BEACHWOOD CITY COUNCIL MINUTES COMMITTEE OF THE WHOLE MEETING HELD AT BEACHWOOD CITY HALL, COUNCIL CHAMBERS, 25325 FAIRMOUNT BOULEVARD, ON MONDAY, SEPTEMBER 6, 2016 AT 5:30 P.M.

The meeting was called to order at 5:35 P.M. by Council President Martin S. Horwitz and Seconded by Justin Berns.

ROLL CALL:	Present:	J. Berns, M.S. Horwitz, M.M. Jacobs, B.B. Janovitz, A. Isaacson, B. Linick
	Absent:	J. Pasch
	Also Present:	Mayor Gorden, Hope L. Jones, Michelle Kaplan, Tina Turick

1. <u>Mayor's Reports</u>

Mayor Gorden stated that the School Board accepted the donation of new garbage cans from the City.

Mayor Gorden stated that the donation was one dozen cans donated for the athletic facility.

Mayor Gorden stated that the City is only donating the cans and the school will be responsible for emptying them.

Mr. Jacobs asked if cans are broken will the City replace them.

Mayor Gorden stated "yes."

2. <u>Discussion with Bab Labes regarding the Assessment Equalization Boards.</u>

Ms. Jones introduced Bob Labes who works at Squire Patton Boggs.

Mr. Labes is in attendance to the committee meeting to discuss the Assessment Equalization Board.

Mr. Labes stated that he was aware that historically Beachwood has not put street lights on residential streets unless residents or developers have asked for them and that sidewalks were treated in a similar manner. A requisite majority of property owners on the front footage of the street is needed in order for the City to install sidewalks or street lighting.

Mr. Labes stated that those street lights and sidewalks are City owned and the assessments are done because some owners especially benefit from those public improvements. The cost of the lines, poles, and continuing costs of electricity is what is considered during an assessment for street lighting.

Mr. Labes stated that an assessment is done every 5 years and is based on estimates of electric costs for the next 5 years by the Finance Department and other departments within the administration.

Mr. Labes stated that the assessments are done every 5 years as a matter of administrative convenience for the City and residents affected by the assessment to ensure certainty for a 5 year period.

Mr. Labes then offered background information and procedures for the Assessment Equalization Board.

Mr. Labes stated that the Assessment Equalization Board is convened when a resident protests an assessment that the City has initiated on street lights for public improvement.

The first step of the legislative process is that Council adopts a Resolution of Necessity declaring it necessary for this public improvement. Once that resolution is passed by Council, notice is given to the property owners stating that Council has determined that it is necessary to undertake the improvement and the property owners will be assessed for it and have a period of time to object. However, if they object the decision is still determined solely by Council.

Mr. Jacobs asked whether the property owners have a say if they don't want to pay for the improvements. Mr. Jacobs was under the impression that when the City did North Woodland sewers, they gave property owners the option of getting sidewalks installed at a discount rate and they were the ones who turned it down because they didn't want to spend the money.

Mr. Labes answered that the property owners have an opportunity to object prior to the Resolution of Necessity being adopted. Once the Resolution of Necessity is adopted, if they want to come to Council and object, Council may repeal the Resolution of Necessity prior to passing an Ordinance to Proceed.

Mr. Labes stated that there are two types of complaints. One is the complaint stating they don't want the project, the other type of complaint is when they feel they don't benefit as much as someone else so they should pay less while those who benefit more pay more.

Mr. Labes stated that when the second type of objection occurs, council appoints an Assessment Equalization Board (AEB). The job of the AEB is not to determine if the assessment should be made. That is Council's role. Rather, AEB's only job is to determine whether Council has fairly allocated the assessment among the property owners.

Mr. Labes stated that in regards to the process for street lighting on George Zeiger Drive and Blossom, the objection came from the Village. The Village felt they shouldn't have to pay since they don't benefit from the street lightning and would rather not have them. In their view the party that benefits is the Mall. They can make that argument to the AEB and the AEB can decide that it would be more fair for the Mall to pay more because the Mall benefits more than the residential side, because the Village already has street lighting they need. Or the AEB can say that George Zeiger Drive needs to be lit on both sides and because everyone benefits, they should all pay in proportion to their front footage on George Zeiger Drive. If the AEB agrees with the Village and decides to recommend reallocating the assessment, it's up to City Council to approve or reject their recommendation. If it turns out that Council agrees with AEB's recommendation, then notices have to be sent out again to everybody else stating that they will be holding a hearing in order to raise the assessment on the Mall, and the Mall will be given an opportunity to object. The only individuals who have legal standing to speak are the property owners who have objected. Council doesn't have to let those who are not objecting speak.

Mr. Berns asked how much the street lighting project costs.

Ms. Kaplan stated that in total George Zeiger Drive is around $18,000.00 a year, divided among the property owners.

Mr. Horwitz asked, in regards to determining whether the City should be discussing the complaint on Blossom, if the recommendation is bordering on a formal complaint, is there any need for Council to discuss it since Council would be looking to Mr. Labes or Ms. Jones for legal guidance on whether or not we should accept it as a complaint.

Mr. Labes stated that an objection was timely filed. The substance to the objection in Mr. Labes view was not one that would be appropriate for AEB to determine.

Mr. Isaacson asked if the AEB can make the determination itself, whether or not is appropriate for them.

Mr. Labes answered yes, they can.

Mr. Horwitz stated he thought Council made the determination.

Mr. Labes explained that if Council passes the two Ordinances and appoints two AEBs the City will hold a hearing for Blossom and a hearing for George Zeiger Drive. The AEB has two options; either they change who pays how much without changing the total, or they don't change anything. Based on the objection for Blossom, Mr. Labes guesses that the AEB wouldn't change anything because it is not the roll of the AEB to conclude the City should pay for the project.

Ms. Kaplan stated that all the property owners at Blossom are being assessed $350.00 in total for 5 years. Every Blossom property is being assessed in the same amount and not by frontage.

Mr. Isaacson asked if, in regards to George Zeiger Drive, only the Mall and the Village were being assessed, and also asked if the $18,000 being assessed is only for the Village.

Mr. Jacobs stated that all the properties are being assessed including the Cleveland Clinic, the Hamptons, and Four Seasons.

Ms. Kaplan stated that the $18,000 assessment applied to all the property owners annually for five years. The Village pays 13% of that total which comes to $2,500.00

Ms. Janovitz asked if the Village petition to the AEB is successful but the Mall then objects, does the decision go back to Council or does AEB make the final decision.

Mr. Labes, answered that it goes back to Council and essentially starts the process over.

Mr. Horwitz asked if Mr. Labes will be at the AEB hearing, in case they have questions.

Mr. Labes responded that either he or one of his colleagues will be there.

Mr. Labes responded that there is a script that explains and outlines the process and the responsibilities of the AEB.

Mr. Labes stated that Council does not have to accept a recommendation from the AEB.

At this time a motion was made by Mr. Isaacson and seconded by Mr. Horwitz to call a recess.

The Committee of the Whole was recessed at 6:20 P.M.

The Committee of the Whole went back on the record at 6:32 P.M.

3. Introduction of World Synergy for a Job Incentive Grant

Mr. Doutt introduced Mr. Michael Mack who is the President and CEO of World Synergy.

Mr. Doutt stated that World Synergy will be applying for a Job Incentive Creation Grant to move in to Beachwood from Solon.

Mr. Mack stated that World Synergy will have 22 full time jobs with a $1.6 million payroll and will be adding 22 more full time jobs 2017-2020 adding $1.25 million in new payroll over 3 years.

Mr. Mack stated that World Synergy has been in business for 16 years and has had a 26% average growth rate over the last 4 years.

Mr. Doutt stated that World Synergy will be moving into 3770 Park East Drive and would like to be moved in by the end of the year.

Mr. Mack stated that this move will not negatively affect the current employees of World Synergy.

Mr. Mack stated that the employee make up is 85% sales, app development, and computer engineering and 15% is administrative staff and World Synergy will not outsource.

Mr. Isaacson asked if World Synergy has its own data center.

Mr. Mack stated that World Synergy partners with another company for that.

Mr. Mack asked at this time if there were any further questions from City Council.

There were no further questions.

Mr. Mack thanked Council for meeting with him and stated that Beachwood is the right space for growing the company and he is looking forward to moving into the City.

ADJOURNMENT

Moved by M. Jacobs, seconded by B. Linick at 6:52 P.M. to adjourn the Committee of the Whole Executive Session to the next regularly scheduled Council meeting.

ROLL CALL	Yes:	J. Berns, M.S. Horwitz, M.M. Jacobs, B.B. Janovitz, B.H. Linick, A. Isaacson
	Abstain:	None.
	No:	None.
	Not Voting:	None.
		MOTION ADOPTED

Approved:

Merle S. Gorden

Merle S. Gorden, Mayor

Whitney M. Crook

Whitney Crook, Clerk of Council