

City of Seven Hills

Record of Minutes of

SPECIAL COUNCIL MEETING HELD August 11, 2015

This *SPECIAL* Council Meeting was called to order by Council President Michele K. Ernst at 8:52 p.m. with the Pledge of Allegiance.

ROLL CALL

Present and accounted for were Mayor Dell'Aquila, Assistant Director of Law DiChiro, Director of Finance Johnson, Councilman-at-Large Barth, Councilwoman-at-Large Lecznar, Councilman-at-Large Trafis, Ward 2 Councilman Fraundorf, Ward 3 Councilman Snitzky, Ward 4 Councilwoman Ernst, and Director of Public Service and Properties Moga. Absentees were Ward 1 Councilman Leech and Building Commissioner Moro.

READING AND DISPOSAL OF JOURNAL

MOTION by Mrs. Lecznar, seconded by Mr. Fraundorf, to accept the Minutes of the Regular Council Meeting held July 20, 2015, as printed.
Roll Call: all yea **MOTION CARRIED**

CONSENT AGENDA

MOTION by Mr. Fraundorf, seconded by Mrs. Lecznar, to amend the Consent Agenda of August 11, 2015, by including and **adding** a **Motion No. 3** in its entirety, to read as follows:

- “3. **Motion** to authorize an expenditure, in an amount not to exceed \$3,500.00, for all parts, labor, and miscellaneous supplies necessary for service and repair to the Fuel Tank on Seven Hills Fire Department Medic #7 Emergency Vehicle, said repair to be completed by Mickey Bandish, EVT. Payment to be made from funds at the discretion of the Director of Finance.”

Roll Call: all yea **MOTION CARRIED**

MOTION by Mr. Fraundorf, seconded by Mrs. Lecznar, to accept the Amended Consent Agenda of August 11, 2015, as supplemented, if there is no division of the question.
Roll Call: all yea **MOTION CARRIED**

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OPEN TO THE AUDIENCE

Ed Maslowski, 1035 Joy Oval, made the following comments:

“I have a couple of questions on Ordinance No. 82-2015. Number one, is there a precedent for Seven Hills to be giving loans to businessmen when they are having financial problems?”

Council President Ernst responded:

“This is not a loan; we have not done this before. This is a new thing; this has been done in other cities. We cannot offer a tax abatement to this company that is coming in, and they are looking for a tax abatement, so we can offer this loan in lieu of a tax abatement. It is an incentive to get this business to come here in lieu of a tax abatement.”

Mr. Maslowski asked, “It is not for the existing owners?”

Council President Ernst replied, “We are loaning it to the owners so that they give a lower rent to the incoming tenants.”

Mr. Maslowski questioned, “But it’s not a loan?”

Council President Ernst stated, “They will be paying some interest on it until we start getting all of the taxes from this business. So it is a forgivable loan, but we will be getting some of it back.”

Mr. Maslowski said, “It does sound pretty much like a loan.”

Council President Ernst responded, “We are calling it a loan.”

Mr. Maslowski said, “Okay. As far as I know, this has not been done before in Seven Hills.”

Council President Ernst said, “Not in Seven Hills – no.”

Mr. Maslowski continued:

“Okay. The other question – and I don’t know if anybody can answer – maybe the Mayor can – or Mr. Pignatiello would be the right person – in the event that these new owners end up with a Chapter 11, where does the City stand in recovering its money?”

Council President Ernst responded, “These are not new owners of this building.”

Mr. Maslowski said, “Well, I don’t care. The old owners. We’ve loaned it to somebody.”

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Council President Ernst replied, “We are not going to have a lien on the property. We will not have a lien on the property for this loan. So if they would declare bankruptcy we would be like any other debtor.”

Mr. Maslowski said, “Well, they will default.”

Council President Ernst stated, “Yes. We would be like any other debtor.”

Mr. Maslowski continued:

“Okay. I think there is a great deal of risk in this area, because it’s kind of obvious – and maybe it is not that obvious – but it appears that office space on Rockside Road is, that there is not a shortage of office space on Rockside Road.”

Council President Ernst said:

“There is not. I understand that the Genesis Building is a very desirable building. This tenant specifically requested to move in there, but is looking for the same kind of incentives as Independence is offering them to move into one of their buildings.”

Mr. Maslowski said, “Okay. Personally I find it hard to be very comfortable with office space in that area because there are a lot of empty offices regardless of what the geniuses that we pay \$65,000.00 say. There is no great demand for office space in that area. So we are taking a risk.”

Council President Ernst replied, “I understand. All business is a risk.”

Mr. Maslowski stated, “Okay. Okay. I’ve made my comment. In general, I don’t have a warm feeling that this Seven Hills Administration does a really good job of cost benefit analysis on a lot of actions. But that’s my opinion.”

Council President Ernst responded, “And you are entitled to that. Thank you, sir.”

Mr. Maslowski said, “Thank you.”

ORDINANCES AND RESOLUTIONS

Ordinance No. 82-2015 – AN ORDINANCE AUTHORIZING A LOAN TO PROVIDE FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF THE GENESIS BUILDING IN THE CITY AND THEREBY FOR THE FURTHER DEVELOPMENT OF A SITE AND FACILITY FOR AND IN SUPPORT OF COMMERCE AND THE CREATION AND PRESERVATION OF JOBS AND THE ENHANCEMENT OF EMPLOYMENT OPPORTUNITIES; AND DECLARING AN EMERGENCY.

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MOTION by Mr. Barth, seconded by Mr. Trafis, to read Ordinance No. 82-2015 by title only for its first and final reading.

Roll Call: all yea

MOTION CARRIED

Ordinance No. 82-2015 was read by full title only for its first and final reading.

MOTION by Mr. Barth, seconded by Mr. Trafis, to pass Ordinance No. 82-2015 as an emergency measure.

Mr. Barth stated:

“I would just like to say that this Agreement is a good example of the public and private sector getting creative and coming together for the good of the City.”

Roll Call: all yea

MOTION CARRIED

ORDINANCE NO. 82-2015 IS DECLARED PASSED.

Ordinance No. 83-2015 – AN ORDINANCE TO APPROPRIATE A SUM NOT TO EXCEED \$3,270.00 FOR THE PURCHASE OF ONE (1) RADAR SIGN TC-400 BATTERY POWERED SPEED DISPLAY, WITH APPURTENANCES, SAID PURCHASE TO BE MADE FROM A&A SAFETY OF CLEVELAND, OHIO, FOR USE BY THE CITY OF SEVEN HILLS POLICE DEPARTMENT; AND DECLARING AN EMERGENCY.

MOTION by Mr. Trafis, seconded by Mr. Snitzky, to read Ordinance No. 83-2015 by title only for its first and final reading.

Roll Call: all yea

MOTION CARRIED

Ordinance No. 83-2015 was read by full title only for its first and final reading.

MOTION by Mr. Trafis, seconded by Mr. Snitzky, to pass Ordinance No. 83-2015 as an emergency measure.

Mr. Trafis stated:

“I just want to mention that this has been something that we’ve talked about for quite a while now, and I think it was Councilman Fraundorf that put together a little proposal or quotes or something a while ago on this. I’m glad this is getting done. I actually already had a request from a Ward 2 resident to get this on their street, so I’ll forward this over to the appropriate person.”

Council President Ernst stated:

“I agree. It was Councilman Fraundorf that did this initially. This has been nine months – maybe more – that we’ve been talking about this. We get a lot of complaints now that we fix some of the roads – and that people are speeding on roads that they couldn’t speed on before. So this is a good thing.

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Mr. Fraundorf stated:

“I’d just like to say that I agree with Council President Ernst. Since we’ve repaired – well, since the County repaired Ridgewood and Crossview – I can quite frankly say that I received numerous complaints about speeding on those two thoroughfares. It goes without saying that when the road is improved, the speed goes up, so I think this would be a good way to at least remind people to try to stay within the speed limit.”

Mr. Barth stated:

“I think the good thing is that this is also a product of our budget hearings back in March. The good thing is the money is not coming out of the General Fund – it’s coming out of the Street Maintenance Fund.”

Roll Call: all yea

MOTION CARRIED

ORDINANCE NO. 83-2015 IS DECLARED PASSED.

Ordinance No. 84-2015 – AN ORDINANCE AUTHORIZING AND DIRECTING THE MAYOR TO ENTER INTO AN AGREEMENT ON BEHALF OF THE CITY OF SEVEN HILLS, OHIO, WITH CHAGRIN VALLEY PAVING, OF CHAGRIN FALLS, OHIO; APPROPRIATING AN AMOUNT NOT TO EXCEED \$724,736.20 FOR THE ‘2015 ROAD PROGRAM’ IN THE CITY OF SEVEN HILLS, WHICH WILL CONSIST OF RESURFACING THREE STREETS AND MAINTENANCE ON FOURTEEN STREETS; AND DECLARING AN EMERGENCY.

MOTION by Mr. Snitzky, seconded by Mr. Barth, to read Ordinance No. 84-2015 by title only for its first and final reading.

Roll Call: all yea

MOTION CARRIED

Ordinance No. 84-2015 was read by full title only for its first and final reading.

MOTION by Mr. Snitzky, seconded by Mr. Barth, to pass Ordinance No. 84-2015 as an emergency measure.

Mr. Snitzky stated:

“I just want to say to the folks over there in Ward 3 that have been dealing with Karen Drive, which is part of the repair project here. We’re doubling the amount that we put into the repair last year. Although it won’t be perfect, it should be substantially better, and set us up for a total resurfacing at some point in the near future, and keeping it from decaying even further and making that resurfacing even substantially more expensive. I’m all for this, and I think the folks over on Karen Drive will be glad we’re finally getting at it.”

Roll Call: all yea

MOTION CARRIED

ORDINANCE NO. 84-2015 IS DECLARED PASSED.

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OTHER BUSINESS

Council President Ernst asked if there was any further business before Council.

Mayor Dell'Aquila made the following comments:

Thank you Madam President – just very briefly.

We got some very good news recently from the State of Ohio -- in fact, Dave Yost, the Auditor of State. We received a letter and a certificate congratulating our Finance Department for the recently completed financial audit that was performed. Seven Hills and our Finance Department, particularly, has been awarded the *Ohio Auditor of State Award* for a clean and accurate record-keeping in 2014. These are very much coveted by Finance Departments and Finance Directors throughout the State of Ohio and are difficult to obtain. Clean and accurate record-keeping are the foundation for good government, and our taxpayers can take pride in our commitment to accountability.

The *Auditor of State Award* is given to those entities that file timely financial reports in accordance with GAAP – Generally Accepted Accounting Principles – as well as those who receive a ‘clean’ audit report. The ‘clean’ audit report means that the Seven Hills 2014 financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings, or any questioned costs.

A certificate has been awarded to the City which I’d like to have included in the minutes, and with your permission I’d like to hand it down to the Clerk of Council.

The original State of Ohio Auditor of State Award certificate for the year 2014 presented to the City of Seven Hills from the Office of the Auditor, Dave Yost, has been appended and attached to these minutes as an exhibit.

I think we all owe a debt of gratitude to Finance Director Jack Johnson and Deputy Finance Director Joe Hotchkiss, and in fact their entire staff, for a job well done again. Sometimes it’s easy to take financial bookkeeping and accounting and planning and all the things that we know that they do to help us month to month and year to year and get through the difficulties that we know we are facing. And sometimes it’s easy to take them for granted. But I can tell you from personal experience that we would sorely miss this Department and the effective people in there who devote so much time and dedication to our community.

The award, I understand, is also searchable on the Auditor of State website if anybody wants to look it up. Thank you, Director Johnson, for your work on behalf of the City.

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There was a congratulatory round of applause from everyone present in response to Mayor Dell'Aquila's report concerning the State of Ohio 2014 Auditor of State Award received by the City of Seven Hills Finance Department.

There was no further business brought forward before Council.

MOTION by Mrs. Lecznar, seconded by Mr. Trafis, to adjourn the meeting.

Roll Call: all yea

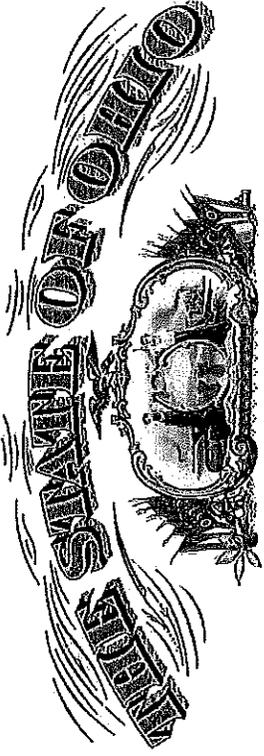
MOTION CARRIED

The August 11, 2015 Special Council Meeting was adjourned at 9:15 p.m.

Michele K. Ernst, President of Council

Attest: _____
Carol L. Sekerak, Clerk of Council

Date: _____



OFFICE OF THE AUDITOR
DAVE YOST

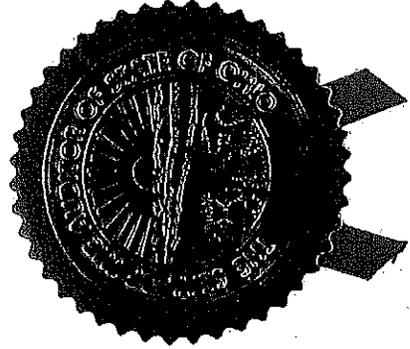
OHIO AUDITOR OF STATE AWARD

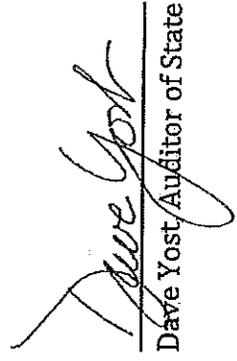
Presented to

City of Seven Hills

*This award is presented for exemplary financial reporting in
accordance with Generally Accepted Accounting Principles (GAAP)
for the year 2014.*

*The citizens you represent are well-served by your
effective and accountable financial practices.*




Dave Yost, Auditor of State