

**Cuyahoga Falls City Council  
Minutes of the Finance Committee Meeting  
January 19, 2010**

**Members:** Kathy Hummel, Chair  
Don Walters  
Carol Klinger

Mrs. Hummel called the meeting to order at 6:35 p.m. All members were present.

The minutes from the December 7, 2009, December 14, 2009, December 21, 2009, December 28, 2009 and January 4, 2010 Committee meetings were approved as submitted.

**Legislation to be Discussed:**

Temp. Ord. A-2  
Temp. Ord. A-3  
Temp. Ord. A-4  
Temp. Ord. A-5  
Temp. Ord. A-6  
Temp. Ord. A-7  
Temp. Ord. A-8  
Temp. Ord. A-9  
Temp. Ord. A-10  
Temp. Ord. A-11

**Discussion**

Mrs. Hummel stated Administration requested that Council hold A-2 and A-8.

**Temp. Ord. A-3**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the purchase of certain materials for the Sanitation Division during 2010, and declaring an emergency.

Mr. Novak stated this is the Sanitation Departments annual requirements for green bags for recycling. The City typically goes through 400,000 to 500,000 bags, which are 8¢ per bag. The refuse containers they will be purchasing will be bid out. They will be purchasing 6,000 units for the automated recycling program. They are expecting the containers to cost \$50 each. The 6,000 containers will cover approximately one-third of the City. The pilot program had around 400 customers. Mrs. Hummel asked if Council will be receiving an update on the pilot program. Mr. Novak stated they could do that. He added that the pilot program covered River Estates and Blossom Glen. Mrs. Carr stated they are in the process of putting a packet together to give Council to review. It will include details on the pilot program and projections for this year. Mrs. Klinger asked if Council will receive that information this week. She would like to see it before the legislation is brought out for a vote. Mrs. Carr stated they could probably do that. They had wanted to wait until after they went to bid to make sure the prices were where they felt they would be. Mrs. Klinger asked if it would be a problem to hold this legislation for two weeks or at least until the next week in order to have time to review the information. Mrs. Carr did not think it would be a problem. Mrs. Hummel agreed with Mrs. Klinger especially since this legislation looks similar to another ordinance coming later about recycling fees going up. Mr. Novak stated they went to bid for the recycling process. They had good results but they need to examine all options. One option had a possible profit sharing based on numbers for corrugated cardboard and newspaper. He is looking at the history and trend to be able to compare it better. Akron had received \$23.80 per ton. He thought the City would be able to get it around \$24.00 but it ended up coming in less than \$12.00. The current rate is \$6.50. Mr.

James stated that River Estates is part of his Ward. When the containers first went up, he received calls. After he explained, he received only one complaint for the whole area. It looks like it has been going well in River Estates. Mrs. Carr stated she will have that in her report. They have had requests from other residents in the City who are not yet in the recycle program and want to be. She pointed out that even with the price increase, there is still significant savings than putting it in a landfill. Mrs. Hummel was concerned about a \$300,000 purchase without knowing where the City was in the pilot program. She would appreciate holding the legislation.

*Committee recommended holding Temp. Ord. A-3.*

**Temp. Ord. A-4**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the purchase of certain materials and supplies in the Water/Sewer Utilities Department during 2010, and declaring an emergency.

Mrs. Carr stated that this is for typical supplies for the Water and Sewer Department. One notable item is that the cost for caustic soda went down by almost one-third. License and permit fees is what the City pays to the EPA to operate the treatment plant. Mrs. Hummel asked, based on the budget sheet, was the cost of the chemicals the reason for this year being down. Mrs. Carr stated they budgeted less because they knew the price would be down. They just didn't know how much. It is currently around \$59,000 compared to \$150,000 to \$180,000 last year. Mrs. Hummel stated this legislation seemed very standard.

*Committee recommended bringing out Temp. Ord. A-4.*

**Temp. Ord. A-5**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the purchase of certain supplies and materials for use by the Street Department during 2010, and declaring an emergency.

Mr. Novak stated this is very similar to what was done last year. They had purchased salt through CUE contract. The prices did go up, and they are paying \$49.98 compared to what they had been paying, which was \$43.57. They are budgeting for 7,000 tons of salt with the additions of the E-Poke salt spreaders. Sign materials is for the purchase of materials for the City's sign shop; paint supplies is for striping the streets; Contractual services is for salt conveyance. Sometimes they have to go out to bid for that. It is \$200,000 less than last year but they had come back to Council to ask for more salt due to the harsh winter last year. They budget for an average winter. Mrs. Klinger asked if they are salting side streets now. Mr. Novak stated they continue to do intersections and stops all the time. If they get into severe storms where there is snow pack, they just plow and conserve the salt. Mrs. Klinger asked if the change in the salting of side streets began when they implemented the E-Pokes. Mr. Novak stated they made the change around three years ago. They had some E-Pokes in the fleet at that time. Mrs. Klinger stated that some of the salt savings is due do salting less streets. Mr. Walters asked when Mr. Novak would be determining what type of paving the City will be doing in-house. Mr. Novak stated typically they get together with Engineering. Engineering has already gone through its pavement rankings. The Street Department likes to wait to see what the winter did to the roads so they get their list together later, which is usually in March.

*Committee recommended bringing out Temp. Ord. A-5.*

**Temp. Ord. A-6**

An ordinance authorizing the Director of Public Service to enter into a contract or contracts, according to law, for the annual requirements of the Municipal Garage for 2010, and declaring an emergency.

Mr. Williams stated this was the Garage's annual requirements which consists of fuel, tires, parts and repairs. Mrs. Hummel observed that the budget is not too far off from last year and asked if it was up a little due to gas prices. Mr. Williams stated it was due to gas and repairs. Shop rates are going up, especially for large trucks and large equipment.

*Committee recommended bringing out Temp. Ord. A-6.*

**Temp. Ord. A-7**

An ordinance authorizing the Mayor and Director of Public Service to enter into contracts for the purchase and/or lease of various vehicles for use by the City, and declaring an emergency.

Mr. Williams stated this was the same as was discussed throughout the budget process. Mrs. Hummel commented about the difference between the two sheets. She stated it appeared there had been four more items and asked if they would be purchased and paid for elsewhere. Mr. Williams stated those would be under \$25,000. They had decided two weeks ago to purchase a used grader and forego the cargo van that had been budgeted. Mrs. Klinger asked if the purchases would be off the State bid. Mr. Williams stated he wasn't sure. They are going to go out to bid for most of the items. They start with the State bid. Last year, they went to bid and beat all State numbers.

*Committee recommended bringing out Temp. Ord. A-7.*

**Temp. Ord. A-9**

An ordinance authorizing the Mayor to enter into a contract with Finley Fire Equipment for weekly vehicle maintenance service, and declaring an emergency.

Chief Moledor stated this is for basic weekly maintenance. Costs have gone up but they have also reduced their costs. Mrs. Hummel asked whether Finley visited each station. Chief Moledor stated he keeps a running list of what needs to be fixed and have them go there. Finley is based in McConnelsville but they have a local company in Macedonia.

*Committee recommended bringing out Temp. Ord. A-9.*

**Temp. Ord. A-10**

An ordinance authorizing the Director of Finance to enter into a contract or contracts for software maintenance and support of the eGovernment software applications, and declaring an emergency.

Mr. Konich stated this is for annual maintenance they have for HTE software, which supports City systems including building permits and eGovernment. The contract is a zero percent increase over last year. There is no increase on this contract.

*Committee recommended bringing out Temp. Ord. A-10.*

**Temp. Res. A-11**

A resolution authorizing the filing of a grant application with the Summit Akron Solid Waste Management Authority, and declaring an emergency.

Mr. Novak stated this is for an annual grant the City applied for. Part of the application process requires the City to pass a resolution. This is from the Summit Akron Solid Waste Management Authority. In the past, the money has gone to the salaries of the recycling crew. SASWMA has given the City \$1 per

resident. Last year, they changed the formula and the City received \$43,000, which is less. He is hoping it is around the same this year. They will not know until February.

***Committee recommended bringing out Temp. Res. A-11.***

**Temp. Ord. B-71 (dated 1-4-2010)**

An ordinance authorizing the purchase of the BP Station located on the corner of State Road and Portage Trail and the sale of City-owned property in the State Road Shopping Center including the BP Station to Portage Crossing, LLC for redevelopment in accordance with a contract for sale of land for private redevelopment and a mortgage on that BP Station property, determining that such real property will not be needed for public use, that the purchase price is satisfactory, and related findings, and declaring an emergency.

Mrs. Truby stated the formal presentation was given on January 4 and there were some questions that she followed up on, as well as e-mails and phone calls. She reviewed the more salient points which were also set forth in her written response distributed to Council. Mrs. Hummel thanked Mrs. Truby for including the mortgage and for answering Council's questions. She had a few additional items of concern. One was the language on page 11 in the contract regarding the 75% deposit by the City that the developer could draw on. The response was that these were for public improvements. She asked if it referred to the road that was parallel to State Road. Mrs. Truby stated yes as well as others. Mrs. Hummel asked whether Mrs. Truby had a conversation with Mrs. Hanover to clarify the language. Mrs. Truby stated they have been negotiating the contract for several months. Parking is the last element that takes place. Safeguards have been put in place before funds could be drawn down. This was Mrs. Hanover's opinion as well. Mrs. Hummel stated it was still an issue for her. Mrs. Klinger stated she finds the 75% offensive. It infers he is paying \$3.2 million for the project but, when you take the 75% away, he is only paying \$945,000. Mrs. Hummel stated she wanted these concerns shared publicly because the public are huge investors in the project. Her next concern is Exhibit C, which is the public improvements the City will be making. She asked if the total number for the Exhibit C Improvements was \$2,517,164. Mrs. Truby stated it was. Mrs. Hummel's next question was regarding the landscaped median on State Road from Schiller to Graham. It seems that the City had not yet finished the State Road improvements. Mrs. Truby stated the improvements started in 1999 and were completed in early 2002. Mrs. Hummel stated that at that point, the fifth turning lane was added and it seems to be working. She was assuming that the fifth lane will now be gone. Mrs. Truby stated this was a conceptual design that the developer requested but until they bring in a traffic engineer, she cannot say what will or will not be included. Mrs. Hummel stated it is in the contract so Council has to assume it could happen. She stated there was still outstanding debt on the State Road improvement. Mr. Brodzinski stated not much and what is left will be paid off this year. Mrs. Pyke stated she has lived in the City for 50 years and cannot imagine making State Road a boulevard and putting on-street parking on Portage Trail. Even if cones are put out, she cannot imagine what people would do. Mrs. Hummel stated she was also concerned about the on-street parking on Portage Trail. That is the major east-west thoroughfare in this community. The City currently is planning three phases of improvements to Portage Trail Ext. to make traffic move better from State Road to Akron-Peninsula Road in the valley. It seems ludicrous to her to narrow one side and improve the other. She wanted to go on the record to oppose narrowing Portage Trail. Mrs. Truby stated there are many solutions to obtain a desired result. One is that the City would own all property. There is no intent to impede traffic flow. All of these items will come back to Council and to the Planning Commission for approval. Mr. Mader stated he received calls from residents with the same concerns. However, this is conceptual and traffic studies have to be made to see what this turns into. Mrs. Klinger agreed. Not only has she had calls and letters, people have asked whether they should write letters. Mrs. Klinger told them they should wait until the project comes before the Planning Commission. Mayor Robart pointed out that Broad Blvd. is a boulevard and there is a turn lane at Fourth Street. They will not do anything that the traffic engineer says will impede the flow of traffic. Mrs. Hummel stated this is what Council has in black and white and if the issues are not raised now, by their silence, they would be saying these proposals are ok. Since they are not o.k., she wanted to bring them up to be conveyed to the traffic

engineers. Another concern she has is the time extension for the developer. She would like it to include Council approval. Mrs. Klinger stated on page 10 in paragraph 3(1), it states this project requires any of the big boxes. She wanted to make sure everyone understood that this contract says it could be any of the three boxes in the drawing. So the actual investment in Phase I could be one-half of what is being proposed. That would put the City at more exposure. Mrs. Truby stated it included all retail development on both sides of Portage Trail. They want to see both sides developed in Phase I. All new buildings will front Portage Trail in addition to the big box. Mrs. Klinger stated if CORF does not cover the demolition of the BP Station, she wanted to see the developer cover that cost. She would like that added to the contract. Mrs. Truby stated they estimated the cost of demolition at \$15,000. They are good at procuring funds for clean-up and for looking for additional methods for the project. Mrs. Klinger stated there is a draw down on what is remaining in the grant. Mrs. Truby stated that cannot be used for this project. It is in the design area. Jennifer Syx stated that BP is responsible for the environmental clean-up. They are doing ground water sampling and soil boring. The results must adhere to EPA standards. BP is required to submit a letter. Mrs. Klinger wanted to clarify her comment regarding the 75%. The developer's figure is \$3.7 million, not \$3.2 million.

Mr. Walters asked what the City's benefit was for building and maintaining the roads. Mrs. Truby stated the roads will be built to City standards. The City would be responsible but they may work out a deal where, in the end, it will not be. Mr. Walters asked what the appraised value was as the property sits today. Mrs. Truby stated it would be a lot less than it was when there were buildings. It is selling at \$150,000 an acre. Mr. Walters asked about the split with the school district in tax dollars. Mrs. Truby stated that the school district had been receiving \$69,000 but will now receive \$171,000. Mr. Walters asked what authority did the district have to deny this and what would that do to the project. Mrs. Truby stated there is a balance. They will be taking the tax value and splitting it with the school district. They looked at many different angles. They have talked with Dr. Holland and he seemed favorable. There are no other entities who have to approve. The school district will approve after the City introduces the TIF piece. Dr. Holland would set up a meeting. Mrs. Klinger asked what the breakdown of tax dollars would be if this were a normal development and the TIF was not in place. Mr. Brodzinski stated it would be 57% - 61%. Mrs. Klinger asked how much in dollars would go to the County, library, school district and City. Mr. Brodzinski stated he would have to get that. Mrs. Klinger stated if they have more than \$1 million in payroll of the project and the school district objects, it would get 50% of income tax. Mrs. Truby stated they are not looking at sharing income tax. Mrs. Pyke asked when the TIF is drawn up if it could include the five lots not owned by the City. Mrs. Truby stated it could. She does not know the number but it would increase. She would have to get it to Mrs. Pyke. Mrs. Pyke asked if the road would need to be put in before the rest of the project was constructed. Mrs. Truby stated it would be put in at the same time.

Mrs. Colavecchio stated she was on the committee who selected this developer. There were originally four developers and those were reduced to two. The other developer put together a visually aesthetic development that would look exactly like what was on the property previously. There was no residential piece in the proposal. At that time, Stark had a large residential component of 160-170 apartments and town homes on both ends. She was not in favor of the proposal because of the residential component. She felt it should be total retail. As they continued the selection process, the developer who did all retail indicated he would develop the parcel and then sell it, which is what the City got into with the State Road Shopping Center. Mr. Stark since changed his plan and got rid of the residential component. He also maintains ownership and management of what he builds. She is a proponent of this development. In addition to attending various meetings, she took a tour of Crocker Park to see what he had in place already. It is advantageous to see what the City could have here. Also, as Chair of the Planning & Zoning Committee, she attended a 2-1/2 day seminar at the Sheraton Suites. There were national speakers who gave wonderful reports that development is now turning to a new urbanization. They are trying to bring people back to town and away from the suburbs. Her goal is that the City projects itself forward and views this as positive. The City needs this project and it needs to start projecting itself as a city capable of performing something like this. She was asked by an Akron representative if Cuyahoga

Falls will ever build anything. She was also asked if the City was thinking it was like Hudson or Westlake. She states that the City needs to be bold and ready to grow. She will be supporting this project.

Donnell Shoffner, 438 Roosevelt, stated that Broad Blvd. works but there are no businesses. He is afraid this project will damage businesses. He urged the City to take into consideration the other businesses. With regard to narrowing Portage Trail, he stated that the City made Front Street pedestrian friendly but it did not work out.

Ryan Allen, 2215 Richmond Rd., stated he is a local business owner. He is trying to understand the developer's actual cost. The City spent a lot of money and he is concerned about the project getting paid off over time. He is also concerned about empty store fronts on State Road and Portage Trail. How will new development affect existing retailers in the area. He wondered if it would open up more blight in the City. He asked if the City knew which retailers already committed to the project. He heard talk about a grocery store but there are already two grocery stores in close proximity. Mrs. Hummel stated that Council received a budget sheet last week and again this week. Some of the money coming in from the developer will be put into a State Road account for private improvements. This is a 30-year payback. By the year 2042, the City will gain \$7 million. Mr. Brodzinski stated that based on the assumptions, those numbers are standard. The City will pay on the notes more aggressively, which will make the numbers look better. Mr. Allen stated, as a business owner, he does not know if he would make this kind of investment because at the end of 30 years, what will this project look like? He wondered if the City would need to build another to keep up with what is going on. It does not make sense on him based on the fickleness of shoppers. Mrs. Hummel reiterated Mrs. Colavecchio's statement that this developer has a track record of building these and holding onto them so he has a vested interest in the project making it a viable return. There are no guarantees. The State Road Shopping Center did o.k. for the first 30 years. It was the last 20 that were questionable. Mr. Allen stated that the City can pay down the notes faster because of the taxes but he does not know how he feels if three to five years from now there is another levy on the ballot that he has to support the schools with his taxes. Mrs. Hummel stated the percentage the schools are getting is not what they would get if there were no TIF agreement but it is substantially more than they were getting from the State Road Shopping Center. Mr. Allen stated instead of building a \$37 million project, a \$19 million project could be built and they would get the same amount of money. Mr. Brodzinski stated you cannot look at the numbers that way because it is the developer spending the money to build the project. The City made the commitment so it is trying to have the City make out. The schools put nothing into this project. The 75/25% works to pay off City investment and the schools get significantly more. Mayor Robart stated this Council made a decision in October, 2007 when the City filed eminent domain action. When the City purchased the center, it had a 30% occupancy rate. This will strengthen, not harm, business. More people will be in the area to shop so all businesses are enhanced. If Acme is not part of this process, it will build something else on State Road. He wants all of State Road to develop. It is an investment that the City has to make.

Dan Rice, 1622 Grant Avenue, agrees with Mrs. Colavecchio about the project. He applauded the City for having the vision of acquiring this parcel. He has worked with Mr. Stark and he is first rate quality. He has trust in City Council and in Administration. He suggested that everyone not let details get in the way of the project. He trusts that the proper checks and balances are in place. He is excited to have a development in the community to walk through and he urged Council to move forward.

Mark McCullough, 2300 Larchdale Dr., asked if the City had any input as to who gets to be in the development or was it only up to Mr. Stark. Mrs. Hummel indicated the City did not have any input. Mrs. Truby stated the market and demographics will drive which retailers are there. The developer has a good feel for who would be a good fit. There have been requests for a Trader Joe's but Trader Joe's does not have it in its business plan to come to the greater Akron area. Mr. McCullough stated he would like to see Acme relocate there. He agrees something has to be done. It was going downhill for quite a few years.

Pauline Larson, 431 Thomas Court, said it does not make sense to widen Portage Trail Extension and narrow Portage Trail. Also, the City just finished State Road and has not yet paid it of. She thinks State Road should be left as it is, which would save money, and then see what happens. She asked what the City would be paying for the BP Station. Mrs. Truby stated the City's portion is \$422,000, which is 50% of the project price. Mrs. Larson asked why it wasn't being paid for totally by the developer. Mrs. Truby stated these are the terms that were negotiated. Mrs. Larson stated that Mr. Stark is paying \$3.7 million and then the City will be giving him back \$2.5 million to build a street, which means he is paying \$900,000 for the center and the City is going to give him another \$425,000 for the gas station so his total cost for the center is \$575,000. She has a problem with that because it is her tax dollars paying for it. She also had criticism for the City's website.

Dan Horak, 431 Thomas Court, was born and raised in the City. He asked about the percentage rate on the loan. Mr. Brodzinski stated it was around two percent. He stated he used to go to State Road Hardware but as soon as Home Depot moved in, it was gone. He is afraid that will happen to other businesses. He would like to see local businesses move into this development. He asked whether Mr. Stark had the financing available to do something like this. A representative of Stark Enterprises stated they have the necessary cash and equity required to get a construction loan, and there are banks in town who will confirm this. He questioned the streets. Don Nelsch, a Planning Commission member, stated that the roads will be paid for and built by the developer to City standards and then given to the City.

David Seal, 3337 Reserve Drive, stated he is on the Planning Commission. This is a development that is needed in the community. It is not a project. Everyone can sit and talk about the roads but they are conceptual. He is not sure what is going to happen. Everything has to be reviewed before construction can get started. It comes to the Planning Commission and then to Council. They can continue to question and argue and remain stagnant or have the courage to move forward and see that this is a development needed in the community. As a resident, he would like to see State Road grow. The City purchased the property to enhance and make it better. He trusts that everyone will do the right thing.

Mrs. Klinger confirmed that the project value was based on 259,000 s.f. Mrs. Hummel stated that the Committee would continue to hold B-71 for two more weeks. Council will look at the information it was given this evening. She has aired her concerns and if anyone has similar concerns, they need to share those with Mrs. Truby and let her know whether Mrs. Hanover or Mr. Strnisha needs to be in attendance at the next meeting.

***Committee recommended holding Temp. Ord. B-71 (dated 1-4-2010).***

Mrs. Hummel asked for an update on the status of the bargaining unit situation. Hope Jones stated there were four layoffs in Police. The demotions have been put on hold. They met with Gold last week. They are going to give a test for a lieutenant's position to establish who has a right to be in the union. Regarding dispatchers, they sent to the union the City's list of concessions. That union will come to the table as well.

Meeting adjourned at 8:27 p.m.