza project, that was changed and scaled back a little bit due to funding and the economy and so forth. Can these dollars be used to restore what was originally proposed and do that? Or, how are these dollars going to be marshaled for that project?

Director Pietravoia – The complicated financing that goes into that project is really what's driving the total dollar amount. If we were to try to supplement using these funds, we would be upwards of a 40% investment which is extremely high, much higher than we've ever done on a storefront project. So what's more likely, we'll use these funds, rather than our normal storefront funds to get them spent quickly for the hard cost on that particular project and meet all of the requirements for the stimulus money. If not that, we are also working with, in fact we're meeting tomorrow with the architect for the Carter's. They're looking again very seriously at doing the entire center. Whichever comes out of the box first, we would use these funds for and we would have that flexibility to waive that plan amendment as written, as long as it goes for storefront, it doesn't specify which project.

Councilman Langman – Speaking of the other retail strip, Director Pietravoia and Mr. Gliha, you know that left over from the Ward 2 days when I represented that area, there are several issues with that strip that are still outstanding from other projects that we've helped with over there. How do we intend to get those resolved to fit this timeline?

Director Pietravoia – This is a very big incentive, a major incentive that we would be offering for that project as well. We would have to enter into an agreement and that would need to be authorized by Council. We would make sure as part of the negotiations that any remaining, outstanding items from the last project are completed and everything is in order before we brought this to Council for your approval.

Councilman Langman – In the proposed expenditure for this project, are there architectural fees involved and design fees, etc.? Or will Mr. Carter use the plans that we saw 4-5 years ago as the basis for moving forward?

Director Pietravoia – They are in fact reconsidering the design for the project. Their architect is doing a fresh set of plans and ideas for the center. There is an allowance, although it is fairly modest, I believe it is \$1500 toward architectural fees. This being probably close to a million dollar project again, so the fees for an architect will be much higher than \$1,500. That aspect will not likely be funded through this program.

Councilman Langman – Just to reiterate, we will see anything for Carter's property come before City Council again?

Director Pietravoia – Anything that exceeds \$25,000 in the Storefront Program comes to City Council. Because we expect this will be in the \$150,000-\$200,000 range, it would definitely be coming to Council for authorization.

Councilman Langman – When do you think that might be?

Director Pietravoia – July 22. That's the goal that I'm shooting for. I don't think we'll be ready for June 15, but we'd like to come to the Special Meeting if possible.

Councilman Langman – Sounds like we'll be busy that day.

Councilman O'Neill – To Director Pietravoia, on the Carter property, the scope of that renovation, will that exceed 25% of the building of the whole, the mall area there? What I'm getting at is, is he going to have to comply with the Downtown Overlay?

Director Pietravoia – Yes, you’re correct. The benchmark was if you’re doing a major rehab, over a certain percentage you do have to comply with the new design guidelines. This would be 100% of the center, so it would definitely qualify and have to comply with the new design guidelines.

Councilwoman Jones – Director Pietravoia, there’s one statement in here that kind of gives me an uneasy feeling, just because of the wording. It is in the third paragraph and the last of the sentence says, “identifies projects and activities that can preserve and create jobs within the Downtown Euclid.” Do we have to actually specify that the Downtown Euclid? I’m just wondering, if for some reason, not saying it is going to happen, the other legislation doesn’t go through or something may happen, we’ve already designated this to be Downtown Euclid. What if something happens then and that project is delayed or not done at all, now we’ve already earmarked these funds for downtown. Can we take that wording out?

Asst. Director Gliha – HUD is requiring us to try to be as specific as we possibly can for the initial amendment. In your scenario, let’s say neither one of these projects would come through, we would go back to HUD with an amendment and hopefully have another project in whatever part of the city targeted to use these funds. The key to use these funds is that they’d be put into action within 120 days after they are made available to us. In this case we have two specific projects that one will be creating jobs, preserving jobs, that we knew are ready to go within the 120 day period. That’s why we targeted these two particular possible storefronts.

On the same hand, you have to remember this is additional money above and beyond what our regular entitlement dollar amount is. As you recall, we did set aside additional funds from our regular entitlement towards the storefront renovation program. So we’ll have those funds that can be used anywhere else throughout the city. If it wasn’t for these supplemental funds, the Lake Shore Plaza renovation which Council already approved, would have been utilizing those funds that we set aside. The Carter project coming forth, let’s say it came forth before any other storefront project in the city came forth, would be utilizing whatever additional funds we may have left from our regular block grant.

Now you can look to this as a bonus. We’ll be able to use these funds to cover the Lake Shore Plaza and/or Carter and thus have the additional regular funds to use throughout the city. Once again if by some chance neither one of these projects would go forward, we would immediately look for some new projects and go for an amendment with HUD and we’d have to do it rather quickly of course because of the implementation schedule for these funds.

Councilwoman Jones – When is our 120 days up?

Asst. Director Gliha – The 120 days will be up from the time that we actually receive authority to use the funds. As I said the actual amendments are due in HUD’s office June 5<sup>th</sup>. I believe they have a 30 day maximum turn around period. This is not as complicated as the NSP program, which was a whole brand new program and was being totally created. We would expect notification and approval by HUD within that 30 days. Contracts would come to the Mayor, we execute and the funds would be available, maximum 60 days from June 5<sup>th</sup>.

Councilwoman Jones – If something did happen, we would have to go to HUD for the amendment plus amend this legislation which designates the area?

Asst. Director Gliha – Correct.

Councilwoman Minarik – Director Gliha or Director Pietravoia, I thought that the \$200,000 was to guaranty a loan from the County for the Lake Shore plaza. That’s what we voted on and we were told that this additional money that was coming in for Block Grant, that we could now guaranty the Lake Shore Plaza’s loan with the county because they needed somebody to back them up, isn’t that true?

Director Pietravoia – We’re not actually setting aside any dollars, we’ve just agreed to back the loan by that dollar amount of \$200,000.

Councilwoman Minarik – If we spend this money and since all we have that they’re going to complete the project is that he gave us his word, what happens if they don’t complete the project and we have to pay, I think you said up to \$180,000 of that loan. Where would we get those funds from if we’ve already committed all this money?

Director Pietravoia – The Block Grant dollars were never intended to be the source of funds that would back the County program. I believe the agreement was for non-tax revenues would be the source of funds that would back that loan. At that time when we discussed that, if it came to that point, which we don't anticipate, there is some risk but we didn't feel it was a large risk in backing that loan.

Councilwoman Minarik – Okay so this additional money is not being used to guaranty the loan.

Director Pietravoia – No.

Councilwoman Minarik – That money will come from what fund?

Director Pietravoia – The city's non-tax revenues.

Councilman Wojtila – If I remember correctly, I voted no on the Lake Shore plaza block grant agreement I think is probably the best thing to call it. It sounds like you're going to be coming before us or possibly coming before us with additional monies that we're going to be contributing to that project?

Director Pietravoia – No. What Mr. Gliha was explaining is that these funds are interchangeable and if that project goes forward right away, we can use the recovery funds rather than our normal annual funds. It would free up the annual funds to be spent either for Carter's project or anywhere else in the community that we're doing a storefront project.

Councilman Wojtila – So the agreement that was executed for that Lake Shore Plaza, that's?

Director Pietravoia – That still stands and regardless of whether it is recovery funds or annual block grant, it is still the Block Grant funding the program.

President Holzheimer Gail – The Resolution before us is just approving the amendment to the Block Grant Action Plan so that we can actually apply and accept the additional funds.

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

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho, Holzheimer Gail.

Passed.

**Ord. 120-2009 (336-09) GCRTA Waiting Area/Bliss**

An emergency ordinance authorizing the Director of Public Service of the City of Euclid to solicit bids and to enter into contract(s) to construct streetscape/public improvements at the intersection of Lake Shore Boulevard, Babbitt Road, and Bliss Lane, to include improvements to the Greater Cleveland Regional Transit Authority (GCRTA) Transit Waiting Environment at the northeast corner of the intersection, so long as the contract does not exceed 110% of the engineer's estimate. (Sponsored by Mayor Cervenik and Entire Council by request of CS&ED Director)

Councilman O'Neill moved for passage, Councilman Langman seconded.

Director Gulich – I think everyone is real familiar with what we want to do here. This is a project we've talked about, it is time to get action here. Over the last couple of weeks, we've secured through Board of Control measures our architect and engineer for services. They'll give us the plans and specifications we'll need to solicit these bids. We've asked for an emergency ordinance so that we can move faster on this and not wait the 30 days. I would like to thank Mr. Pietravoia's office for his help with this, it is kind of a team effort. They've been able to secure a \$25,000 transit waiting environment grant. Council has approved \$100,000 in the Capital budget for 2009. The remaining funds come from Block Grant Development money from the Municipal Beautification Fund, the Bennington Hamlet TIF and the CMP Properties TIF. I think Mr. Pietravoia may have some additional comments and indeed the Mayor as well.

Director Pietravoia – Just may need to make a minor amendment I was just discussing with the Law Director. The transit waiting environment grant of \$25,000 from RTA was not specifically listed in Section 3. When we award this, those funds would be available toward the total cost of the project. I think we need to add that. We're just discussing if when we receive the funds it will come out of

the other grant funds or which fund to reference in the legislation. Thank you Director Johnson. He is confirming it is the Other Grants Fund. We would need to amend Section 3 to include that.

President Holzheimer Gail – We would need a motion to amend Section 3 to include Other Grant Funds.

Councilman Wojtila moved to amend as stated, Councilman Langman seconded.

Councilman Wojtila – Do we need to include the capital budget as well then?

Director Pietravoia – The Bennington Hamlet and CMP Property TIF funds were the source of funds identified in the capital budget, \$50,000 each toward the project.

Roll Call on the Amendment:

Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Holzheimer Gail

Abstain: Van Ho.

Amendment passes.

Director Pietravoia – At this point with the contracts that Director Gulich mentioned to have the final designs prepared for the bid package, we've estimated a total of \$266,000 available toward the project. That's the \$25,000 from the Grant from RTA; \$100,000 in the Capital Budget the two TIF's; \$100,000 set aside from the Annual Block Grant Program and the Muni Beautification Category. Then the piece that we just approved, \$41,000 from the Stimulus Block Grant funds, for a total of \$266,000. We also had, it will likely be contracted separately because it is a specialty item, \$10,000 contributed toward the cost of an electronic changeable copy sign that's part of the northeast quadrant of the intersection. We actually have a total of \$276,000 available. We're not including the \$10,000 because that's likely to be a separate contract.

Councilman Wojtila – Director Pietravoia, when you ran through the funding for that, you mentioned \$100,000 from?

Director Pietravoia - \$100,000 from the two TIF's combined in the capital budget. The other \$100,000 is set aside in the Municipal Beautification Block Grant program of \$100,000.

President Holzheimer Gail – The annual allocation rather than the \$41,000 is from the recovery fund.

Councilman Wojtila – We had legislation last year on this project that we approved \$100,000.

Director Pietravoia – This actually will replace that legislation. I suppose we could have done an amendment but we thought that it had changed substantially enough that we introduced a whole new ordinance. So the original ordinance, at that time we only had a total of \$100,000 available and we anticipated that we could keep the project cost within that \$100,000. We've since had enough design work and engineering estimates done to know that we're going to be at least in this dollar range that we've tallied up tonight.

Councilman Wojtila – Do we need to repeal that ordinance?

Director Johnson – If I could clarify it was presented in the capital budget for last year. But the project hadn't gone forward at that point, so we re-appropriated it and it is presented again in the 2009 capital budget. The only thing that we would probably need to amend is the Other Grants Fund for the \$25,000 RTA grant.

President Holzheimer Gail – Amend the capital budget?

Director Johnson – Right, we'd have to do an appropriation amendment for the \$25,000 in the Other Grants fund, but everything else is already appropriated.

Director Frey – To Councilman Wojtila's question. We certainly could repeal Ordinance 149-2008, because we have not expended those funds, we indicated it was from the 2008 Capital Budget which is passed. So it really is kind of a nullity on itself, but if it is cleaner, we can certainly repeal that as a separate piece of legislation and I can have that on the Agenda for the 15<sup>th</sup>.

Councilman Wojtila – If it is not necessary, then I don't.

Director Frey – I don't believe it is necessary because that budget year has ended.

President Holzheimer Gail – The budget year is over so we could not spend it right now anyway.

Councilwoman Jones – Director Pietravoia can you explain to me what does this whole project include? I'm sure it's got to be more than just the transit waiting station.

Director Pietravoia – This would be the full upgrade of the other three corners of the intersection at Lake Shore, Bliss, 222 and Babbitt. The CVS corner was completed as part of that project. It would be the installation of the decorative brick pavers, trees, lighting, the signage that was indicated before, the RTA's shelter itself and any amenities associated with the shelter. That's all on the northeast corner. On the southeast corner, we would match the level of improvements with the decorative brick paving, the low brick wall that you see at the CVS corner. The only corner that we're very limited is the Moss Point corner on the southwest, because the building comes practically right up to the sidewalk. There's limited room there to do any improvements other than the decorative brick pavers, maybe some new waste receptacles and other small items like that. But the majority of the funds will be on the north side of the street and on the southeast corner.

Councilwoman Jones – The last legislation that we just talked about with the block grant funds included that property on the corner, where the Dunkin Donuts is?

Director Pietravoia – The total dollar amount that I mentioned of \$266,000 includes \$41,000 from the Stimulus Funds that was approved in the last piece of legislation.

President Holzheimer Gail – I've had a conversation with Mayor Cervenik and Councilman Gruber, this is a little bit off the subject but pertains. On Euclid Ave., we're going to have a new Walgreen's, Braeview is doing a substantial renovation and I think we all agreed that we should take the opportunity to do improvements along this nature to that corner on Euclid Ave., start there and as we can, continue on. For those of you who I know were going to ask that next, we have thought ahead.

Mayor Cervenik – As you know the Dille Rd. project some Stimulus money has been allocated to that project. It was higher, now it is lower, but we're going to make it back to the original amount. Then that will free up some funding so that we can do something nice, as you're coming down from Highland Road going down Dille Road. We have every intention of doing that, once we figure out the Stimulus money, it will look very nice.

We do have the Walgreen's coming in, Braeview is going to do a great job, there's also a couple other things in the works, a little bit farther down on Euclid Ave. So Euclid Ave. maybe seeing a rebirth very quickly. Then as Council President and I talked about, we're going to need Ward 1, 2 & 3 council people to sit down and brainstorm a little bit and possibly put together a planning team to do some nice things up there to compliment the private investment that is coming in and we will do that.

President Holzheimer Gail – Off subject, but I thought it was important to note at this point.

Councilwoman Jones – I guess you were reading my mind because that was going to be my nice comment is that we just talked about a lot of money going towards downtown and I understand the projects and everything, but you talk about the dollar amounts and you look at Euclid Ave., and I know there's projects going on the south side. But when you look at this total dollar amount, it is just a little overwhelming at times to think about that much. But thank you for the comment and thank you for reading my mind.

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

Councilman O'Neill moved to suspend the rules, Councilman Wojtila seconded. Yeas: Unanimous.

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Langman, Van Ho, Holzheimer Gail  
Nays: Wojtila

Passed.

**Res. 121-2009 (337-09) Tax Incentive Review**

A resolution acknowledging and accepting the minutes and findings of the City of Euclid's Tax Incentive Review Council (TIRC) as they pertain to their review of the fiscal year 2008 Enterprise Zone Agreements at the meeting of the Council held on March 25, 2009. (Sponsored by Council President Holzheimer Gail)

Councilman Gruber moved for passage, Councilman O'Neill seconded.

Director Pietravoia – I'm going to defer to Asst. Director Gliha, he's the manager of the Enterprise Zone Agreement process and runs this process every year. I'm going to have him report on the Tax Incentive Review Council and the positive findings again this year from that Council.

Asst. Director Gliha – I'll summarize the procedure that we're required to go through each year. I think most of you are aware and have passed legislation approving prior year minutes from the Tax Incentive Review Committee. We are required to annually report to the State the status conditions of all active Enterprise Zone Agreements. Currently during 2008 there were 11 active agreements to be reviewed. The State provides us with a standardized report form that we send out to each of the companies that have an enterprise zone agreement with the city and we collect certain information that is matched against their agreements as far as the investment and job creation that was contained in their agreements. The report will be collecting information on the amount of personal property investment, real property investment, number of jobs retained, number of jobs created.

After that information is returned to our offices, we compile a report and then we send that information off to our Tax Incentive Review Council and schedule a meeting for review of the 11 agreements. At this time I would just like to thank the members of the Tax Incentive Review Council. From the Cuyahoga county Auditors Office, our Chairman Mr. Joseph Matula, Mr. John Mocny is our vice-chairman, Members: Ms. Dorothy Gamiere, Jim Sonnhalter, Director Pietravoia. Representing the Law Dept., Director Frey. From the Euclid Public Schools Kent Smith, Dr. Jones, Treasurer Steven Vasek and from City Council, our Council President Holzheimer Gail.

In conjunction with these reports we present our findings to the Tax Incentive Review Council for their review. We review each agreement separately. As was stated in the introduction of the legislation that meeting was held on March 25<sup>th</sup>. What this Council then does off of the report is reviews the benchmarks that the companies agreed to meet related to the job retention, creation and property investments as contained in their agreements. Once again this is required by State law that we monitor this and report back both to the County and the State with our findings.

After reviewing the eleven active agreements, the Council found that 10 of the 11 companies reached their benchmarks and were found to be in compliance with the program requirements and the terms of their agreement. However, one company, The Royal Appliance Company, which closed its facility in December 2008 with one year remaining on their agreement of course was found not to be in compliance by the Council and the Council has recommended which will be in the next ordinance, temporary ordinance (338-09), that this City Council terminates said agreement.

In summary, of the ten companies that were found in compliance, these are the two important things that we really look at is that the combined retained payroll was over one hundred million dollars per year, which equates to affecting 1,688 employees. Most importantly the new payroll was over \$22 million, representing 389 new jobs created during 2008.

At this point, this Resolution is in front of you because the State law requires that the findings of the Tax Incentive Review Council be reviewed and accepted by City Council and then officially submitted to the County and State for their record. We respectfully request passage of this resolution so we can fill that duty. Thank you.

Councilman O'Neill – Just a quick question to Mr. Gliha. Are there any other businesses other than the 11 that we had the agreement on, are there any outstanding businesses that did not comply with this agreement that we do have to chase down that owe us some back money?

Asst. Director Gliha – No, we had 11 active agreements in 2008. Only Royal of that eleven was in non-compliance. There are no other agreements, the other 10 were in compliance.

Councilman O'Neill – No other businesses prior to the ten, no other businesses in the city that failed?

Asst. Director Gliha – That expired?

Councilman O'Neill – Filed with the city and didn't comply?

Asst. Director Gliha – Actually Royal is the first business that will actually be voting to terminate the agreement. Royal also has a claw-back provision in their agreement, and the Law Dept. has been following the pursuit of collecting the taxes that were abated during the first four years of the agreement. The answer would be no, this will be the first in this situation.

Councilwoman Scarniench – Didn't Rockwell default on us too, at some point?

Asst. Director Gliha – Rockwell's agreement expired two years previously to their closing.

Councilman Langman – Director Pietravoia, Mr. Gliha, how much is owed to us by Royal?

Director Pietravoia – The full amount that was paid to them, that they received, foregone taxes was about \$59,000.

Councilman Langman – Law Director Frey, how do we go about attempting to recoup that money?

Director Frey – We've sent a demand letter. We have not received a response. We will follow that up with I presume with a copy of the Resolution (338-09), and we will pursue our recourse in Court if we don't get a prompt response for the payment.

Councilman Langman – What is the likelihood of us recouping this money?

Director Frey – They're a local concern. They're headquartered I believe in Oakwood. So they're subject to process as would happen in any law suit, we will pursue that.

Councilman Langman – Given the fact that we knew that Royal was going to close down, was there any way to speed up this process so we could have considered these steps sooner in the year?

Asst. Director Gliha – Yes, Royal or TTI did notify us sometime very late fall that they intended to close the plant at the end of 2008 production year, but they were still technically in operation and still had a substantial amount of jobs through three-quarters or more of the year, almost through mid-December. In notifying or starting the procedure early we would have been probably not within the terms of the contract. Plus secondly, we need the Tax Incentive Review Council to be able to review the performance for the 2008 year, which meant waiting until the 2008 year had completed and were able to collect the data.

Thirdly, this is good news, it actually worked to the city's benefit because in the agreement there is a Section 12 claw-back clause which is a city implemented clause that is on a scale-down basis. In Section 13, which is the effective section we're able to use, is a State clause that basically, I'll paraphrase says that over any given three year period, if the company does not create or retain 75% of the jobs that it is stated in the agreement that it would, then all back taxes are due. We are in effect using, because we did wait and 2008 was an important because that put them in a period to where over 3 years they were not at the 75% level, now we're able to collect, or go after anyway, 100% of the back taxes.

Councilwoman Jones – Director Pietravoia on page #3, Item D, Marine Mechanical on line B, where it says the company has retained its 245 employees. Then the next line says, as of December 31<sup>st</sup>, retention was 233. Is that just a typo? Is it 245 or 233?

Asst. Director Gliha – That is a typo, it should have read, the company was to retain 245 employees and \$13,600,000 in payroll. We were reporting that as of December 31, 2008, the retention level was at 233, 12 less than projected with a payroll of \$12,933,000. We then further went on to report that they did create three new positions. This tax abatement is only in its third year, so they have seven years remaining and it was felt by the committee that they were close enough to within their projections at this point in time that they would consider to be still in compliance. Whereas in Royal's case of course, they completely closed so there was no question to that.

We have been informed just recently and I think the Director can correct me if I'm wrong, Marine Mechanical Babcock Wilcox, I believe has just received a new government contract and they're hiring projected numbers will exceed what they originally had projected in their Enterprise Zone Application.

Director Pietravoia – They did company-wide, they are a worldwide company, they received \$1 billion contract with the federal government and that will translate into jobs in Ohio, both here and in Barberton. In fact since January 1, they've hired either 19 or 20 additional employees already hired and in the payroll. They're at their benchmark and actually are exceeding it by about 10 jobs.

Councilman Gruber moved to close debate, Councilman O'Neill seconded. Yeas: Unanimous.

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho,  
Holzheimer Gail

Passed.

**Ord. 122-2009 (338-09) Terminate Royal**

An emergency ordinance terminating the Enterprise Zone Agreement entered into on February 17, 2005 by and between the City of Euclid and Royal Appliance Mfg. Co. (hereafter "Royal") for non-compliance with the terms of said Agreement. (Sponsored by Council President Holzheimer Gail)

Councilwoman Scarniench moved for passage, Councilwoman Minarik seconded.

Director Pietravoia – We pretty well covered this in the previous discussion. This is the recommendation from the Tax Incentive Review Council for our city council to terminate the agreement since they're not complying. They've closed the facility and left the community. This will also as Director Frey indicated give us an additional tool to notify the company again about the need for them to pay us back the \$59,000 in taxes forgiven.

Councilman Wojtila – I wouldn't imagine adding anything in this ordinance to that affect would help our cause?

Director Frey – The intention is to send certified copy of this ordinance along with a draft copy of the complaint. If that isn't sufficient to get the attention, then we'll file the complaint.

Councilman Wojtila moved to close debate, Councilman O'Neill seconded. Yeas: Unanimous.

Councilman O'Neill moved to suspend the rules, Councilwoman Minarik seconded. Yeas: Unanimous.

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho,  
Holzheimer Gail

Passed.

**Ord. 123-2009 (339-09) Truck Streets Dept.**

An ordinance authorizing the Director of Public Service of the City of Euclid to enter into a contract with Henderson Truck Equipment Ohio, LLC, P. O. Box 7800, Milwaukee, Wisconsin 53278, for the outfitting of a spreader plow truck for the Streets Department in the amount of Fifty Seven Thousand One Hundred Seventy Five Dollars (\$57,175.00), through the State of Ohio Cooperative Purchasing Program. (Sponsored by Councilman Wojtila by request of Service Director)

Councilman Wojtila moved for passage, Councilman Gruber seconded.

Director Gulich – This truck outfitting is part of the 2009 capital budget. I would like to thank Supt. Spisak for the effort he put into this, we've got three quotes, this is the lowest of the three quotes. I'm pleased to report also that virtually the same price as non-stainless steel, we're able to outfit this truck with a stainless steel dump body and spreader. That doesn't mean it's maintenance free, but we will get a lot more life out of it and again a few years ago this wasn't possible, but the prices of stainless have come down that it is foolish not to get the stainless. Look forward to getting that truck outfitted later this summer and it will be ready to roll when the weather gets colder.

President Holzheimer Gail – Thank you Director Gulich and you should have had the quotes for the item on your desk as well as sent to you via e-mail today. Any additional questions?

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

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Councilman Wojtila moved to suspend the rules, Councilman Van Ho seconded. Yeas: Unanimous.

Roll Call: Yeas: Gruber, Scarniench, Jones, Minarik, O'Neill, Wojtila, Langman, Van Ho, Holzheimer Gail

Passed.

President Holzheimer Gail – That complete our agenda, legislation. This is the time for the Committee of the Whole, public portion.

COMMITTEE OF THE WHOLE

Ms. Wendy Oliver – 25801 Lake Shore Blvd. I teach at the Shore Cultural Centre, I've been there for seven years. This weekend I went in for end of year usual stuff and was shocked at how empty it is. I don't know when it happened, I was in on Friday, I was in on Sunday, and I was one of two cars in the back parking lot. There was no bouncing basketballs and I understand that the Rec program has moved out. I mean it is devastating to the building. It is just an empty building all of a sudden. Churches have moved out, I don't know where they've gone. It was just, silence, scary silence. I guess I'm asking, where did the Rec program go? Is the city paying for it somewhere else or what happened?

Director Will – I'm not quite sure how that rumor has gone around, but our Parks & Rec Dept. is utilizing Shore during the summertime. The only thing that we did was move our games on Saturday to the High School and that's so we can have all four games at the same time and we don't have to have our employees at two different places and going back and forth. The practices are still happening Monday-Friday, but the actual games have been moved to the High School because they have four courts.

Ms. Oliver – Does anybody know what happened to the churches that used to be there? They moved out also?

Director Will – The churches that had been there prior to them taking over were still the same ones. I do know there had been other churches that have come to city council .....

Ms. Oliver – I have just never been to that building and been one of two cars. I don't know if it is just more than the Rec center stuff, I really don't know what's happened, but all of a sudden, the place is deserted and it is frightening to me because I love the building. I've taught in it for seven years. It is a great building. It is a wonderful venue for schools. It just makes me sad to see it, just letting you know.

Ms. Del Tekieli – I'm speaking as President at the Shore Cultural Centre Board of Trustees. My address is 5 E. 221 St. I'm here to remind you that on this coming Friday and Saturday night and the following weekend as well and on Sunday June 7<sup>th</sup>, we will have a presentation of Bye Bye Birdie by Silhouette Players. This is wonderful family entertainment. The Friday and Saturday performances are at 7 PM and the Sunday performance is at 1 PM.

Also I want to remind the public about the community forum put on by Coral Company. This will be on Wednesday June 17<sup>th</sup> at 7:30 PM in the Cultural Centre Auditorium. If you can't make it on the 17<sup>th</sup>, please attend the community meetings on Monday, June 22 at 3 PM or on Wednesday, June 24 at 7:30 PM. Or, you can come to all of them and have your input. It is important for the public to be there. We've received so many e-mails, we've received lots of comments, people stopping us, stopping by our booth at the 200<sup>th</sup> Street Stroll. It was just a very very nice event for us and we appreciated their input.

This is a serious reminder. The Hunger Center is in dire need of contributions and the easiest way to do this is recycle your newspaper behind the Shore Cultural Centre in the bins. Newspaper brings income for them and it is continual.

Also on June 13, from 9:00 AM until 1:00 PM, we're going to have a beautify Shore day. We invite the public to come in and help us trim the weeds, trim shrubs, the city's providing some woodchips, this is all around the building itself. Key Bank did a wonderful job of the triangle, but the area around the building really needs help. There's weeds as high as my five year old granddaughter. We need the weeds removed. We're going to plant flowers and we encourage people to bring their own gloves and tools. We need hedge trimmers and leaf blowers and trash bags, etc.

Our summer class booklet is now available. You can check it out on our website or stop by the Shore Cultural Centre and pick it up. We will have them at area banks and at the Library as well.

I do want to mention the fact that we are concerned about programs leaving the building because it directly impacts our business community. If you've ever been to Wendy's after some of the classes let out, you'll know why it is important to have that building filled. We are very, very pleased with Coral Company. The building is cleaner. We see a lot of organization and we're very encouraged by the company's management style. Thank you so much.

David Napoli – 26241 Lake Shore Blvd. This is in question to the third thing on the legislation. What I was curious about in the talk of doing green housing and things like that, I was curious, I know the city isn't applicable for this, but is it possible for people who do purchase the homes to get federal tax credits if the home is green? I'm aware of some people who have done that for personal homes and I believe the tax credits that they would be applicable for is about 30%. It would just be a suggestion or question maybe that I don't know what HUD's rules are, but would it be possible to inform those people when selling the home that they could apply for federal tax credits, up to 30%, thank you.

Director Pietravoia – It is a great question, we will follow up on it. As I understand the rules, you personally have to expend the dollars in order to qualify for the credit. But any future improvements that they made that would qualify, they could potentially take advantage of. We'll check into it to see if the dollars we're spending would allow the buyer to be eligible for that tax credit.

Mr. Eric Heinemeyer – 21751 Priday Ave. I also have a couple of questions about HUD. What happens with the properties that are not rehabbed, they're demolished. What's going to happen with them?

President Holzheimer Gail – Do you want answers as you go? I don't want you to run out of your time if you have several questions.

Mr. Heinemeyer – It is just pertaining to this.

Director Pietravoia – We plan to create several different programs and opportunities with those vacant lots which will be resulting from the demolitions. First we're going to look to the neighbors to see if they might be interested in buying and splitting the lot, or buying the entire lot if only one neighbor is interested, for example. We're also looking at the possibility of creating small community gardens or pocket parks. The third possibility, if the land lends itself to it, if it is in part of the community where the lots are large enough to encourage new construction, a new home on those lots.

Mr. Heinemeyer – If you have a community garden there, would there be anything like trying to get someone to produce food for maybe the food bank?

Director Pietravoia – Very possible. There weren't necessarily be any restrictions on what's done with the garden if they produced food and wanted to contribute it to the food bank, we could actually encourage that, or perhaps a group would want to sponsor a garden that's specifically contributed all the produce. It is a possibility.

Mr. Heinemeyer – That's basically what I wanted to know because you talked all about the rehabbing and nothing about what happens if the home is not rehabbed.

Director Pietravoia – Thank you for your questions so that we could bring out that information.

President Holzheimer Gail – Seeing no one else, we will move to Councilmen's Comments.

#### COUNCILMEN'S COMMENTS

Councilman Langman – A few questions for the administration. Law Director Frey, we've asked this before, but when might the residents that have the AT&T U-verse be able to see our wonderful meetings?

Director Frey – As Lisa Mayernik responded the other day to your e-mail inquiry, there is an equipment purchase that is necessary and I'm not certain as to what the status of that is with AT&T

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and I will ask her to follow up. They need to specify a piece of equipment that will allow us to transmit our signal to their system to carry it and I don't know what the name of that item is. Jack are you familiar with what the name of that device is? We'll find out and find out from AT&T what the status is of getting that piece here and getting that installed. I'll follow up with her in the morning and get you an e-mail.

Councilman Langman – I'd appreciate that and I'd probably ask again the next meeting, hopefully for an update. I would like to wish a former Ward 2 resident, Cecilia Gruber, the best as she struggles through some health issues. We're pulling for your Mom, Chris and hope she gets better real soon.

I would like to also mention something that was in yesterday's Plain Dealer in the Metro Section under Animals in the News. Our own Dorothy Max, from Save our Strays. Dorothy has been working for many, many years to help round up and find homes for stray cats, not only in Euclid but throughout the metropolitan area. Her organization needs help. They need donations, they need more volunteers. If you call this particular number, you can find out how you can contribute to that cause. I know a few years ago we gave Ms. Max a Resolution in Appreciation of her efforts. That telephone number is 216-289-0496. I know Dorothy would welcome those phone calls.

On June 16, the residents of 246 are invited for a Community Meeting at 7 PM at Boulevard Presbyterian Church. There are some issues in that neighborhood that we will attempt to address at that meeting on June 16.

Finally Director Gulich, you cannot go anywhere until all the streets in the former Second Ward, and sewers are all taken care of. Once that's certified, then you can retire. Hank, we're going to miss you. You've always been very responsive to everybody's questions, very timely, it doesn't matter if it is a sewer issue or a street plowing issue, we really appreciate the dedication you've shown to the City of Euclid. I'm sure other people will talk about Memorial Day and 200<sup>th</sup> Street Stroll, but both events really showed up our city in the very best of light. It was certainly worthwhile so I hope folks turn out for some of the upcoming events that we have in the summer. I will wish everybody a good evening.

Councilman Van Ho – When the flag is at half-staff in front of City Hall, at the following Council Meeting could we have it announced as to who it was?

Mayor Cervenik – The flag was at half-mast in front of the Police Station only last week. It was the Police Memorial Week. Normally there's very few occasions where the flag can be at half-staff at all of our buildings. If we have a death in the fire department of a retired officer, they will put the flag at half-staff as well, but not all the buildings. We can send out an e-mail when that happens in the future.

Councilman Van Ho – I actually would like to see us announce it at Council because I'm sure that there are people in the City that have known these people who don't sit around and read obituaries and it is just somewhat of a tribute or salute too.

Mayor Cervenik – We will do that.

Councilman Van Ho – I would like to congratulate both the Kebab Shop and Paradise Pub for opening two more restaurants that should make dining out a little bit better. Being married to someone who makes reservations instead of supper, it is going to give me a better variety.

Chief, I understand we're already on the problem of the Hollyhoods I guess is the name over at 250<sup>th</sup> and Russell?

Chief Repicky – Yes, we're working on it.

Councilman Van Ho – I would like to apologize to June and Doc Daugherty and to Hal if anything that was said at the last council meeting offended them. That wasn't the intent in any way, shape or form. I have nothing but respect for all three of them.

I would like to say thanks for all who were responsible for putting the 200<sup>th</sup> Street Stroll together.

Director Pietravoia the next two questions are kind of in tandem to I'll ask them both. Do we have any info on the vacant Alexander's restaurant as to what's happening? Is there any validity to a rumor that BP has sold the station on Lake Shore?

Director Pietravoia – It has been just a short time since we had communicated with the architects for BP. The BP officials had informed us that until they found a franchise operator, they would not go forward with their plan expansion of the station at that location. They're basically selling off all their company owned stores to franchise operators and then converting them at that time to AM/PM Convenience Marts, along with the gas mart. I'll check into the rumor. We've been in fairly regular contact with them and have not heard anything directly from the company indicating that they have sold the station. If it did in fact sell, it likely would have been to a franchise operator which they've actively been trying to do. I'll try to verify that and get back to you.

President Holzheimer Gail – I have a few thank yous and committee announcements. I do want to thank the Joint Veterans Council and everyone who helped put the Memorial Day parade together. It really was a wonderful day. I will echo the Mayor's sentiments, the city looked great and I think everyone was ahead of my e-mails and calls when I said let's make sure the streets are cleaned and the grass is cited and all that stuff was done. You guys were ahead of it and on the ball, so I certainly appreciate that. It was great to see so many people out watching and participating in the parade.

Thank you as well to Sherrie Zagorc and her whole committee that put together the 200<sup>th</sup> Street Stroll. That event has grown each year. It really was great to see so many people walking up and down the street, getting to go in and out of the shops and meet community organizations that had tables and hopefully will go back to patronize the many stores and restaurants along the way. It was a wonderful event. For those who like to stroll, 185 will be having a similar event this coming Saturday. I don't know the details but I'm sure Northeast Shores or any of the merchants on 185 could fill you in. It will start with the parade in the morning and have sidewalk sales and an opportunity to walk and meet your neighbors and store owners.

Thank you to the Parks & Rec Dept., I was able to attend, there was a pre-Chautauqua event where we had the opportunity to meet two historic figures, Henry Ford and Zora Neale Hurston. It gave us a taste of what Ohio Chautauqua will be and it really was a lot of fun. I was glad to be able to attend. The best way to describe it is a living history experience where they talk about their life, they're dressed in character, talk about their life, allow you to ask them questions while they're in their character and then ask them questions while they're out of character. It really was very interesting. Both to me and we were able to bring two of our kids, I would encourage everyone to mark your calendars and participate in the Ohio Chautauqua event. Henry Ford everyone knows and Zora Neale Hurston, I don't know how many people are familiar with her. She is a African-American author. Also helped with the Harlem Renaissance and she talked about her story growing up and how that influenced her writing and the struggles that she faced. Both were very interesting. They will not be at Ohio Chautauqua, those two specific characters but as Director Will stated earlier, there's other wonderful opportunities and historic characters.

You spoke about the Shore meeting so I will not talk about that and Bye Bye Birdie. This coming Wednesday we have a jam packed agenda for committee meetings. At 6:00 we will have the Assets Committee. At 7:00 we will have the Safety Committee to talk about the Community Emergency Response Team that Fire Chief Cosgriff would like to present to us. Then at 8:00 or as soon as the others are done, we will have an Executive Finance to review the three Charter amendments that are recommended by the Charter Review Commission. We will look forward to seeing everyone there.

Lastly, congratulations to the graduates who will be graduating over the next week or so and best of luck to them in their future.

Councilman Gruber – I would like to wish some folks a Happy Birthday out there. Frank Ilcin, Happy Birthday, the man behind the curtain. Mary Evans, sorry I missed the party, I heard it was great. Then Beret, Happy 7<sup>th</sup> Birthday Beret.

Chief Repicky, when I'm done, there was some confusion about the DUI check points and the officers that were manning them and where the manpower and the money came from. Could you give a brief overview on how those were financed and a little bit about where the officers came from.

Also Director Will, when I get done you can explain about our watering of the plants procedure, the hanging baskets, so folks at home don't think we're squandering the money away.

Also I'd like to give our congratulations to the same seven year old Beret who was Baptized last week and also to her mother Polly. Congratulations to both of you.

Get Well to my mother. I want to thank everybody who expressed concern and sent her well wishes, especially Regina, thank you for your call and we're going to take you up on your offer.

Councilman O'Neill, I like my steak medium well. They're laying block today. Also, high grass on properties that we demolish. We demolish many homes in the last couple of years and I'm

noticing most of them have high grass on it. Who would be responsible and how do we take care of that?

Director Frey – If we get that information we'll ask the inspectors to check it, specifically. But if we get those locations we'll make sure that our grass cutters are taking care of that property. It still is the responsibility of the property owner, whether it is the bank or any other entity. If its not done, we'll cut the grass. Send that on to Ms. Sweeney, Mr. Drazetic or to me and we'll make sure we're following up.

Councilman Gruber – 195<sup>th</sup> Street. I would like to welcome back Jeff Piorkowski. I see he's back there and writing bigger and better than ever. Welcome Back Jeff nice to see you. Director Gulich, I'm going to save my thoughts about you until the next meeting. Thank you very much.

Chief Repicky – The sobriety check points and our roving patrol are all grant funded, there is no city funds expensed for those details. Memorial Day weekend which was Friday night, our first check point, May 23, there was 5 DUI arrests and several other arrests for drugs and open containers. Just this past Saturday, May 31<sup>st</sup>, we had one DUI, some more drug arrests and open containers. Unfortunately, people still continue to drink and drive and we're still trying to hammer that point across that find a designated driver or another way to get home.

Councilman Gruber – Those officers were on overtime, they wouldn't have been patrolling the streets anyway, a majority of them?

Chief Repicky – It is a supplement, it doesn't deplete the manpower on the street.

Director Will – The hanging baskets, the city employees do not go out and water them. We do have a contractor that we've hired for Memorial Day until Labor Day. If it rains every day and he goes out and waters, the price for the contract is the same no matter how many times he goes out a week. What we did try to do is base that on him going out and also fertilizing the plants. So the amount that we paid regardless if it rains everyday or if it doesn't rain for all three months that we have him, that price is the same. It is contracted out, it is not city employees that are out there doing that. Hopefully that explains it.

Councilwoman Scarniench – I, too, would like to congratulate all the graduates and I will send out a special congratulations to the incoming seniors the class of 2010. You have an exciting year ahead of you, enjoy it and be safe.

The parade was awesome. I want to thank Director Will for allowing me to use a golf cart to bring my Dad, who is my hero. He's a World War II Vet who was shot in the head. He was pronounced dead. His family was told he was dead and it wasn't until two months later that they knew he was alive. This was very exciting for him because he's never come to the parade before, but I was able to get him there and I appreciate that very much.

The Stroll was fantastic and I guess we've made it on the map because we actually had a tour bus that brought people in. Congratulations again to Sherrie, she does a wonderful job and I look forward to next year.

The Police Bike Auction is Saturday June 13<sup>th</sup> and starts at 10 AM in a new location. It will be at the southeast mini-station. Please park in Tizzano's Parking lot. It starts right at 10:00 and we go until all the bikes are gone.

I want to say Happy Birthday to my brother-in-law Charlie and also to Joanne on E. 219 St. After the Stroll on Saturday Councilwoman Jones, Councilman Wojtila and I got to go to the Kebab house which was fantastic. They were gracious enough to cook for us even though they were closed. We got to meet Joanne and have a long conversation, so she knows who we're talking about, so I think we all say Happy Birthday to her. I want to say it was a pleasure meeting the new people from the Recher Hall neighborhood. We have just completed our second meeting, this is a new homeowners group that I hope this month will become official. That meeting will take place on the 18<sup>th</sup> in a new location, it will be at Gateway because the other two facilities that we used are tied up, so I hope to see everyone that's been there and anyone who is new, to come and join us at that meeting. There will be a flyer so you'll know who you are. Thank you very much.

Councilwoman Jones – I would also like to say Happy Birthday to Joanne who we met at Kabobs. I would like to congratulate and best wishes to the 2009 High School graduates. Although a road may be ending for you, there are opportunities and branches opening up to you. Some of you it maybe obvious where your roads will take you to, but some of you may not and that's okay. If the opportunity is not there, as the saying goes, build a door and it will come.

I would also like to say any of the high school students that are moving up, please stay in school. Education opens up a lot of opportunities for you. Stay in school, get your education because there are lots of opportunities that will open up and again, if the opportunity is not there, build a door and it will come.

I would like to say Thank you to Pastor Willie Gary, he also did the Invocation this evening. The Kingdom Community Fellowship Church had a marvelous concert this past Saturday. Melba Moore, who is a Tony Award Winning actress and singer performed there that evening. Pastor Willie and his church do a lot of youth programs and Melba Moore also helps to promote youth programs and activities. They've known each other for a long time so I thought it was a great opportunity that Pastor Willie had Melba Moore come in to perform in Euclid for youth opportunities that we want to open up in Euclid as well. Thank you to Pastor Willie and his church for doing that and I look forward to other events coming from Pastor Willie and his church. It is going to be hard to top Melba Moore though.

I also want to say thank you to Director Will and the Recreation Dept. for putting on the Chautauqua preview at the Central Middle School. I didn't really like history going to school, but if I had this opportunity where you have someone come out and portray the inventors, I would have probably liked High School and History than what I did when I was going. So for those who didn't get an opportunity to look at it, please come to the Chautauqua event in July and you'll get a chance to see a lot of inventors and learn a lot that you may not have known about in high school or grade school.

I also want to thank the Memorial Day parade and the E. 200<sup>th</sup> Street Stroll, were great events. We had beautiful weather for both events. I don't know whoever did the planning, did extra prayers for that nice weather, but hopefully we can do it again next year. I also want to say that there was a new showing for a group at the Memorial Day Parade called Faith Walkers. Faith Walkers is a group of different faith believers and churches throughout the City of Euclid. We focused the group starting on the south-side churches and that will branch out because I do want to engage Pastor Willie in that group as well. It is a group of churches that want to network together and help each other and support each other in different programs and events that are going on. They, too, want to help out the youth in the City as well. Not all of them are Pastors that may live in the city, but they worship in the city, they have congregation members that live in our city as well. They are definitely stakeholders in our city and they want to make an effect on the City of Euclid as well as the residents that do. Look forward to seeing Faith Walkers more in the City of Euclid with other events that are coming up.

I want to say to Director Gulich, you are my hero because Tungsten is a lot better than it was last week. Thank you to you and your crew and I'm glad this got done before you are retiring, you will be greatly missed. I will miss the updates that you give me on the Water Dept. You are my connection there so I'm not sure what I'm going to do now. Good luck to whatever your ventures may take you in retirement and I'm sure we'll be seeing you around. I'll try not to ask you about anything with the streets if I do see you out and about. That's all the comments I have, good night.

Councilwoman Minarik – The YMCA is having a one day only Free Basketball Tournament. They will be playing 5 on 5. Each game will be 10 minutes with a running clock. It is for ages 12-18. Participants will be divided by ages. Prizes will be awarded. June 13<sup>th</sup>. First game starts at noon, it will probably go to about 4. If each team consists of 5 people, if you're interested you can call Brian Cruthers, he's the program director, 216-731-7545. It is a basketball tournament for ages 12-18, June 18<sup>th</sup>. Registration by June 10<sup>th</sup>.

200<sup>th</sup> Street Stroll was great. I'd like to thank Councilman Van Ho for covering me while I was out of town in Virginia, getting ready for my niece's wedding. That brought up an incident that occurred, the Monterey ODOT box. Director Gulich I was told today that it is going to be 7 ft., that's what was offered. It is going to line up with that window. But I was also told it is take it or leave it. If the building owner and the business owner don't agree with the 7 ft. move, then they're stuck with where the box is at, there's no room for compromises, is that true?

Director Gulich – I know there was a meeting out there this morning. I have yet to talk to Mr. Carlo who represented me. So I don't know what the outcome was, but I'd be glad to give you a call when Mr. Carlo is in my office tomorrow morning.

Councilwoman Minarik – That was the outcome that I heard. I understand maybe 20 ft. is to far, but maybe we could make sure that it is at least past the window enough that the building owner and the business owner feel comfortable.

The Euclid Orchestra a week ago Thursday put on two concerts for the kids in our city. The buses rolled in, a bunch of people welcomed them. These kids were tremendous. The orchestra was great. They held up their instruments, the Director would introduce them, the kids would applaud,

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they did clapping. They did two performances and it really made the auditorium, when it is full, you really hear how good those acoustics are. The kids had a blast. I was really pleased to be a part of that.

The parade starts for the E. 185 at 10 AM on Saturday. I think Abby is having a Street Garage Sale. That's what we're hoping is going to happen throughout. I think that's about it. Good night and God bless.

Councilman O'Neill – First I'd like to offer condolences to former Councilman and long time resident, Bill DeMora on the passing of his wife, Virginia, about a week and a half ago. Unfortunately I didn't make it to the wake, but I want to extend my condolences to him and his family.

Thank you to Hank Gulich for many, many years of service to the city. I remember when he was walking around in jeans and work boots and getting dirty, not wearing a suit and tie. It is a wealth of knowledge that's going to be leaving the city and it is going to be some tough shoes to fill and thank you Hank. On my short time on Council, he's always been very responsive to my requests.

The Kabob house has been mentioned a few times. A few of you stole my thunder but thank you for mentioning them. The address is 21950 Lake Shore Blvd., and the phone number is 216-261-1166. Great place, just opened. Please help them in their restaurant. It is nice to have another restaurant in the downtown area.

Director Gulich, I'm just wondering where are we at on 214? I know we went out to bid, how far are we from starting that project?

Director Gulich – We have the preconstruction meeting on Friday, which means we'll be meeting with the contractor. They're going to give us their intended schedule which means we'll probably be contacting those homeowners and getting them that update next week. I'll be sure to copy you on that information that we send out to the residents next week.

Councilman O'Neill – To Director Pietravoia, how soon will we see some of the HUD homes that we've purchased, the demo start? I know we're bidding them in blocks of 10, if you could briefly touch base on that?

Director Pietravoia – As I mentioned earlier tonight, the only potential delay is the amount of time it might take for the State to do their review. Each house has to be reviewed by the State Preservation Office.

Councilman O'Neill – Ballpark figure, we're looking maybe probably August?

Director Pietravoia – Hopefully before that during the summer months. Their review, we're estimating will take about 30 days.

Councilman O'Neill – Along those lines, I was asked by a resident in regards to the demo of those homes, these people are supporters of Habitat for Humanity and they're wondering if there is any way some of those folks can get into those houses that we're going to demo and possibly strip some doors. What I don't want to see is any demo being held up because they want to deconstruct the home. I know there's sort of an art to that, but with recycling in mind, if we have a possibility of bringing some of these folks in here that can do some dismantling before we get in there and tear the house down, it might be a good thing. I know there's a store downtown, one on the west side that resells Habitat for Humanity items. If we could possibly, I don't want to handicap you.

Director Pietravoia – We've already initiated discussions with them and intend to do exactly what you've just described. I don't know if there will be enough activity for them to establish, well they call it a re-store here, but they will take advantage of any materials that are reusable and will coordinate with them so it won't delay things on the demolition.

Councilman O'Neill – Thank you to the Veterans for not only putting on the parade on Memorial Day, but thank you for their service to us, the residents of Euclid and thank you to all the participants. Thank you to the folks that put on the 200<sup>th</sup> Street Stroll, I got there a little bit late, but I caught the last two hours, I was out of town, I caught the last two hours of it. It was a great day and it seems to be building bigger. Tip of the hat to those folks. With that I'll say good night.

Councilman Wojtila – I just have one question. It has to do with our contract with garbage collection, refuse collection expires end of February of next year. I know Director Gulich we've

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talked that we may be getting a proposal from Republic for an extension. One thing that I'm hearing a lot from the residents in Ward 6 and other residents is how come Lakewood can do this, or how come Strongsville can do this or things like that. I would like to use this opportunity with our contract expiring in 8 months or so to explore and get a good handle on the entire process which I'm sure you'll do as well. The loss of curbside recycling is impacting a lot of the residents in the city and they miss it and I'm not a good recycler so I can't say I miss it but I know the residents of Ward 6 do miss it. I would like to use this opportunity with our contract being up, either new contract or renewal to really explore how we can best control our cost and yet also provide economical recycling.

Director Gulich – The County Solid Waste District is a wealth of information on that and I plan to have them in our initial discussions on all the alternatives available. They know what every community in Cuyahoga County is doing. Also you mentioned the possible extension existing contract. We're meeting with Republic's representative Wednesday morning to see if we can't negotiate something. If that doesn't happen, you'll see legislation on the second meeting in June allowing us to proceed with the bidding procedure for the next contract.

ADJOURNMENT

Councilman Wojtila moved to adjourn. Councilman Van Ho seconded. Yeas: Unanimous.

Attest:

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Clerk of Council

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President of Council