

**NORTH RIDGEVILLE CITY COUNCIL  
MEETING MINUTES  
DECEMBER 4, 2017**

**CALL TO ORDER:** 7:30 P.M.

President Corcoran: Calling to order the Monday, December 4, 2017 Council meeting.

**INVOCATION:**

Led by President Corcoran. A brief moment of silence was held for the recently departed Clerk of Council, George E. Smith.

**PLEDGE OF ALLEGIANCE:**

Led by President Corcoran.

**ROLL CALL:**

Present were Council members Gregg Westover, Dennis Boose, Bruce Abens, Robert Chapek, Roseanne Johnson, Bernadine Butkowski and President Kevin Corcoran.

Also present was Law Director Andy Crites, Auditor Jeffrey Wilcheck, City Engineer Daniel Rodriguez and Clerk of Council Tara Peet.

**MINUTES - Corrections (if any) and approval:**

President Corcoran: You have before you City Council meeting minutes of November 20, 2017. Are there any objections or corrections to approving those minutes? Seeing none, those minutes are approved.

President Corcoran: We received the Civil Service Commission meeting minutes of November 21, 2017 and the Finance Committee minutes of November 21, 2017.

**LOBBY:**

Moved by President Corcoran and seconded by Boose to bifurcate the lobby session.

President Corcoran: Are there any comments or questions? All those in favor say yes. Those opposed say no.

Yes – 7

No – 0

President Corcoran: The first lobby session is now open and is for the items that are on the agenda this evening. If you would like to address Council or Administration on any of those items, please step up to the podium and state your name and address for the record. If you have another item you would like to speak about, we will have a second lobby session toward the end of the meeting. Is there anybody that would like to address an agenda item at this point? Seeing none, we will move on to Administrator's reports. Mr. Safety-Service Director, you are up first.

**ADMINISTRATORS REPORTS:**

**A. Mayor:** Excused.

**B. Safety-Service Director:** Just want to report that the Mayor was in for a short period of time today. He is out of the hospital and on the mend. Hopefully he will gain some strength back and be back at full strength in the next week. Now to the business of the City of North Ridgeville. The Ohio Department of Transportation will be awarding the contract for the Center Ridge Road widening project on December 11. A total of eleven bids were received and are currently being reviewed by ODOT. The bid was 4.46% over the estimate which is not over the tolerance of what ODOT will accept. Construction is scheduled to begin April 2, 2018 with an expected completion date of October 2019.

The new fire station was designed by Mull & Weithman Architects and recently the bid was awarded to Infinity Construction. The terms of the contract are currently under review. It looks like the fire station will start mid-January. They will move the construction trailers in as quickly as possible. If we have a good winter, it would be mid-January they would start that construction.

With the holidays just around the corner, let's not forget about the less fortunate in our community. North Ridgeville Community Care is in need of donations of not only food and clothing items, but toys for their Christmas store for their clients to shop for their family members. If you are out and about shopping, add Community Care to your list. We have a collection box at City Hall, Parks & Recreation and Senior Center that you can drop off your donations through this Friday, December 8. After that date, you can drop off directly to North Ridgeville Community Care located behind Arby's on Center Ridge Road. Thank you in advance for your contributions. That concludes my report.

President Corcoran: Thank you Mr. Armbruster.

President Corcoran: Mr. Engineer.

**C. Engineer:** Thank you Mr. President. I was going to comment on some upcoming projects that we have. Subbasins nine, ten, fifteen and sixteen sanitary rehabilitation project: the City solicited for and received bids for this project. The work is going to include some main line sanitary sewer grouting and various manhole repairs. There were two bidders for the project. The engineer's estimate was \$100,000. The low bidder is United Survey Inc. of Oakwood Village and their bid was \$88,450. That bid was approximately 11.5% under the engineer. Start of construction will be determined after preconstruction meetings have taken place. That meeting will take place tomorrow. We will know when that will start. Avon Belden and Bainbridge sidewalk bid opening is this Friday, December 8<sup>th</sup> at 11:00 a.m. Once we find out who that is, we will update on when that project will start. It probably won't begin until the spring. I wanted to bring up that if any Council member or anyone of the public wants a report

on anything in particular, my email address is on the website as well as our phone number. Feel free to give me a call. That concludes my report.

President Corcoran: Thank you. Mr. Auditor.

**D. Auditor:** Thank you Mr. President. One thing to address on the agenda for tonight – it is T 100. The Ordinance amends the income tax codified Ordinances to update based upon changes in state statutes. Specifically it amends some of the definitions – it expands definitions on net profits. It amends and clarifies several other definitions. It addresses temporary workers within the City and the withholdings that go along with them and it changes the due date for fourth quarter payment for estimated taxes. Some of them will be due by December 15<sup>th</sup>. Some will be due January 15<sup>th</sup> now. These are brought about because of H.B. 49 that was recently passed and recommended language changes have also been supplied to us from R.I.T.A. who collects our income tax. That concludes my report.

**E. Other Reports:** President Corcoran: We received the August, September & October Building Department reports and the October 2017 Mayor’s Court report.

**COUNCIL COMMITTEE REPORT(S):** None.

**CORRESPONDENCE:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**RECESS:**

Moved by President Corcoran and seconded by Johnson to adjourn into executive session in place of the recess to review the status of negotiations with public employees.

President Corcoran: Are there any comments or questions? Clerk, please call the roll.

Clerk of Council Peet: The motion carries.

Yes – 7

No – 0

(Adjourned into executive session at 7:40 p.m.)

(Reconvened into City Council meeting at 7:53 p.m.)

President Corcoran: Moving on to first readings, we have T 100.

**FIRST READINGS:**

**Ordinance and Resolution submittal(s)**

Clerk of Council Peet:

**T 100-2017** AN ORDINANCE AMENDING AND REPLACING CHAPTER 878 IN THE CITY OF NORTH RIDGEVILLE CODIFIED ORDINANCES ENTITLED INCOME TAX.

**(Introduced by Mayor Gillock)**

President Corcoran: I'm going to refer that to the Finance Committee. It has been suggested that we don't need to pass this until the end of January. Moving on to second readings, we have T 99.

**SECOND READINGS:**

Clerk of Council Peet:

**T 99-2017** AN ORDINANCE RESTRICTING THE MOTOR VEHICLE TAX IMPOSED IN ORDINANCE 5205-2015 TO THE REPAYMENT OF DEBT FOR THE CENTER RIDGE IMPROVEMENT PROJECT.

**(Introduced by Councilwoman Johnson; First reading 11/20/2017)**

President Corcoran: That was the end of second readings. We are now moving on to third readings. We have T 79.

**THIRD READINGS:**

Clerk of Council Peet:

**T 79-2017** A RESOLUTION REVISING COMMUNITY REINVESTMENT AREA REQUIREMENTS BY AMENDING RESOLUTION NO. 768-94, SECTION 4.

**(Introduced by Mayor Gillock; First reading 09/05/2017; Referred to Finance on 09/05/2017; Finance on 10/16/2017; Report accepted on 11/06/2017; Second reading 11/20/2017)**

Moved by Butkowski and seconded by Abens to adopt T 79-2017.

President Corcoran: Are there any comments or questions?

Councilman Boose: Mr. President, as I spoke about in Finance Committee when we met on this particular Resolution, I'll ask again because I asked that day and I don't believe I got an answer. I got an example. For the audience – what this is referring to – the request is to change the CRA requirement which currently says in the event that any applicant/recipient of the tax benefits available in the Community Reinvestment Area No. 14, prior to the expiration of the term for which the application was granted, vacates the project site or moves, relocates any material portion of its operations, fails to meet its job targets or ceases operations within the City. They want to change that to read to relocates any material portion of its operations, fails to make good faith efforts to meet job targets. My question is what is the definition of fails to make good faith efforts?

Law Director Crites: Mr. President, it probably falls on me to give the best explanation. The Mayor is pretty much the expert on this – you want to evaluate this on a case by case basis. This is allowing discretion by the legislative body in the City to decide whether or not you want to take away a tax abatement on a company who is still employing people, moving forward, doing what they can do, but something happens in the global community where nobody needs titanium

anymore. We've had these things happen before. You can sit down; you can grill them at the Tax Abatement Review Board meeting, find out what is up and decide whether or not to pull the rug out from under them and send them down the road or keep them going because they are still doing things that are good for the City. It is all about just giving the Mayor, and then of course ultimately this body, discretion to decide whether or not a business that has come to town probably due from the tax incentive deal, should stay or go.

Councilman Boose: I guess my issue is it is very vague. It allows a lot of lead way either way for someone either the Mayor and/or Council together to decide that this particular company fails to make a good faith effort. What is a good faith effort? I can tell you that I work with businesses my whole life in my full-time job and not every business qualifies for everything. We certainly want to be cognizant in being able to attract new businesses or businesses that are here to keep businesses with proper business expansion. To be able to offer tax incentives - I don't have an issue with that at all. But in my mind it is a contract between the City and that company. What you are doing when you offer tax abatement, you are switching jobs and the payroll taxes that those jobs create versus the property tax that you are abating and not going to receive. I get that. I think that is a good thing for us to consider, but if the contract between the City and this company which is the Tax Abatement agreement doesn't come through. If for example, for whatever reason, the company does not create those jobs that were to generate the payroll tax to pay for the lost revenue of the property taxes. Then they have not lived up to their end of the contract and I think to put in something that says making a good faith effort as their out, I think is too broad. In fact, I've talked to several legal people on this subject and they said it is like opening the door - you may as well not even require a job creation for those tax benefits. In fact, going even further, you not only, I think, need understand how making a good faith effort or the definition of that can play into whether or not that company is allowed to continue on the tax incentive but what if the Administration and/or the Council decide that no, we don't see your good faith effort and so we are going to not allow you to continue with the tax incentive? How do you support that in court? Now you have given precedent with others that say wait a minute - you said company ABC, they had a good faith effort and you are telling me that I didn't? How do you know that I didn't have a good faith effort? I just think it is too broad of a term. I think you are opening yourself up to a lot of questions that are too wide and so I have an issue with that.

Councilwoman Johnson: I totally support this legislation. We have gone over this. I don't have my notes. I don't have the companies names, but there were companies that put millions of dollars into buildings and because of the price of gas, they didn't make as many jobs as they were supposed to have, but they did put in a lot of good faith efforts and it went to the Tax Abatement Review Board. We discussed this. It wasn't exactly what it was supposed to be but they were making substantial progress and that is why we decided we can't pull it from underneath them because the price of gas went down and now it is going back up and they are on the rise again. This gives us a little flexibility. It was discussed at that Tax Abatement Review Board and it gave us an opportunity to discuss it and vote on it. This legislation allows that Tax Abatement Review Board the flexibility to be able to do that. I think this is necessary.

Councilman Boose: Mr. President, I don't mind the flexibility of being able to work with a business if they are having difficulties, but to keep it in legislation. Again, not understanding what good faith effort may or may not be, I think that is the issue that I have. I don't have an issue with someone who is supposed to create fifty jobs and creates forty-six or creates forty. We see that they are working towards that. Who is to say that someone who is supposed to create fifty jobs creates ten? What is the good faith effort there? If it is because of the economic conditions of their particular industry or what have you, that is to be debated, but to throw it all on good faith effort is my issue.

Safety-Service Director Armbruster: Mr. President, since being back since 2009, I am not on the Board but I actually am present at the meetings that the Board actually used this it is not in writing as it is, but they looked at it from the standpoint of what good faith effort was. The Board felt that it would like to make the changes here because they have looked at the tax abatements that have gone out and made changes in those tax abatements. For instance the company that we are talking about actually made the investment in the building and the equipment and made that huge investment, but unfortunately, the contracts, and they were government contracts, that didn't come through based on something that happened that was totally out of their control – they hired people but not necessarily the number of people that they said they were going to hire. Depending on where you are in that ten or fifty, the Tax Abatement Review Board, honestly, would make those adjustments and what the Law Director and Roseanne was saying that they felt as though it should be within the legislation that fails to make good faith efforts. They have been doing this, looking at it and making adjustments since 2009 and I've been back and I am sure they have done it prior to this. They just wanted to memorialize it within this document. What you are talking about Councilman Boose is exactly what they have done. It is what they practiced and now what they are doing is just adding it to the legislation that is here. They are truly taking into consideration the taxpayer and what is considered good faith efforts in order to either make an adjustment or not make an adjustment to the tax abatement. They take it very seriously those three people that are on that Board.

Councilwoman Johnson: I just wanted to note that the companies are reviewed on an annual basis for your information.

Councilwoman Butkowski: Mr. Chairman, they are reviewed on a yearly basis – if they kind of let a few things slip because they think they are going to make it anyway, that is a year. When they come back again, if they still aren't doing what they are supposed to be doing, don't look like they will make it that is the time they will do it. At least they are given an opportunity to try to get that thing...I can't see where they should year after year let them keep going, but if our legislation allows them to do that. If we want them to do it, we better have it in the legislation allowing them to do it but they shouldn't on the next review; they should get pretty firm with them that this isn't going to keep on happening or just pull it. As business comes and goes, it's pretty hard the first time to say, well we are going to pull it from you because if they are trying.

Safety-Service Director Armbruster: Mr. President, you can rest assured that the Tax Abatement Review Board is absolutely in that position. The presidents of these companies are the principals

if not president; the principal is there through these discussions. They know just exactly where they are in the process. They know that it is not something that they are entitled to and it is something that they have been given. They need to do their best effort and even more than their best effort in order to keep that. This is very important for their growth as well as the City's growth and the income tax we get. It is not taken lightly and every year we are looking at their tax abatement and doing a review of that process and anybody that has tax abatement out there.

Law Director Crites: Mr. President, this was the Mayor's language. The Mayor liked it. There are ways this language could be tweaked to address the reasonable concerns of Councilman Boose about the subjectivity that is standard. At the same time I would say that it is not likely it would land in court. If you are in court and saw that a company was bound to raise thirty jobs and I raised fifteen, I don't think you would have to worry about the court. There are ways this could be tweaked to firm up and put more objective corners on that standard. In the Mayor's absence, I don't feel at liberty to start spewing out what language. What an option before you would be to put this to the floor for a vote, if it is adopted, I think it would be reasonable to work with Councilman Boose to maybe bring up subsequent legislation proposing some more objective standards to that to alleviate your concerns and firm it up. Something along the lines – only for suggestion down the road that fails to meet the defined limits and cannot demonstrate good faith efforts to do so, or something like that. I get it. If you vote and defeat it, the Mayor can come back with some other language to be reviewed again. It is sitting before you for third reading. I don't think you want to table it.

President Corcoran: Any other final comments or questions? Clerk, please call the roll.

Clerk of Council Peet: The motion carries and becomes **Resolution number 1415-2017.**

Yes – 6

No – 1 (Boose)

President Corcoran: T 84.

Clerk of Council Peet:

**T 84-2017** A RESOLUTION OF THE COUNCIL OF THE CITY OF NORTH RIDGEVILLE, OHIO, APPROVING AND RATIFYING AN APPLICATION FOR TAX INCENTIVE IN COMMUNITY REINVESTMENT AREA NO. 14 CREATED BY THE CITY OF NORTH RIDGEVILLE RESOLUTION NO. 768-94, BY RLG CLEVELAND, LLC, AN OHIO LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF OHIO.

(Introduced by Mayor Gillock; First reading 10/02/2017; Referred to Finance on 10/02/2017; Finance on 10/16/2017; Report accepted on 11/06/2017; Second reading 11/20/2017)

Moved by Johnson and seconded by Abens to adopt T 84-2017.

President Corcoran: Are there any comments or questions?

Councilman Boose: Again, we discussed this in the Finance Committee meeting the Resolution, the numbers listed in the Resolution do not match the exhibit a - the tax incentive request and even though they were brought up at the Committee meeting, I have still yet to see them changed. Specifically in the third whereas on page one, it indicates that an approximate cost of \$3,020,000.00 and actually ; I'm sorry the renovation of approximately 44,000 square foot structure at an approximate cost of \$3,020,000.00 but in exhibit a, it is listed at \$1.4 million and on page four of the Resolution, the second paragraph under after the now therefore, it indicates that the project of \$3,020,000.00 and in the exhibit, the total is \$2,475,000.00 and then it also talks about in the same paragraph an additional \$545,000.00 in investment where in the exhibit it is only \$300,000. From my recollection since the original exhibit was presented, a subsequent exhibit had been prepared which increased the cost of the improvements to the project, but have not been properly reflected in the Resolution.

Councilwoman Johnson: I believe when we discussed this, the Mayor said that the money had been spent that was the difference. That money was already spent. It added up to the \$3,020,000.00. If you added them together and that is why there...I believe that is what he said.

Councilman Boose: That may be what he said, but that is not correct. I just think perhaps, if there is a second exhibit or a second tax incentive request that was updated with updated numbers, all we need to do is substitute that with the exhibit and change the numbers.

Safety-Service Director Armbruster: Mr. President, I know there is some additional money that they will be spending. I don't know exactly why exhibit a and the Resolution is different.

Law Director Crites: I can speak to this. They increased the amount they are going to be investing in our City. The application is pro forma attached to the exhibit. The agreement is the legislation and the contract that they sign. The application is a legal effect. It is silly to go back and change your application because you are going to spend more money.

Councilman Boose: For a community of 35,000 people, we have millions of dollars in the budget. We have more than seven intelligent people sitting up here. It would be nice if the numbers matched the legislation. Thank you. Especially when I brought it up in Committee many weeks ago.

Councilwoman Johnson: I thought the question had been answered and I wish the Mayor had been here because that was what the explanation was that it added up to it. Maybe you can confirm that.

President Corcoran: I thought that Toni Morgan addressed it at that time.

Councilman Boose: From my recollection, it was going to be...something was going to be noted why the numbers don't match. I could be mistaken.

Councilwoman Johnson: If we pass this and it needs to be amended, we can do that too.



President Corcoran: Any other final comments or questions? Clerk, please call the roll.

Clerk of Council Peet: The motion carries and becomes **Resolution number 1416-2017.**

Yes – 6

No – 1 (Boose)

President Corcoran: T 95.

Clerk of Council Peet:

**T 95-2017** AN ORDINANCE AMENDING CHAPTER 884 OF THE CODIFIED ORDINANCES OF THE CITY OF NORTH RIDGEVILLE PURSUANT TO OHIO REVISED CODE §5739.09(B)(3) TO AUTHORIZE THE CITY TO IMPOSE AN ADDITIONAL THREE PERCENT TAX ON TRANSACTIONS FOR TRANSIENT GUESTS AT A HOTEL FOR THE PURPOSE OF PROMOTING ECONOMIC DEVELOPMENT AND TOURISM IN THE CITY.  
**(Introduced by Councilwoman Butkowski; First reading 11/06/2017; Second reading 11/20/2017)**

Moved by Butkowski and seconded by Abens to adopt T 95-2017.

Moved by Butkowski and seconded by Corcoran to add the emergency clause to T 95-2017 in order to make it effective by year-end.

President Corcoran: On the emergency clause, are there any comments or questions? Clerk, please call the roll.

Clerk of Council Peet: The motion carries.

Yes – 7

No – 0

President Corcoran: On the adoption now, with the emergency – are there any comments or questions?

Councilman Boose: Mr. President, I just have a couple questions: do we know what specific plans are for this money?

President Corcoran: Yes.

Councilman Boose: Can we hear them?

President Corcoran: They will be discussed during appropriations, I believe.

Councilwoman Butkowski: Mr. Chairman, this will go for the purpose of economic development and tourism in the City. That is where the money has to go.

Law Director Crites: Mr. Chairman, the legislation being drafted now to amend previous legislation to amend our agreement with the Chamber of Commerce which will come before

Council which has been proposed to after the City charges 15% processing fee for the collection of all of the bed tax to divide the residual 85% with the Chamber on the condition the Chamber creates and maintains a Visitor's Bureau and that all the funds be spent for the statutory mandated economic development for tourism.

Councilman Boose: Do we know how much this current tax generates?

Councilwoman Butkowski: In 2016 we got \$21,317.91.

Councilman Boose: Finally, since the legislation requires that this is the only manner in which these funds can be spent, maybe I could direct this through the Auditor - are we setting up a separate fund so we can be sure these aren't mixed into the General Fund?

Auditor Wilcheck: My read of the statute and the restriction that it places upon it, the dollars would have to be set aside in a separate fund and then I was unaware of an agreement coming forth or the money would be turned over to Chamber of Commerce.

President Corcoran: It is now. It has been in effect for a number of years but we have also appropriated money for economic development purposes over the last several years and this would just be a funding source for that fund for those dollars.

Auditor Wilcheck: Those dollars were appropriated in General Fund. It is right about \$20,000 a year for economic development and will be set aside in a separate fund. Or in this case, if I understood correctly, the money is to be turned over to the Visitor's Bureau.

Law Director Crites: What is left after we charge our administrative fee. I think it will be before Council that merits discussion as to what you do with it.

President Corcoran: Clerk, please call the roll.

Clerk of Council Peet: The motion carries and becomes **Ordinance number 5496-2017.**

Yes – 7

No – 0

**MEETING ANNOUNCEMENTS:**

President Corcoran: We have a Finance Committee meeting on December 5, 2017 regarding the 2018 budget in City Council Chambers at 6:30 p.m. We have another Finance Committee meeting regarding the 2018 budget in City Council Chambers at 10:00 a.m. on Friday, December 8, 2017. The next City Council meeting will be on December 18, 2017 at 7:30 p.m. in Council Chambers.

**LOBBY SESSION:**

President Corcoran: At this point, the second lobby is open if you would like to address Council or the Administration. Please step up to the podium and state your name and address for the

record and you will be given three minutes to speak on the topic of your choice. Would anybody like to do so?

Mark Steinbrunner, 37400 Sugar Creek Ln.: asked about what is happening with the aquatic facility and if it will be on the ballot soon.

Auditor Wilcheck: I can comment on that. Tomorrow night at our Finance Committee session, we will have Parks and Recreation in to discuss their budget and their capital requests. On that list is the aquatic center. It is open to the public. What also needs addressed is a method in which the aquatic center is to be financed. That will be discussed tomorrow evening as well.

President Corcoran: Is there anybody else?

**ADJOURNMENT:**

President Corcoran: Seeing none, this meeting is adjourned.

The meeting was adjourned at 8:23 p.m.

Approval of minutes on December 18, 2017:



PRESIDENT OF COUNCIL



CLERK OF COUNCIL