

Cuyahoga Falls City Council

Minutes of the Finance and Appropriations Committee Meeting

January 24, 2005

Members: Mr. Flinn, Chairman; Mr. Barnhart, Vice Chair; Mr. Gorbach, Member.

Mr. Flinn called the Finance Committee to order at 6:39 p.m.

Pieces of Legislation this evening (second readings):

B-14	An Ordinance authorizing payment of the moral claim of Americhem, Inc. as approved by the Claims commission and declaring an emergency.
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Virgil indicates this was heard last week and this was the most difficult claim in his history on the Claims Commission. Americhem suffered severe damage to its offices due to a water main break. The damage was extensive. There was \$50,000 in clean up costs and \$53,000 in restoration. This claim was the largest claim ever. The city doesn't have the money to fund this claim entirely. The nature of the moral claims process is because the city is immune from liability. It's the harshness of this rule, that our city founded the Moral Claims process. This is taxpayers' money that is being used to pay for Americhem's loss due to our infrastructure. There is a practical limit to what we can spend and we decided to limit it to \$25,000. The claims commission felt comfortable with this number. This was a difficult claim for us to balance. This figure was 1/2 of the clean up costs. We felt this was fair, but no one was joyful at this recommendation. Virgil indicates Americhem has insurance with a \$200,000 deductible.

Mr. Gorbach feels confident with the Claims Commissions recommendations.

Mrs. Hummel questions what is in the basement. John Berner, VP of Americhem, 225 Broadway East, indicates the lower level contained the conference room that seats 50-70 people along with the Engineer's office and restrooms. The accounting records and engineering records were damaged and had to be dried. Is there a level above this one? Mr. Berner states there are levels above. Are you still using this level? There are temporary tables currently in the space. We are forced to use the space for meetings. The carpets haven't been replaced and the walls are not repaired. Mrs. Hummel says we pay for the first time damage in residential moral claims, but subsequent damage on homes has not been covered. She is in favor of payment of the claim and due to their decision to raise their deductible, Americhem has assume much of the costs. Mary Ellen indicates much of this same discussion transpired during the Claims Commission. We may need to address cost limitations yet she was comfortable with the \$25,000.

The committee recommended bringing out Temp. Ord. B-14

B-15	An Ordinance authorizing payment of the moral claim of Peter and Mandy Pansmith as approved by the Claims Commission and declaring an emergency.
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Virgil indicates this is claim from the May 2004 storm. They live on 10th Street (near Chestnut) and had sewage in their basement. Based on the previous formula that was used with other residents, we cut this in half at \$2184.00.

The committee recommended bringing out Temp. Ord. B-15

Miscellaneous Business:

Finance and Appropriations Committee Meeting adjourned at 6:50 p.m.