

January 11, 2002

TO: Council

RE: C/W Meeting: 1/7/02

Councilman Osborne requested a transcription of the discussion on The J Group. Attached is a copy for your reference.

Mary Louise

c/w attachment: Mayor Rice

Mr. Snyder: Item c is the J Group contract renewal. As you know, at the Mayor's request some three months ago there was approximately \$10,000.00 left in his budget for economic development and he did request a short window of three months at the figure I believe of \$3,000.00 a month to hire the J Group on a contract, which we agreed upon. And I'm sure you're going to - the first thing come to your mind is after three months we're going to now give them a raise of a requested raise of \$1,200.00. But if I may, Mayor please forgive me to speak for you as I talk, you must understand in this new renewal does not only consist of what this committee has done or this group has already done. And unfortunately my first question to the mayor was where is their report? Well I may say that there are some sensitive things that they've accomplished that ready to come alive to fruition to which they are not in a position, the administration nor the J Group, to make public. And I'm sure the mayor will apologize for that. But if he would report what he's accomplished for the expenditure of the \$9,000.00 it's too sensitive and when it is ready I'm sure the mayor and the J Group will kindly report that. But this also-- it broadens the scope of the contract to include grant writing, which we've never done previously. And they've moved - they've been successfully placed number 41 on the list for a \$5,000,000.00 grant for the Water Treatment Plant - they've accomplished that. So that in itself would more than pay for the contract for the first year. But also does include on many community projects such as concerts and community related things, which if we had to pay on an individual basis such as the Cleveland POPS and so forth would more than exceed the requested 47,000 some dollars of request. But if there - if there's any committee request, I'll let the mayor expound on what I said. Mr. Mayor if you have anything you'd like to add to that. I know the

Mayor Rice: You know it pretty well Jon.

Mr. Snyder: Well I remembered you and I had

Mayor Rice: Yea.

Mr. Snyder: a lengthy discussion on that.

Mayor Rice: That's pretty good.

Mr. Snyder: and as I say I apologize, I wasn't trying to steal your thunder.

Mayor Rice: Well there's three things to keep in mind. Number one - the last three months of last year we asked for a contract of 3,000 a month. The main reason for that is that's all the money we had left in the budget last year. And a -- they were actually, they were asking for more at that point in time but agreed to do it less to get started, so we could get started last year and do it at 3,000 a month. So quite honestly last year's number was a bit artificially low. Which I think I said at the time; it was a heck of a bargain. That we were lucky to get started at 3,000 a month for what we're going to be doing. The other is we have added to this year's contract in talking with Dave - both Dave and Teri about increasing the scope of what I want them to do. One is being grants. And as Jon accurately told you, we've already got one grant request in with the State of Ohio for 5,000,000 bucks on the - for the upgrade of the Water Treatment Plant. Now are we going to get that or some part of it? I don't know yet, we just submitted it recently. But we got it in, we're already on the list. We're number 41 on the list, which is pretty good for just

entering the fray. We've also already met with State Representative Schuring in my office a couple weeks ago with Dave talking to him and plotting with him and soliciting his help to help get us moved up that list. That's just one grant. We're pursuing some other grants with ODNR in other areas that Dave and Teri can be great amount of assistance to us. And I'm sure if we're able to land a 5,000,000 or even half of that for the Water Treatment Plant, I'd think everybody would agree that was \$50,000.00 well spent - if that's all we got accomplished. And again, that's what we're talking about. We're talking about roughly \$50,000.00 for this economic development activity that we're trying to push. The other is areas of what I termed in the contract description there, community activities. I believe strongly that we should be doing more in this community to provide value to our residents for what we do. A city's job is not simply just to take their tax money and just simply pick up the trash and clean the streets and pave them. But we should be offering more to our residents. Not that the things we do now are not good - they're fine and wonderful. We ought to be doing more of that. Probably the most popular activity in this city is the Cleveland POPS that comes here at the end of every summer. But that's the only activity like that. We have the Main Street Festival. Other than that we've got very little that the city plays a major role in promoting. I've got this brochure, to give you some example. Now I'm not going to go to extremes here, so don't get me wrong. This is the brochure - color brochure and I'll be glad to leave it here, it's kind of beat up as you can see, I've done a lot of work with it. This is the brochure from the City of Massillon. This is what the City of Massillon's summer activities are. And let me tell you there's something here scheduled every - virtually every weekend year round. Their first item here starts January 21st. January, February, March, April - go through here. I'm not sure where the last one is. Yea, it goes all the way through the end of December, it goes to holiday. Year round programs that they have in the City of Massillon. Entertainment, a lot of community groups involved, but this is the type of activity they're doing. They're right here on our doorstep. Teri Johnson, who's now with the J Group, is the person responsible primarily for putting this together over the last several years in the City of Massillon. Okay, she knows what she's doing and can be a great asset to us in the City of North Canton to help you make some things happen for the community. So it isn't a wish list; she's been doing it over there. And if you want to check out references, call over there and ask the Mayor's Office over there what kind of work she's done for the City of Massillon - it's fabulous. That's part of our job as a city. So she's agreed to help us in the City of North Canton do some things like this. Okay, which I believe is all part of economic development. Economic development is not just annexation or business retention or business attraction. It's also, you know, the general life in general in the area. It's park and rec, it's green space; these are things we talked about from the very beginning. All those things - it's quality of life in the community, that's all part of economic development. I think we need to do more in this town to do that. So that's part of what I'm going to be asking them to get very involved in and make some things happen this year. We've already talked with corporate sponsors in the community that are very interested in getting involved in some things like this. I just think we need to push the envelope here a little bit and do more for our residents maybe in more of a fun, quality of life type environment. So that's what it is. It's difficult as Jon said, it's really difficult talking specifics about some things that have been happening. But I can tell you this, I expect in the very, very, very near future we have on the verge of signing up two new businesses ready to come to the City of North Canton that Dave and Teri and I have been working on the last few months that I think will be exciting new additions to the city. They're virtually - all we need is to get the signed documents and it's not very far down the road. Certainly in the first quarter - some of them could happen yet before the end of this month. I hate to put a timetable on it, because you never know when these things are going to happen. Trust me when I tell you there's a lot of things being done. Dave and Teri have been a great asset to this city in helping myself and the city making some things happen. And I think the word is out on the street with a lot of developers, a lot of businesses come and going that things are

happening in the City of North Canton now. And it's amazing when they get the message of that how many people start calling. Inaudible...

Mr. Snyder: Mr. Mayor, I wonder if I - we may ask on behalf of the Council...

Mayor Rice: Sure.

Mr. Snyder: possibly quarterly we could receive a report without specific names and...

Mayor Rice: I can give you that. Matter of fact I've got - Dave just delivered to me today his end of the year report. It's doesn't have a lot of specifics, but it's got dates when we had meetings, in some cases people we met with, in some cases not specifics if we were talking to -- As I explained, I think to Rick, I was talking to Rick earlier today and yourself on Friday Jon, it isn't that we're trying to be coy or anything, but a lot of these...

Mr. Snyder: No, it's...

Mayor Rice: there are two independent parties that are talking and negotiating. Many times you got a property owner out there that we've put in -- contacted. And then the facilitator to put a property owner together with a prospective business owner trying to get the two parties together. We're really the facilitator. We're not out there in cases negotiating to spend city money - but these are two parties. It's not our place to be out talking about two parties that are talking to each other. Because all you do by talking publicly about that is you scare people off. And they - and they're not interested in being in the newspaper until they've got something solidified. I think it's just simple basic business practices there. So, you know, I'm trying to respect the confidentiality of the parties that are trying to work out a business arrangement. When they come to an agreement - it's really up to them to make that known and announce it. And we'll certainly help play a part of that, but we're trying to do everything we can to be the impetuous to make some things happen and bring people together. But you can't just sit here and talk about it openly when people are -- two business partners or potential partners are trying to negotiate some sort of real estate transaction or business transaction.

Mr. Osborne: Well we could always have an executive session.

Mr. McLaughlin: We can't have an executive session on that.

Mayor Rice: It's not really - in a lot of cases Chuck it's really not city business. And I don't - personally I don't think that fits the criteria for executive session. It's very specific when you're going into executive session. I don't think these type of things qualify legally to hold an executive session. I mean it's nothing - nothing - it has nothing to do with litigation involving the City of North Canton. It has nothing to do with personnel matters for litigation. I don't think they qualify for executive session. Therefore, I don't - I just don't think those type of things should be - like I said it's not - in a lot of cases it's not city business. It's private individuals out there trying to arrange business deals that we're trying to help coordinate. That's our role as kind of the facility and coordinator.

Mr. Osborne: I'd like to go back to the grant situation. You said we're 41st on the list.

Mayor Rice: Yes.

Mr. Osborne: Now what kind of window does that give us as far as when those projects come up for approval and...

Mayor Rice: That's on the list for this year.

Mr. Osborne: Do you know...

Mayor Rice: That's on the 2002 list.

Mr. Osborne: Do you know how much grant money is available on a yearly basis?

Mayor Rice: That's one of the things we're trying to find out. Those are the types of questions we're meeting with our state representative about. Try to find out what kind of monies are available, how we can maybe get moved up the list, that type of stuff.

Mr. Osborne: Okay...

Mayor Rice: You know...

Mr. Osborne: then to follow up...

Mayor Rice: I don't want to artificially, you know, build people's hopes, you know. Grants are something you go out and you try to pursue them as best that you can. We may get all of it, we may get part of it, we may get none of it. But the key is we're at least in the ball game now. We haven't been in the ball game before. Like they say about the lottery, you can't win the lottery if you don't buy a ticket. Well we're trying to buy a ticket; at least give ourselves a shot.

Mr. Lindower: Say something Doug.

Mr. Foltz: That's my - I agree with that Mayor. If we get one grant opportunity it will justify the increase of \$12,000.00 for this group. And I think before, even as a council or administration through the years, since my short time up here, we haven't had any cohesiveness as far as how we attack grant opportunities. At least we can funnel them through this group and they're acting for us and I'm sure we're end up with something positive for our community.

Mr. Snyder: Another thing we must consider in this, historically, the last two years, there's been \$50,000.00 put into that same fund to which last year we only spent 40 with a consultant on the east side of the county that I don't know really what we got for our money there. I mean we have a...

Mr. Foltz: Right...

Mr. Snyder: We did Mr. Rogers in a main street, so to speak. But I think that's about as far as we got.

Mr. Foltz: Right.

Mayor Rice: Didn't you do that?

Mr. Snyder: Yea - well that was - he got paid, I did the talking. But...

Mayor Rice: You get a cut of that Jon?

Mr. Snyder: But that's one thing, so we didn't get a lot of bang for our buck on that 90 grand that we spent there. So I...

Mayor Rice: So I guess my point is...

Mr. Snyder: Yea.

Mayor Rice: economic development things take time, number one. They don't happen overnight. I'm surprised that we've got a couple opportunities happening as quickly as we do. I would - quite honestly I feel 100 percent confident to ask council's indulgence here to give this a shot for one year. And I think everybody will be unanimous in their agreement at the end of the year you got well more than your \$50,000.00 out of this thing.

Mr. Osborne: I'd like to ask, can you give us an idea what these businesses generate in revenue a year or how many employees they'll bring into the city? Can you divulge that?

Mayor Rice: I don't know right off the top of my head. I'd have to go back and look at my notes. There literally - there's probably a dozen organizations we're talking to right now. We've got two of them potentially coming our way...

Mr. Osborne: I'd like to arrange...

Mayor Rice: For sure.

Mr. Osborne: to visit their office and see their organization. Is that possible?

Mayor Rice: Who's that?

Mr. Osborne: The J Group.

Mayor Rice: The J Group? It's operated basically out of Dave's home. They don't have a commercial -they're not in a...

Mr. Osborne: Well I would like to meet with him and learn a little bit more about them.

Mayor Rice: No problem with that - no problem with that.

Mr. Snyder: Mr. McLaughlin.

Mr. McLaughlin: I do want to say I had some dealings with Dave. And I brought some opportunities to the table.

Mayor Rice: That's right.

Mr. McLaughlin: Believe me when I met with Dave and I told Tom I was going, Dave jumped on them. The one constituent has a business; is very happy. He held him in the right direction. I think we're going to get some more employees out of him. I know he's going to increase his business. So I know that's going to be a positive thing for this coming year. And I know my constituent is very happy about increasing his business and increasing the number of employees. But I have to admit I did bring some things to Dave and Dave jumped on them right away. I mean...

Mayor Rice: Yea, I mean you're - you...

Mr. McLaughlin: Dave does not let things set. He's a firm believer in, you know, strike when the iron's hot. And I do believe that, you know, he did -- Dave, like I say, even my constituent made the comment to me that he couldn't believe that things happened so quick.

Mayor Rice: That's right.

Mr. McLaughlin: And it was in a right...

Mayor Rice: That's right...

Mr. McLaughlin: positive direction...

Mayor Rice: And that's the way - quite honestly the perfect model of how things - how I'd like to see things work in the city; I think it's best for the city and most productive way. And I commend Rick for the way he handled that. He came across an individual who happens to be a resident of the city as well as has a business in the city, that started asking some questions. Rick found out that - uncovered this guy as a potential prospect. Wanted to - he's got a business in town, wants to keep the business here and grow his business here. Rick contacted Dave, Dave contacted me, we went out within, what was it a day or two?

Mr. McLaughlin: Twenty-four hours was the turn around time.

Mayor Rice: It was roughly 24 hours. Dave called me - Dave, Teri and myself all went to visit the gentleman at his business location, had a great meeting with the guy. But we responded quickly to the guy. We got him the information, we're working with the guy. The key is here's a business owner that potentially could leave town. Alright. He wants to expand. He needs to know where he can go. We talked about the Stark Development. When we got done, came back from there, called Larry Marcus down at the Stark Development Board who called him either the same day or the next day. So he'd heard from the City, the Stark Development Board -we were all over that and we're working with the guy to help him grow his business in the City of North Canton. That's what it takes. That's -- needs a coordinated effort. It's all coming out of the same mechanism to handle these people. That's the most efficient way and the most positive way to handle it. As Rick said, he got very positive, very good positive feedback that we're on top of it. We all came down visited with him at his location, found out what he needed and started providing him the information he needs to continue with his business and grow his business in the City of North Canton. And he's going to add a lot of jobs.

Mr. McLaughlin: Yes.

Mayor Rice: He's going to add some nice jobs down there.

Mr. McLaughlin: Yes.

Mr. Snyder: Marcia, anything - comment on that committee wise? Rick, any other comment? Council?

Mrs. Kiesling: Yea, that's fine.

Mr. McLaughlin: Nope.

Mr. Snyder: Mrs. Magel - anybody?

Mrs. Magel: Just a...

Mr. Snyder: Please.

Mrs. Magel: It was budgeted 40 and it's 50. Where's the other 10? Where you going to pull it from?

Mrs. Herr: We'll have to...

Mayor Rice: To make it - probably out of one of the other economic development funds. Maybe out of the land acquisition fund or something like that Kathy.

Mrs. Magel: Okay.

Mrs. Herr: We'll find it.

Mayor Rice: We'll take it out of one of the other line items in economic development.

Mrs. Magel: Thanks.

Mr. Snyder: Okay.

Mr. Osborne: Is there a possibility of staying at the 3,000 until we - until mid year till we see, you know, a little bit more coming out of that group?

Mayor Rice: I - I don't know. That would be if they would be willing to continue to work at that rate. I didn't ask them that because I believe 42 is a bargain at 42 for what they're doing for us, to be honest with you. I think..

Mr. Foltz: I think you explained earlier...

Mayor Rice: 50,000 - I think if you check around, there's some postings around town now and neighboring communities are looking for people of this - to handle this position for them on a full time basis. They're - the advertising rates are much higher than \$50,000.00 a year, plus they're paying full time benefits. We're talking - don't - keep in mind your this isn't a negative sense, but your department heads make more money than that. Each department head you've got in the City of North Canton right now, their annual salary is more than that plus they get benefits and everything else. \$50,000.00 is cheap for this kind of - type of work and the type of results we're getting...

Mrs. Magel: When you first...

Mayor Rice: out of this.

Mrs. Magel: When you first started with the 3,000, I had asked what it would be after...

Mayor Rice: Right.

Mrs. Magel: and you alluded to the fact that it would be a little bit more. So I think you were up-front with us.

Mayor Rice: Yea. I mean I, you know, and I think I said at the time that's - we only have this much to give them.

Mrs. Magel: Right.

Mr. Foltz: Cause that's what you had left in the budget.

Mayor Rice: They didn't really want to do it for 3,000 last year, but agreed to do it to get started because we didn't want to sit around and not do anything for three months. Get up and get started and then - and look at a more reasonable rate. To be honest with you, you know, I think they're worth a lot more than that. I'll be honest with you.

Mr. Osborne: Do you have a...

Mayor Rice: But they're willing to do it at 42 and I'm thrilled to death that they're willing to do it at that rate.

Mr. Osborne: Do you have a client list for him?

Mayor Rice: I'm sorry.

Mr. Osborne: Who else is he under contract for?

Mayor Rice: He's only - I don't believe they're working for any other municipality. Dave, I believe, his group has a couple large national accounts that he does some work for. And I don't know off the top of my head the name of those. But we can certainly get those. You can certainly ask Dave that when you talk with him.

Mr. Osborne: Does he have any... ,

Mayor Rice: He doesn't have a long list. That's one of the beauties of him. He doesn't serve a lot of masters. But he's really tried to serve North Canton. He lives here, he's been here virtually all of his life. He's not out there trying to - I know he turns down contracts because he doesn't want to work, you know, 12, 15 different big contracts.

Mr. Osborne: Does he have any marketing literature?

Mayor Rice: Probably not.

Mr. Osborne: Promoting his...

Mr. Snyder: You know one thing that - two things you have to realize, he brings 30 years of governmental service.

Mr. Foltz: That was one of my points. Thank you.

Mr. Snyder: His wife brings - his wife brings 25 years of zoning and planning experience. So she's very familiar with the ins and outs of how the Zoning and the Planning Commission work...

Mrs. Magel: Of North Canton.

Mr. Snyder: of North Canton. The thing that we must remember as a council, if we're talking about \$50,000.00 and we get one grant, that we must remain very proactive. Because we've sat on a couple things and we've nearly lost. We're in a very competitive market...

Mr. Foltz: Right.

Mr. Snyder: both from the townships and the cities north and south of us. Because we'll be sitting here with the 50,000 in the bank and nobody to service because they've all moved out. So you know, I mean we always have the opportunity if it isn't working out and Mayor we'll hold you to that. If we get that quarterly report I think that will take care of some things. And Rick...

Mr. McLaughlin: I think Doug had something and I'll let you go first, then I'll say my piece.

Mr. Foltz: Very good points Jon. Also, J Group is connected down in Columbus. Let's face facts and it's who you know sometimes down there to get these grant opportunities. He knows the ins and outs, I'm excited about that. Tom alluded to it earlier, we're doing more community programming, grant opportunities; that wasn't part of the deal last year I believe. So we've actually increased their scope of work. So I don't have a problem with it. I say give them a year. If we come back after a year and it's not what we think it is - we're going to know by June

Mr. Snyder: Oh yea.

Mr. Foltz: if it's going to be worthwhile in my opinion.

Mayor Rice: Yea.

Mr. Foltz: If two of these businesses...

Mrs. Kiesling: Definitely.

Mr. Foltz: pan out, I'm elated...

Mr. Snyder: Yea.

Mr. Foltz: out of the gate. So...

Mr. Snyder: That's...

Mr. McLaughlin: And I kind of agree that's what - that's the point I was going to make too. That Doug - that Doug said that with Dave's ties down in Columbus, especially being a legislative body down there for a long time also being on the Public Utility Commission, he knows the ins and outs. I know for a fact from talking to Tom and Dave that they're -- and they talked to Kirk Schuring about getting us moved up on that list from 41 maybe to into the 20's. And I think that's gonna - that's going to happen. I know Dave and how persuasive Dave is. He was very when he was mayor here, when he was in the state legislator he was very persuasive. So I say the same thing, I say, you know, let's give them a year. Let's just do it and a -- cause I don't want to insult the guy, I don't want to make the guy mad. He has made some great strides in three months. It is a bargain - Tom is right, it is a bargain. We could definitely be paying somebody \$75,000.00 or more with benefits and everything else like this. And in getting involved and they're adding their

responsibilities by getting involved with a lot more for the City of North Canton. I think they're worth it. Let's just give them - let's just give them a year and let's just do it.

Mr. Snyder: Will that be as an emergency to fulfill the January 1 commitment? Is that how you want that?

Mayor Rice: It would be nice. Because he's - he's still helping me out on things now pending approval.

Mr. Snyder: Okay. Is that fine with the committee?

Mr. Osborne: Would we be locked in for a year if by June we were dissatisfied?

Mr. Snyder: I think it's a January 1 to December 31 contract. Is that...

Mayor Rice: I think so. It a -- I have to double check

Mr. Foltz: And this is from the J Group.

Mayor Rice: the contract, but I'm not so sure it didn't have a cancel - I think it had a cancellation clause in it anyway - 30 days or something like that.

Mr. Snyder: Well he's the type fellow anyway if he - if you weren't happy with him...

Mayor Rice: Yea.

Mr. Foltz: Inaudible ...the J Group.

Mr. Snyder: he'd go home anyway.

Mayor Rice: That's right, yea.

Mr. Snyder: He wouldn't even say anything...

Mayor Rice: Yea, I really.

Mr. Snyder: He'd go home, he wouldn't come back; that's all.

Mayor Rice: Yea.

Mr. Snyder: Alright, I'm going to place it, if it's alright with Council next Monday as an emergency for the 4200. Thank you Mayor for your input.

Mayor Rice: Thank you.

Mr. Snyder: Thank you Council for your consideration.

End of discussion on J Group