

RECORD OF PROCEEDINGS

Minutes of

COUNCIL OF THE CITY OF NORTH CANTON

REGULAR

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10148

Held Monday, July 12, 7:00 p.m. 20 04

CALL TO ORDER:

1. The meeting was called to order at 7:00 p.m. by President of Council Jon Snyder.
2. The opening prayer was delivered by Rev. Don Rice, Jr., St. Luke Lutheran Community.
3. All present recited the Pledge of Allegiance.

ROLL CALL:

4. The following members of council responded to roll call: Foltz, Kiesling, Lane, Lindower, Peters, Sarbach and Snyder. Also present were: Mayor Rice, Director of Administration Miller, Director of Law Pusateri, Director of Finance Herr, City Engineer Benekos and Clerk of Council Bittle.

5. Consideration

Minutes of Council Meeting: 6/28/04

Financial Statement: June, 2004

Mayor's Court Receipts: June, 2004

Mr. Snyder: Barring any additions or deletions, may I have a motion to adopt as presented?

Mrs. Kiesling moved and Mr. Lane seconded to approve the minutes of the council meeting, the financial statement and mayor's court receipts as presented. All members present voting:

Yes: Kiesling, Lane, Lindower, Peters, Sarbach, Snyder and Foltz.

No: 0

6. Committee Reports

Finance & Property Committee: Refer to the minutes on file in the Council Office of the Finance & Property Committee meeting held July 6, 2004.

Ordinance, Rules & Claims Committee: Refer to the minutes on file in the Council Office of the Ordinance, Rules & Claims Committee meeting held July 6, 2004.

Street & Alley Committee: Refer to the minutes on file in the Council Office of the Street & Alley Committee meeting held July 6, 2004.

Mr. Sarbach moved and Mr. Peters seconded to approve the committee report minutes as presented. All members present voting:

Yes: Lane, Lindower, Peters, Sarbach, Snyder, Foltz and Kiesling.

No: 0

7. Recognition of Visitors

Mr. Snyder: We're going to go outside of procedure here a little bit. Tonight we have with us Mr. Robert McNutt from Arcadis FPS, he's going to give us a presentation. We charged the administration with coming back you know some two months ago with projected water rates. I would say this, so that we understand, Mr. McNutt has a very pressing meeting immediately following this presentation. So I would just say to the people in the audience, this presentation at this time is directed to the council. So we will not entertain any questions from the audience nor will Mr. Nutt entertain any questions from the audience. At a later date, when it is final and it is presented for final draft, we will hold a time at a council meeting for you to address your questions to him or members of the administration or council. Mr. McNutt...

Mr. McNutt: Thank you very much. And I want to just thank the administration and the Council of the City of North Canton for again this opportunity to serve you in this capacity and to assist in your engineering need. If you recall about a year ago I made a presentation similar to this regarding the water distribution system, the condition of it, the findings and what we needed to do to expand and continue that. This evening we're going to talk now about some of the financial aspects of that as well. We've got several purposes that we want to cover and as we go through this we're going to try to hit on each of these for you. And we're going to leave you a lot of information for the council and the administration to review it, as was mentioned, formulate some of your questions and we will get back together for a work session. This is intended to be a preliminary set of calculations so far, there will be changes, we understand that and that's the normal process that we go through. I guess as we start this, we're here to tell you that we've got some good news for you and we've got some bad news for you. The good news is that we live in America. We live in a land of opportunity and of a lot of water. When was the last time that you went to your tap, turned it on and you didn't get water? We have safe reliable drinking water, barring emergencies, for the consumption of our communities. And as I talked about in the distribution system, our

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water really is the background or the backbone or the heart of our community. With this we can grow, we can develop and we can have close neighbors to make a community. The bad news is we have to pay for it somehow and that's what we're going to talk a little about today. As we start this, one of the first things that we want to look at is the value of the water system. In America we do devalue our water. It's there, you turn on a tap, you get. What does water cost? What should it cost? How do we compare the value of that to a lot of other stuff? I created this slide just to show you some comparisons. Milk, what does that cost - gasoline for the cars? These are things that we don't take for granted like we do the water. Bottled water - you know we have this assumption that bottled water is so much greater health wise and I'm not here to argue that pro or con. But recently my wife bought a bottle of 20 ounce water for a \$1.10 and if you project that out it's \$7.00 - \$7.04 a gallon for bottled water. Our current rates, inside city users, are using about 0.3 cents per gallon of safe, reliable, potable water. This is something that we need to help educate ourselves and our community on is the value of the water that we have. As another comparison we started looking around, what do our rates look like for an average customer versus what do rates in the nearby communities look like. Our average customer, as we evaluated the billing records, was about 6,000 gallons a month and that average did not change whether they were inside the city or outside the city. So when we took that 6,000 gallons a month and ran it through these various rates, we get an idea of what other people are paying. Now you notice on the City of Canton we have an inside and an outside and then we have another tag with an asterisk. As we know, Canton does not soften their water. So we tried to put Canton's rates on similar plane to North Canton who does soften our water before it goes into our distribution system. We looked at a figure of about \$12.55 a month for the rental, upkeep, salt, maintenance, etc., for a softening unit if you have a city unit. Now I'm not here to defend that number, I will say it's very very conservatively low. My home water softener is costing me about 15 bucks a month and I too am on municipal water. Graphically this is what it looks like. We can see over here the city's inside and outside rates versus Canton. And again, the second graph for Canton is showing adding in a monthly softener cost, just to show the relative scale of what we're looking at. Each one of these costs are the same ... that was on the previous slide. So when we come on over to the end this is our average rate in the State of Ohio as of this year, estimated from previous years. So why do a rate study? What's the purpose of this? As we're going to show on an upcoming slide, the first thing is as you do rates you don't always live in a positive cash flow. Some years you make you a little extra money, some years you spend so you live in a deficit. And we're going to see that in the last three out of four years we've had some deficit. So we need to come back on that now and start building up some reserve again. In addition, as was mentioned before, we have a lot of improvements that have been occurring lately. Our water plant - the first cost was just to bring that back up to snuff to where we should be today and then the second step for that, the expansion, was to prepare for tomorrow for the extensions, the new customers that we want to bring into our system and the people who are knocking on our doors. Well that costs money to do that. And the third part of this are the escalating costs. As we all know, if you've paid attention to the gasoline market, as you paid attention to the deregulation in utilities, things are costing more and more money and they're not going up by 2, 3, 4 percent, normal inflation. My gas bill went up 20 percent, electric about 40. Things are going up significantly, versus just inflation. So we need to prepare in our water fund to be able to absorb those changes and that escalating costs. As we go through a rate study, we have a certain process. You know we need to look at the historical costs, what have you done. We look at your current budget. Where are things going today or what is your projection? And then we start checking out the rest of the goals. What do we want to do? What are the capital projects that are needed and what is the timing of those? And we will go through several tables just briefly and allow the council and administration more time to review them in-depth of what those projects are and how we estimated them or how we planned them. Again, this is just a preliminary snapshot. The project routing, all of that can be changed. It can be accelerated if you want to move faster on some projects or it can be slowed down. There's obviously a lot of pros and cons into how you change or do anything. And we have already spent three or four work sessions to come up with the preliminary plan that we're presenting this evening. From all this information we're trying to project what our revenue needs are then for the next five years. Where are we going, how much money do we need to get there to make our plan work. Looking back on the historical, from 2001 through this year's budget, we have some of the overall figures for you. What I want to point out down in the very bottom row here, the surplus or shortfall, we can see that in 2002 we had a surplus for the year, the other three years we were banking on a shortfall, but fortunately we have some carryover balance that we can work from. Now this is the historical perspective and this is where we begin our analysis. Again, as I mentioned, there's a lot of assumptions, a lot of estimations that are used to develop this. Now in the handouts that we're going to get into, you'll notice a very large sheet of just notes, that contains all of the assumptions that we used. You may look at that and you may want to consider different assumptions. With a rate study it's not rocket science. It doesn't take a lot of expertise and calculus to do it, but it is very tedious and it is very laborious. So we detail every assumption we make so that when you have a change - maybe you don't like my 3 percent inflation, maybe you want 4 percent. There's a lot of those types of issues that can be adjusted and then the rate projections - forget rate for a second, the revenue projections will update for us in our spreadsheets so we can see the impacts of those. We're trying to, in all of our estimations in our planning with the future projects, we're trying to get not too sharp of a curve for the growth of our budget. We're trying to get the projects done without making it really difficult on the residents. And we'll see, in just a minute, what that curve looks like. As we look for the next 5 years now, from 2005 to 2009, with all of our assumptions plugged in, we can see that we're starting to jump up to the five million dollar revenue needed in 2005 through about seven by 2009. Now you see these numbers of revenue needs percentages on top. That is how much more revenue we need. That says nothing at all necessarily about how much the rates will go up

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or will not go up. That's just - if this is the projected plan, this is how much more revenue we need to balance our budgets. And our goal, as you can see in the bottom row, is to try to have no negative carryover and at the same time starting to rebuild back up our deficit or our carryover balance. Another thing we looked at with our water system is the cost components. How much does it really cost to get that water? We've been dealing with a lot of raw water needs and raw water issues around here - well fields, raw waterlines. How much does a raw water portion cost? What does the treatment portion cost? How about the distribution portion? And when we start looking at this what we're going see is the biggest increase that we're looking at is the debt service. Now the debt service that you're seeing on this table is either the debt service that is already on the books or it is the debt service that is anticipated to hit beginning next year, which includes our Water Treatment Plant upgrades and improvements and there's a small amount of debt service starting to look at some future projects. What we're going to see is that our debt service is going to go up by at least a million dollars a year with the current budgets, with the current projects that we are involved with. This curve kind of shows us now how these rates have adjusted. This is the actual cost for water. This is not our water rates that we charge the customers, this is just what it costs. Looking at that previous sheet, breaking it up, now we add all those pieces back together, and this is the cost for a thousand gallons. So we can see in 02 the cost came down some, in 03 it shot up significantly, 03, 04 fairly level and so forth. In the handouts that you will receive, we have a nice table of this numerically so you can see what the numbers are and you can also see what components, again from our previous slide, that is increasing. As we evaluate then how much revenue we need, now we need to start saying how do we go about getting that revenue. Where can we best achieve the water or the money to pay for our water system. Preliminarily we've looked at two options. Now there can be a variety of ways to change rates if we want change the format. There's a variety of ways to change rate blocks, etc. What we've done is presented here two preliminary options. The first one is just looking at our current rate structure with the many residential blocks, the business blocks, etc., and simply saying if we need that 31.9 percent more revenue, how do we go about that. And we plugged in a 30 percent rate increase across the board and the numbers are similar, may not be exact because we're not at that stage yet, but similar to the revenue projections needed. What this is going to show us though is if we simply start raising our rates 30 percent, 20 percent, 10 percent, whatever, when we look at how cost competitive are we, we have issues. Are we going to stay competitive to our nearby neighbors? Are we going to be in the business of expanding our system and being competitive or we just going to continue raising our rates and let it shake out however it shakes out? That's the first option though, just simply raising the rates across the board. Second option is first of all minimizing the number of rate blocks. In my opinion, my professional opinion, with the number of blocks we have we have - we definitely have room that we can scrunch those down, we don't need it every 5,000 gallons from 15 to 40. So that would be the first step that we would look at. The second step we looked at is let's try to be competitive with our outside competition of Aqua Ohio to our north. And if we're competitive, if that's the way council and the administration choose to go, then we have to fix those rates and then try to make up the additional revenue needs from other sources. And that other source would be the inside customers or our business customers. We looked at the residential portion only for this evaluation and what we're going to see when we look at the tables is that the inside people are going to start coming up closer and closer to paying at similar rates to the outside, if that's the option we choose. In our work session we'll have a lot more time to review some other ideas, alternative ways to setup the rate and try to narrow down to what everybody thinks is amenable and workable for the city. And this chart, it's going to be very difficult to read here, you've got it in your handouts, but what we're looking at is if we raise these rates, and I'll start on the right hand side over here, if we raise our rates with either of our city options one or two that I've just discussed, how does that now compare with how we're projecting the other communities are going to raise - for example Canton. And you'll notice again I'm using the asterisk for Canton with the softener cost to try to stay on an apples versus apples comparison. Coming over to 2005, Canton you'll see is a little bit higher than our inside rate, which is the second block and the third block is our rate option 2. Obviously our inside people would pay more with that option versus option 1. And then we're going to move on over to what the state average is. Fortunately, we can see initially, the state average is higher than our projected rates across the board. Then we start looking at what is going on with the Canton outside rates, they have a little bit lower than a state average. And then we look at our options for outside rates too. And our option 1 again, we're not trying to be competitive with Aqua, so we see that the outside rates go up dramatically across the board and then level off between 08 and 09. When we try to be competitive with Aqua, you can see between these two bars right here that we are staying fairly competitive across the board, but in those options, again, option 1 escalates or the inside rates escalate with that option. This is a lot of data to try to absorb, I'm not asking you to do that. We'll look at it as we get into our work session and as you have a chance to review the revenue and expense projects that we have. I've talked quickly I know. This is a very difficult subject I know. There's a lot of stuff that gets involved with the rate study. Again, it's not rocket science, but it is very laborious, there's a lot of assumptions made. We ask that the council will review the information, write down your questions, send your questions through to the administration. At some point we would like to get together, once you've had a chance to review this and make a work session date with the council and administration to take your thoughts, your ideas into consideration and see where we go from there. The one thing I would really like to stress again is we have a valuable commodity in water. We a lot of times take it for granted and I think that's the single biggest thing that we have to get over as a hurdle with ourselves. Myself, I don't like to pay any higher rates with the rest of our customers in the community. With that, if the Council has any quick questions I would be more than happy to field it or we can save it for later if you like.

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Mr. Snyder: My only question Bob, those present projection of rates are predicated on the existing household users today. They're not - there's not factoring any new subscribers to our service, right?

Mr. McNutt: That's correct. And the reason we look at that initially when we do this is if we start projecting growth, then we have to start projecting additional expenses to go along with the additional water sold and then we start going down a little bit of a slippery slope if we don't know how many. And I've then been there before with the councils and administration and said hey, if you go this far just be prepared in case it doesn't happen. And I can tell you from experience it's not fun getting called back into the mayor's office and the city manager's office explaining why they didn't get the revenue because they also didn't have the increase. So this a little conservative in that area. And also as we reviewed the actual consumption from 01 through what is projected year to date plus the rest of this year, we've seen a decline overall. So with some growth we expect to make up for the decline that we have seen.

Mr. Snyder: But at these ... One final question, if I may. My understanding, right now, we're selling our water - we're losing about \$1.40 per thousand gallons, is that what you're telling me?

Mr. McNutt: If you look at just the rate blocks in the lower blocks it may look that way, but we have to factor in what the overall customer is paying. And it's not a bad philosophy, there's a lot of philosophy with rate settings and they're very contradicting. So you may have a different opinion, but it's not a bad thing to sell water at less cost than producing it to some customer use groups that generate other revenue or other assets and valuable to commodities to the city. That is a widely used philosophy. And other places use a straight block. It costs us this to produce it, everybody pays the same across the board.

Mr. Snyder: But when we factor using the philosophy we're presently using, that is that the citizens of the city built the treatment plant with income tax money, so we sell less ... to them and sell more outside.

Mr. McNutt: Correct.

Mr. Snyder: Collectively we put them together and blanket them, we are receiving what our actual costs are.

Mr. McNutt: Yea, when we looked at the revenue and expenses through 04, we see some deficit spending even this year. But depending on how we adjust the expenses for next year and revenues, we do attempt to get on the plane that we're not selling at a deficit ever.

Mr. Snyder: Right. And no matter how we develop those figures, depending on how we price our product...

Mr. McNutt: Correct.

Mr. Snyder: To whom we price it to as favorite marketing versus favorite son marketing versus outside marketing.

Mr. McNutt: Correct.

Mr. Snyder: Okay, thank you.

Mr. McNutt: Thank you very much for the opportunity again.

Mr. Snyder: I appreciate it. Thank you sir.

Mr. Sarbach: Thank you Robert.

Mrs. Kiesling: Thank you.

Mr. Snyder: While Mr. McNutt prepares to leave the chambers, we now recognize any visitors in the audience wishing to speak to the council this evening. If so step forward, state your name and address for the record.

Mr. Foltz: Oh good, we've got something we can read. I mean my eyes are good, but I don't want to get a headache ...inaudible...

Brian Sullivan: Good evening. My name is Brian Sullivan. I live at 320 Edgewood Street SE here in North Canton. My wife and I (Paula) who is back here, we are contemplating opening a new business in North Canton. And I spoke to Mr. Lindower, Mr. Lane and Mr. Hemminger and they suggested that I come and kind of present this quickly to you folks so that you can think about it. We are contemplating opening a family friendly billiard game facility in North Canton. Basically what we're thinking about doing is breaking the mold of a typical billiard hall where they serve alcohol and they allow smoking and kids can't come in after 8 p.m. because it's also a bar. Our facility would be family friendly in that there wouldn't be any smoking, there would never be any alcohol and we would make it so that children could play the game as well as adults. There's a lot of folks like myself - I'm asthmatic and that's what brought all this on. I like to play pool, I've played in leagues before and I could never go to a pool hall and enjoy myself because of the cigarette smoke. And I don't have a problem with people drinking alcohol, but the

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cigarette smoke was always the issue for me. So that's kind of how this all came about. That and I can't fit a pool table in my house. So I said that's how I can solve two problems. So that's kind of what we're thinking about. If you folks have any ideas, any concerns. The Engineering Department did tell me that it would require a zoning change because there's nothing in the zoning in North Canton to allow a billiard facility, amusement game or anything like that. But we want to keep it in North Canton if at all possible, if I can find a suitable location for it, 1600 to 2000 square feet. Reasonable hours, again, children would be allowed to play in there with some you know restrictions on how long they can hang out and that kind of stuff too. So I think it's a great idea, not just because I thought of it, but because there's a lot of folks out there that don't have - I mean there's just nothing out there for us. And getting away from the bar scene and putting in a real place where league players can come in and play and they could bring their kids along with them and the kids could play a couple video games while mom or dad are shooting pool and trying to have a good time.

Mr. Lindower: Brian, I'd like to ask you a question if I could. You indicated this for adult individuals to occupy their time and so forth. How would you intend to monitor and enforce the age limit of people that actually in there to keep the teenagers from coming in and taking the place over?

Mr. Sullivan: One thing about it is a billiard facility, depending on how you set it up, generally charges a table rental of anywhere from \$6.50 an hour or \$4.50 an hour to \$9.50 an hour. Not too many teenagers are going to pay that kind of money to just stand around - that's what I'm thinking. And they wouldn't - I mean you know if you're not playing pool you're not going to be in the place, that's basically how that's going to be run. That way we don't have them hanging around. I mean you can't really stop kids from hanging around wherever they want to except for going out and shooing them away, but...

Mr. Lindower: Well that's kind of what I had in mind. I don't know if you're aware of it, I spent 35 years with the Police Department here and the kids have got a tendency occasionally to find a place like that where if it's not closely monitored and restricted somehow to more or less start accumulating there and skateboarding and doing whatever the kids do.

Mr. Sullivan: Well...

Mr. Lindower: Eventually you've got a hangout where you've got a bunch of teenagers hanging around and some problems. And I just kind of think maybe you ought to put some thought into possibly how that could be controlled or monitored, if in fact you did want to go ahead and proceed with that.

Mr. Sullivan: Yea, that's - one of the things that we've considered is where to put it. If it's a freestanding facility I think there's probably more chance for that. One of the places that we were looking at is in your ward, that Marc's building up there, which would be a great location if we could make it happen. And I don't know, is posting signs good enough? I mean...

Mr. Lindower: Well signs don't impress the teenagers much.

Mr. Sullivan: No, so many of them still can't read yet. So ...

Mr. Lindower: That was just a thought...

Mr. Sullivan: No, but you know I - and I told my wife this, she says well what do we do if we have a whole bunch of kids in there? And I said hey, if they're playing pool, they're paying. And I'm not going to have a problem with that as long as they're not rowdy. And I'm not going to have a problem with that as long as they're not rowdy. And I've got - and I'm looking at spending about spending \$2,200.00 per table and I'm looking at eight tables. So they're not going to be in there messing our stuff up.

Mr. Lindower: Well I just threw it out to you for some consideration because I've seen it happen in different places. The YMCA even had to initiate some sort of a program where they could monitor the activities in the buildings just in view of the fact the kids were free to walk into the establishment. So...

Mr. Sullivan: Right. And they had some areas that were kind of closed in though, right? I mean where you actually go and kind of duck-out. See this is going to be one space, it's going to be wide open, if you've - you know so it's easier to monitor and watch and we'll have you come down and hang out too since you've got some police experience.

Mr. Lane: You can put your uniform back on and hangout in the parking lot.

Mr. Sullivan: They'd probably listen to you pretty well.

Mr. Lindower: I don't think I'd ...inaudible..

Mr. Lane: What's your timetable? And Paul, maybe I can direct this to you as well. If we have nothing in our zoning code that would permit this, and I haven't had a chance to look through it since Brian called, but if there's nothing there we're going to have to do a public hearing, we're going to have to do all of that. Right?

Mr. Pusateri: Inaudible...

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Mr. Lane: And at some point in time I mean you'll always have a chance that it might not pass or...

Mr. Pusateri: Right.

Mr. Lane: whatever. What's your timetable? In other words are you going to give the city "x" number of months? I would assume since you live here you want to try and locate this here or are you going to head up into Lake Township or down into Canton if things don't get rolling soon?

Mr. Sullivan: I really think this facility belongs in North Canton. Gene Hemminger indicated that it could take up - around four months to make that whole process go through. I hoping that if you folks are behind it that it might go a little bit quicker than that. I don't - and it maybe - there might be something in there that allows us to do it. I think we may have to look at that a little bit closer. Cause he just - Mr. Hemminger said no one had ever tried to open anything like that in North Canton before. Well probably because of alcohol sales ...

Mr. Lane: Sure.

Mr. Sullivan: they wouldn't have.

Mr. Lane: Well another big thing that's going on right now too, particularly with younger people, is poker and you wouldn't have anything like that. Right?

Mr. Sullivan: Poker?

Mr. Lane: Or you'd have - yea ...

Mr. Sullivan: No.

Mr. Lane: You'd have one room with poker and the pool hall and...

Mr. Sullivan: No. I mean you also have to watch gambling too.

Mr. Lane: Yea.

Mr. Sullivan: I wouldn't permit gambling there either.

Mr. Lane: So this would be strictly...

Mr. Sullivan: So that's kind of why there's no quarter tables.

Mr. Lane: Right.

Mr. Lindower: I would ask you this Brian, have you ever checked with the say the Hartville individuals in regards to the pool hall that they had up there? It was basically setup with the same premises as what you're talking about. And from my past experience I understand that there were quite a few problems there. It might be a good idea to check with them and find out what kind of stumbling blocks they ran into and how they dealt with those issues up there. It would give you a little more insight.

Mr. Sullivan: Inaudible... And they're closed now?

Mr. Lindower: I'm not sure if they are or not. I know at one time it became a serious problem with them up there. But you might want to check with them and find out what happened.

Mr. Sullivan: Okay, yea.

Mr. Lindower: Because I really think that in view of the fact that we have to go through zoning changes and so forth, I think by allowing the public, and this is the reason why I wanted you to come here tonight, by allowing the public to be exposed to your idea and have their own input into this I think you'll probably get a little better feeling of how it's going to work for you.

Mr. Sullivan: Well you know and sitting back and thinking about and sleeping at it - over it, you know I can't think of any reason not to do it unless we just can't get you know the zoning permission for that. Because I believe that it will be a great thing for the ...inaudible... in North Canton. And it's not so much the youth though, it's the families is what I'm looking at. You know those folks that love to play the game and can't because they can't go to the bar and they can't bring their kids along. Okay.

Mr. Foltz: Okay. Thank you.

Mr. Lindower: Thank you.

Mr. Lane: Thank you Brian.

Mr. Sullivan: Thank you very much.

Mr. Foltz: Alright.

Mr. Snyder: Thank you sir. Anyone else in the audience wishing to speak to the council?

Mr. Foltz: What's his name?

Mr. Lindower: Brian Sullivan.

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Mr. Foltz: Inaudible...
Mr. Lindower: Brian.

Chuck Osborne: My name is Chuck Osborne. 307 Fairview Street SE here in North Canton. I have - haven't prepared any specific text, but I would like to get people on council and the administration thinking about the Hoover property on Easthill. I'd like to see the city somehow working with Maytag. Inaudible... somehow get some kind of ownership interest or involvement with how that property is going to eventually be disposed of. And I think it would be great if the city could partner with Maytag so the city is involved with the eventual buyer. Maybe buy the - some of the green space up there that obviously needs to be left over for green space. That would also be critical to any kind of development of the property so that way the city would partner with whoever eventually buys the property. You can be very creative. And I know it's going to be a thin line trying to do something legal so you're fair to any future buyers, but I really hope the city is talking to Maytag and very involved. Also, regarding the water, I'd just like to add that two years ago when we were talking about water rates I did an extensive study myself and several here on council remember that. I spent about three weeks full time doing extensive studies and out of that council hung in there for a 75 cent per thousand gallon increase. And we did consolidate some of those rate blocks or rate levels. And I had really hoped that we would of done some water rate increase last year, but typical North Canton style it's election year and you don't want to do anything to alienate any voters. I spoke to Mr. McNutt earlier and I don't want to prejudice, but he advised me that you're probably looking at a 30 percent increase now over what you are presently charging. And I hope you will get serious and do what's right. The city - and there's extensive council minutes on this when we discussed this in the Spring of 2002. You have been relying very heavily on outside users subsidizing the inside users and the system has to support itself from all angles. So I hope you do the right thing with the water rate increase and I hope that moves along here expeditiously. Since this is your last meeting before recess, I don't know, you're probably looking almost the end of the year before you get a water rate increase implemented. So I hope you move expeditiously and do what's right. Obviously when somebody else is telling you - I don't what we paid for that study. What did you pay for that study Julie?

Mrs. Herr: It's not completed yet, so I don't have a final figure.

Mr. Osborne: What did council appropriate for that?

Mrs. Herr: I think it was about 10, 12 thousand.

Mr. Osborne: Well, the way I look at it you spent 10 or 12 thousand dollars to let somebody else tell the public the bad news because you didn't want to do it yourself.

Mr. Sarbach: The way we look at sir, is we have impartial people telling us and the public the way they think it should be that do it for a living. We...

Mr. Osborne: I'm sorry.

Mr. Sarbach: I say we are part time council people, we all have full time jobs other than here. This gentleman, that's his job. So I'd rather have that expertise advising us than us making a guess to tell you. So we'd rather have the professional ...

Mr. Osborne: Well you had your - you had your finance director and ...inaudible... I will have to compliment Mr. Snyder, he hung in there for a 75 cent increase two years ago and a few others on council. At the time there were three other council members who just adamantly opposed it - wanted to continue to give it away and you're doing the same thing with the sewer rates now. So I hope you are serious. And I was surprised to hear earlier ...inaudible... water rates, nobody has seen the budget. I didn't come in to look at it. It's obviously down substantial. That doesn't include the three million you're paying Hoover next year?

Mrs. Herr: It does include and it's not three million.

Mr. Osborne: Well it's between two and three million.

Mrs. Herr: It's estimated to be two million.

Mr. Osborne: Okay. Is that...

Mrs. Herr: Again, this is the budget that goes to the county. This is not our official appropriation budget, that will get started later on. So this is just merely - just to a - basically for the purpose of our tax levies. And again, this is very preliminary, early stage. This is before any real input from department heads or anything like that. So it is definitely subject to change.

Mr. Snyder: Yea, I think it's imperative that people understand that is a tax budget. By revised code we have to show the county that we're not taxing inside millage just to accumulate arbitrage funds. We must assign every dollar we collect through taxes and that's basically what that budget does. Now that budget

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will probably go up somewhere in the 10 or 12 percentile in actual dollars. But what the purpose is all the millage that we collect is being assigned and used properly. Some people accumulate that money and invest it, that's illegal. So that's the purpose of that budget.

Mr. Osborne: Yea, there has been some law suits I think in Jackson Township over that.

Mr. Snyder: Right. That's the purpose of that budget.

Mr. Osborne: Does that two million to Hoover include the third and final payment on the initial agreement?

Mrs. Herr: That was already ...

Mrs. Kiesling: That's paid back.

Mrs. Herr: That's done.

Mr. Osborne: You paid ...inaudible...this year? You paid that?

Mrs. Herr: Yes, it's done.

Mr. Osborne: Thank you.

Mr. Snyder: Thank you sir. Anyone else wish to speak ... Mam, step forward, state your name and address for the record.

Jean Sinclair: Hi, I'm Jean Sinclair from 306 Gaslight Circle SE. And I just have a comment, it's about the aesthetics of North Canton. And we now have two flashing signs advertising in North Canton. The very attractive London Candy building now has put a sign up that flashes and the Marathon station. And I don't know if that disturbs anybody else, but I know I've told that the Planning Commission plans it and sends it to City Council and City Council usually approves it. I don't know if that's correct or not, but I just wondered if all of you liked those signs, if you think that adds to our city and if not, I hope maybe you'll not have any more put up here.

Mr. Snyder: I don't believe that comes to Council. That just stops at the Planning Commission.

Mrs. Kiesling: It doesn't even stop at planning any more. We just changed that, remember.

Mr. Lane: It stops with Gene.

Mrs. Kiesling: It stops at Hemminger.

Mr. Lane: Yea.

Ms. Sinclair: Well that's what disturbs me.

Mr. Snyder: Yea.

Ms. Sinclair: I don't know, I was told I can't go to a Planning Commission meeting so I could voice my opinion. But at one time I was told that - I guess they pick and choose what comes to council and that's probably a very small...

Mr. Foltz: Inaudible...

Mr. Snyder: No mam, that's all set by the zoning ordinance. And you're more than welcome - if you stop at the Clerk's Office she'll make sure you get a copy of it. But it is all determined through zoning ordinance. And signs do no longer, should they meet the uniform size to the actual size of the building, and there is a size out there and if it meets that...

Ms. Sinclair: They can't - they can't put a little thing in that says you can't have flashing signs?

Unidentified: Sure they can.

Ms. Sinclair: Who said something?

Mr. Snyder: Pardon me.

Ms. Sinclair: They...

Mr. Snyder: There used to be an ordinance that allowed no flashing signs or no lit signs or if they were lit they could not move under the old sign ordinance. I apologize, I'd have to read it again.

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Ms. Sinclair: Well it's - to me it's not petty. But I know that our zoning keeps changing. Inaudible... understanding to me. I mean why anybody would suddenly say why don't we have - why don't we take that away and create flashing signs; I have no idea. And I just - I brought it to your attention in case any of you have any say so, but obviously you don't. So ...

Mr. Lane: Well the Marathon, that just changes with the price. It doesn't flash, right?

Mrs. Kiesling: You're talking about the new Speedy Foods?

Ms. Sinclair: Yes.

Mrs. Kiesling: That's just a digital ...

Mr. Lane: Inaudible...

Ms. Sinclair: Yea, it's a lit, colored sign.

Mrs. Kiesling: Okay.

Mr. Lane: It's a lit - yea, but it doesn't flash much.

Mrs. Kiesling: It doesn't move or flash.

Mr. Lane: Okay.

Ms. Sinclair: But, no, you're correct, it doesn't move. So I guess it's a step down from - you know ...

Mr. Lane: I suppose they could, but I don't think they're planning on doing ...inaudible...

Ms. Sinclair: But it's a lit - the sign I think is ...

Mr. Lane: But if you go back through, I've been watching some of the minutes on that, that sign originally was going to be a lot bigger and Planning Commission got them to scale it way down. It was actually going to be a bigger sign. So they won part of the battle for you. So...

Ms. Sinclair: Well okay. I just had to voice my opinion because it disturbs me every ...

Mr. Lane: Inaudible... And I know the London's Candy sign or the Waggoner's Candy sign is not grandfathered. All these big signs have a five year out and at some point in time either we have to readdress that issue or at the end of five years from when that zoning came into effect any nonconforming sign has to come down. So - and that's a relatively big sign, but I don't know for sure, but I don't think that would be conforming.

Mrs. Kiesling: No ...inaudible... conforming...

Mr. Lane: So a lot of these signs are going to change five years from last year unless we do something different. So ..

Ms. Sinclair: Alright. Thank you.

Mr. Sarbach: Mrs. Sinclair, may I ask you a question?

Ms. Sinclair: Yes.

Mr. Sarbach: I take it from your attitude then you would not be in favor of a community sign in front of City Hall that...

Ms. Sinclair: Absolutely not.

Mr. Sarbach: Thank you very much.

Ms. Sinclair: I don't think it's necessary. I think most of us that live in North Canton, unless I'm way out of touch, and I know a lot of people in North Canton, we all know what's going on in North Canton. And to have something put up that was going this week I think it's unnecessary and I think it completely distracts what from few attractive buildings we have. This is not one of them, but I think that ...

Mr. Sarbach: I agree - I agree...

Ms. Sinclair: But I do think that that - I do think that that's unnecessary. I can't imagine why anybody would want one. I mean obviously ... you want me to tell you how I really feel about that? But that's kind of how I feel. So I'm not for - no, I'm not for any kind of that type of thing in the town. So...

Mr. Sarbach: Okay, very good. Thank you for your input.

Mrs. Kiesling: Thank you.

Ms. Sinclair: Alright, thanks.

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Mr. Snyder: Thank you mam. Anyone else wish to speak to the council? Seeing none, may I have a motion to remove from the table Ordinance 6-04.

OLD BUSINESS

8. Mr. Sarbach moved and Mrs. Kiesling seconded to **remove from the table** Ordinance No. 6-04. All members present voting:
Yes: Lindower, Peters, Sarbach, Snyder, Foltz, Kiesling and Lane.
No: 0

Mr. Snyder: As I - the Clerk put in your packet, this is a housekeeping item. This has been carried over so we would like - we've since enacted a companion piece of legislation. So I would request that we just defeat this piece of legislation and then it can be removed from our rolls. But I do need a motion to read by title only, third reading of Ordinance No. 6-04.

Mr. Sarbach moved and Mrs. Kiesling seconded to **read by title only, third reading** of Ordinance No. 6-04. All members present voting:
Yes: Peters, Sarbach, Snyder, Foltz, Kiesling, Lane and Lindower.
No: 0

Ordinance No. 6-04 - Third Reading

An ordinance authorizing the Mayor of the City of North Canton, through the Board of Control, to enter into a professional service agreement with Millcreek Professional Billing for the purpose of charging residents and non-residents of the City of North Canton for transport by the Department of Fire & Emergency Medical Services, in accordance with Medicare approved rates.

Mr. Snyder: As I just said, it's just a housekeeping matter and I would request that you defeat this ordinance. Any questions relative to that? If not...

Mrs. Kiesling: So moved.

Mr. Foltz: If there's not a second it's defeated, isn't it Jon?
Mr. Snyder: Yea.

Mr. Sarbach: If there's no second it's defeated.

Mr. Foltz: If there's not a second it's defeated.

Mr. Peters: Yea.

Mr. Snyder: Yea.

Mr. Foltz: It's that simple.

Mrs. Kiesling: Alright, it's dead.

Mr. Snyder: So there's no second? Okay, thank you.

9. Mr. Sarbach moved and Mr. Peters seconded to **read by title only, third reading** of Ordinance No. 104-04. All members present voting:
Yes: Sarbach, Snyder, Foltz, Kiesling, Lane, Lindower and Peters.
No: 0

Ordinance No. 104-04 - Third Reading

Ordinance No. 104-04 establishing guidelines, procedures and criteria for use by the Board of Control as it pertains to procedures to determine lowest and best bid for construction of public improvements, local bidder preference and materials to be purchased locally.

Mr. Snyder: This came over from administration. It would allow them to give some favorite status to people who live within the municipality and operate who bid to the city or who buy their product here from vendors in this city. And I believe it gives them the discretion of approximately \$10,000.00.

Mr. Miller: Ten percent up to 10,000.

Mr. Snyder: Ten percent up to - excuse me, 10 percent of the bid up to 10,000 over. And it is to encourage both the establishment of business in our municipality and to kind of help the existing business within the municipality. Any questions on that? If not...

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Mr. Sarbach moved and Mr. Peters seconded to **adopt the third reading** of Ordinance No. 104-04. All members present voting:

Yes: Snyder, Foltz, Kiesling, Lane, Lindower, Peters and Sarbach.

No: 0

10. Mr. Sarbach moved and Mr. Peters seconded to **read by title only, second reading** of Ordinance No. 109-04. All members present voting:

Yes: Foltz, Kiesling, Lane, Lindower, Peters, Sarbach and Snyder.

No: 0

Ordinance No. 109-04 - Second Reading

An ordinance authorizing the Board of Control of the City of North Canton, through the Director of Administration, to advertise and receive bids according to specifications now on file in the office of the Director of Administration and the Mayor, through the Board of Control, to enter into an agreement for the Freedom Waterline at the Water Treatment Plant and declaring the same to be an emergency.

Mr. Snyder: Chairman Sarbach.

Mr. Sarbach: Yes, This is the second reading for this. The Engineer was not here at the last meeting and I understand there's some other options on this. And I presume you want to proceed with the second reading without the emergency.

Mr. Miller: Yes.

Mr. Benekos: Yes.

Mr. Sarbach: Is that fine with you?

Mr. Benekos: That is correct.

Mr. Sarbach: And then if a better solution comes up between now the third reading ... we'll bring it out and either defeat this or pass it on an emergency. This is for a second exit from the treatment plant to the network or to the system. This will allow redundancy for the water to leave the plant in the event of any type of mechanical failure or whatever. It will also serve the west side plant. It will hook onto the Freedom line which eventually will have to be made larger. But while we're doing all this work down there it's - we're doing it now so we don't have to come back and redo it later. And along with that I had occasion to tour the plant today. The upgrades and expansion are on schedule. Upgrades should be completed by September of this year and the expansion should be completed by September of next year. It's on schedule, the work is going well, there's a good cooperation with - between our people and their people. Getting back to this, I would move that we adopt the second reading of Ordinance No. 109-04.

Mr. Snyder: A question Chairman Sarbach.

Mr. Sarbach: Yes.

Mr. Snyder: You don't anticipate a need for this ordinance prior to probably the second or third week of September?

Mr. Benekos: No, not if we find an alternate solution.

Mr. Snyder: Oh, that would work if we could - cause we wouldn't be here.

Mr. Benekos: That would be fine.

Mr. Snyder: That's okay. Okay. Thank you for that question. Good.

Mr. Peters: I'll second.

All members present voting:

Yes: Kiesling, Lane, Lindower, Peters, Sarbach, Snyder and Foltz.

No: 0

NEW BUSINESS:

11. Mr. Sarbach moved and Mr. Peters seconded to **read by title only, first reading** of Ordinance No. 112-04. All members present voting:

Yes: Lane, Lindower, Peters, Sarbach, Snyder, Foltz and Kiesling.

No: 0

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Ordinance No. 112-04 - First Reading

Ordinance No. 112-04 authorizing the Director of Finance of the City of North Canton to make payment of a moral claim in the amount of \$150.00 to Jean Naughtrip for reimbursement of a portion of her payment to Critter Control for nuisance animal trapping.

Mr. Pusateri: I guess that's how you pronounce her last name, I'm not sure.

Mr. Snyder: Naughtrip.

Mr. Pusateri: Naughtrip.

Mr. Snyder: Naughtrip.

Mr. Pusateri: Okay.

Mr. Snyder: Chairman Peters.

Mr. Peters: Yes, thank you. Miss Naughtrip hired her own contractor ...inaudible... to remove - for removal of some critters and it was more than what we would normally pay if she would of contacted the city. So all we're doing is basically paying her what we would of paid in the first place, which I believe substantially less than what she did pay. So any questions?

Mr. Sarbach: I have a question. If we pass this and then suspend the rules would she be able to - I mean do we need three readings on this? I don't necessarily mean to pass it on an emergency, but since we're not going to be here for a few weeks...

Mr. Peters: No, we should...

Mr. Sarbach: We need to read it after we come back, is that what you're saying?

Mr. Foltz: Yea.

Mr. Peters: Yea, I think that's best.

Mr. Sarbach: Okay, thank you.

Mr. Peters: Anything else? Alright, with that I move that we adopt the first reading of 112-04.

Mr. Peters moved and Mrs. Kiesling seconded to **adopt the first reading** of Ordinance No. 112-04. All members present voting:

Yes: Lane, Lindower, Peters, Sarbach, Snyder, Foltz and Kiesling.

No: 0

12. Mr. Lane moved and Mr. Sarbach seconded to **read by title only, first reading** of Ordinance No. 113-04. All members present voting:

Yes: Lindower, Peters, Sarbach, Snyder, Foltz, Kiesling and Lane.

No: 0

Ordinance No. 113-04 - First Reading

Ordinance No. 113-04 authorizing the Mayor of the City of North Canton, through the Board of Control, to enter into an amended agreement (change order) for additional stone for the Fair Oaks/Rose Lane Street Rehab project; said contract authorized by Ordinance No. 53-03, at a cost not to exceed \$39,108.53, and declaring the same to be an emergency.

Mr. Snyder: Chairman Lane.

Mr. Lane: I'm going to defer to my vice chairman. I was not here last week for the discussion on this. It's pretty self-explanatory, but Doug, do you have anything else to add?

Mr. Foltz: Yes, just a followup for everybody here, and Greg's been involved too as the other member of the committee. We all know what a terrible condition the Rose Lane and Fair Oaks were in. And it was because of the aggregate used, it wasn't the proper aggregate that we would normally would like on the job and the gases and slag did not release and basically when they asphalted over the road it caused a disruption because of the subbase. And Doug, talking to Jim Benekos, we used limestone, we didn't - we don't get any better than that. So we have quality materials down there now, it's already been done so we're just paying the difference at this point to make sure that the job was done right.

Unidentified (speaking from the audience): Inaudible... the slag?

Mr. Sarbach: I think the override was because there were more inferior product there than they had anticipated. So...

Mr. Foltz: Right and they had to dig it up.

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Mr. Sarbach: So more has to be removed, more prep has to be done and more of the limestone fill has to be put back in. And I understand this is well on the way to being completed. So this will allow this job to be wrapped up.

Mrs. Kiesling: Inaudible... he's asking a question. Is it the slag that we thought was...

Unidentified (speaking from the audience): Inaudible... slag to begin with on the initial ...inaudible...

Mr. Snyder: It met with the ODOT specifications on the original bid. It just - the soil conditions weren't right for ...

Mrs. Kiesling: We're not sure it was cured.

Unidentified (speaking from audience): With all due respect Mr. Snyder, there's a lot of things that meet ODOT's spec that don't work. And anyone that builds roads for a living knows you don't put slag under asphalt or concrete. So now we're paying 40 grand to make it right. Okay. Thank you.

Mr. Snyder: You're welcome. Any other questions?

Mr. Sarbach moved and Mr. Foltz seconded to **adopt the first reading** of Ordinance No. 113-04. All members present voting:

Yes: Lindower, Peters, Sarbach, Snyder, Foltz, Kiesling and Lane.

No: 0

Mr. Sarbach moved and Mr. Foltz seconded to **suspend the rules** for Ordinance No. 113-04. All members present voting:

Yes: Peters, Sarbach, Snyder, Foltz, Kiesling, Lane and Lindower.

No: 0

Mr. Sarbach moved and Mr. Foltz seconded to **adopt under suspension of the rules** Ordinance No. 113-04. All members present voting:

Yes: Sarbach, Snyder, Foltz, Kiesling, Lane, Lindower and Peters.

No: 0

13. Mr. Lane moved and Mr. Peters seconded to **read by title only, first reading** of Ordinance No. 114-04. All members present voting:

Yes: Snyder, Foltz, Kiesling, Lane, Lindower, Peters and Sarbach.

No: 0

Ordinance No. 114-04 - First Reading

An ordinance authorizing the Board of Control of the City of North Canton, through the Director of Administration, to seek quotes for administering a self-insured health insurance program and authorizing the Mayor, upon instruction by Council, through the Board of Control, to enter into a contract for said health insurance program and declaring the same to be an emergency.

Mr. Snyder: As we spoke last Monday, we originally tried to get a two year commitment from our present carrier, to which they were not interested. So we're trying to get a handle on this again proactively. We've had some serious experience with this in our secondary market for the insurance and so since we won't be here for a few weeks we're putting this on an emergency to allow the finance and administration to see what they can come up with to ensure the continued coverage of hospitalization into the 05. So that's the primary reason. It will come back to us with the recommendation at that time. But I believe that contract runs till about the first couple of days - November 30th isn't it?

Mrs. Herr: November 30th.

Mr. Snyder: So it gives us a little more time. That market is fairly tight and getting tighter.

Mr. Sarbach: Just a clarification. This is to administer our self-insured program. Is that correct?

Mrs. Herr: To administer as well as the self-insurance program, yes.

Mr. Sarbach: Okay. So we...

Mrs. Herr: So this is for reinsurance as well the administration of it.

Mr. Snyder: We're liable the first 40,000 and then they pick up after that.

Mr. Sarbach: That's it. Very good.

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Mrs. Kiesling: But this is just getting bids, this isn't - in the end it comes back to us you said ...inaudible...

Mr. Snyder: Right.

Mrs. Herr: Yea.

Mr. Snyder: Yea, we're presently, as you know, with AultCare...

Mrs. Kiesling: Right.

Mr. Snyder: and that runs through the 30th of November. We're hoping - seems to be a consensus of the employees they like that. Of course it's a cost analysis and we won't know that until both finance and administration go out there and get some bids. But again, it's all predicated on our experience and this past year we've had some little bumps in our claims. So sometimes like your automobile insurance you're only as good as your last accident. So that's about where we're at one this. So I'm asking it to be passed on an emergency. Any other questions? If not...

Mr. Lane moved and Mr. Foltz seconded to **adopt the first reading** of Ordinance No. 114-04. All members present voting:

Yes: Foltz, Kiesling, Lane, Lindower, Peters, Sarbach and Snyder.

No: 0

Mr. Sarbach moved and Mr. Peters seconded to **suspend the rules** for Ordinance No. 114-04. All members present voting:

Yes: Kiesling, Lane, Lindower, Peters, Sarbach, Snyder and Foltz.

No: 0

Mr. Sarbach moved and Mr. Peters seconded to **adopt under suspension of the rules** Ordinance No. 114-04. All members present voting:

Yes: Lane, Lindower, Peters, Sarbach, Snyder, Foltz and Kiesling.

No: 0

14. Mr. Snyder: May I have a motion to amend the resolution on the agenda for Resolution No. 115-04 to include an emergency provision.

Mrs. Kiesling moved and Mr. Peters seconded to **amend** Resolution No. 115-04 to include an emergency provision. All members present voting:

Yes: Lindower, Peters, Sarbach, Snyder, Foltz, Kiesling and Lane.

No: 0

Mr. Sarbach moved and Mr. Peters seconded to **read by title only, first reading, as amended,** of Resolution No. 115-04. All members present voting:

Yes: Peters, Sarbach, Snyder, Foltz, Kiesling, Lane and Lindower.

No: 0

Resolution No. 115-04 - First Reading

A resolution adopting the Budget of the City of North Canton, Ohio, for the year 2005 and declaring the same to be an emergency.

Mr. Snyder: Again, this is the tax budget. And the reason for the insertion of the emergency, that we can get it signed. It's due there by the end of - sometime the end of this month.

Mrs. Herr: The 20th of July.

Mr. Snyder: The 20th of this month, so this is already the 12th. So it has to get down expediently and move ahead. Any questions on that?

Mr. Lane: Do we shortchange ourselves if this figure is relatively low for those levy purposes?

Mrs. Herr: Yea, actually the figure, the 23 million is that I gave you earlier did not include the general fund.

Mr. Snyder: Okay.

Mrs. Herr: I misspoke. So total projected right now is about 35 million, which is about 6 million less than our budget for this year. So it is decreased, but it does include payback to the Hoover Company as well as all of the debt that we have or we will have next year. So it's a - it will change, but I don't think it will change significantly.

Mr. Sarbach moved and Mr. Peters seconded to **adopt the first reading, as amended,** of Resolution No. 115-04. All members present voting:

Yes: Sarbach, Snyder, Foltz, Kiesling, Lane, Lindower and Peters.

No: 0

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Mr. Sarbach moved and Mr. Peters seconded to **suspend the rules, as amended**, for Resolution No. 115-04. All members present voting:
 Yes: Snyder, Foltz, Kiesling, Lane, Lindower, Peters and Sarbach.
 No: 0

Mr. Sarbach moved and Mr. Peters seconded to **adopt under suspension of the rules, as amended**, Resolution No. 115-04. All members present voting:
 Yes: Foltz, Kiesling, Lane, Lindower, Peters, Sarbach and Snyder.
 No: 0

REPORTS:

Mr. Snyder: Director of Law.
 Mr. Pusateri: I do not have a report Mr. President, thank you.

Mr. Snyder: Thank you. Director of Finance.
 Mrs. Herr: No report.

Mr. Snyder: Director of Administration.
 Mr. Miller: No city business to report on last week sir.

Mr. Sarbach: Anything else you want to report on?
 Mr. Miller: No.

Mr. Snyder: Did they - did ...

Mr. Foltz: He's wearing more jewelry.

Mr. Snyder: Did they lower the roof? Is the sun shining in your office? I noticed a tan a right to left tan.

Mr. Miller: I picked that up out of the office.

Mr. Snyder: I thought maybe the sun was coming in the window. Mr. Mayor.
 Mayor Rice: No report.

Mr. Snyder: Mr. Engineer.

Mr. Benekos: Just one item. I wanted to alert council that CT Consultants, actually SCATS, will be doing traffic counts along Main Street starting on Wednesday. So if you notice people sitting at the intersections counting traffic or sitting in lounge chairs, that's what they'll be doing.

Mr. Sarbach: Our Engineering Department at work. Is that what you're saying?

Mr. Benekos: Right.

Mr. Foltz: They're not selling lemonade.

Mr. Benekos: It appears to be an easy job, but sitting out there 2 and 3 hours at a time breathing carbon dioxide in the sun and rain gets tedious. But that's what it will be if any constituents call you and are inquiring what's happening. And that will probably last over the next two months.

Mr. Lindower: Who's that, SCATS?

Mr. Benekos: SCATS will be doing the actual counts, some of our employees will be helping them at some time. But it is CT Consultants is the engineering firm charged with doing the signal study.

Mr. Snyder: Okay. Madam Clerk.
 Mrs. Bittle: No report.

REPORTS - COUNCIL:

Mr. Snyder: Member Foltz.
 Mr. Foltz: No report.

Mr. Snyder: Member Lindower.

Mr. Lindower: I don't have a report, but I'd like to, if I could - Jim, I'd like to clarify something here and I don't want to put you on the spot.
 Mr. Benekos: Sure.

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Mr. Lindower: But going back here to Ordinance No. 53-03 that we talked about on this rehab ... or problem that we had down on Rose Lane...

Mr. Benekos: Correct.

Mr. Lindower: Am I to understand that that was done to specifications the first time it was done?

Mr. Benekos: It was approximately, I believe, about eight years ago when that was done. At that time slag was allowed, I don't know if it's allowed now or not. The problem was the slag has to be cured. If the slag is not cured it releases gas. There's no way of really telling that until a couple years later and you see the results of it and at that time the contractor is gone, the bond is gone, there's not really much you can do at that time.

Mr. Lindower: Okay, well I pretty much understand that. And like Doug said, we're going with the best now, we're using limestone as a base.

Mr. Foltz: Right.

Mr. Lindower: Is that correct?

Mr. Benekos: That's what we put in it at this time.

Mr. Lindower: And all the specifications that come through that I understand were done by ODOT, specifications which apparently don't impress a lot of people, is in fact that's the truth, who actually is responsible for making sure that's done? Is that your office and your inspectors?

Mr. Benekos: That's correct.

Mr. Lindower: Okay. That's - we want to make sure our Special Projects Inspector is on the ball.

Mr. Benekos: Yea.

Mr. Foltz: Right.

Mr. Lindower: Okay, I just needed to clarify that. Because I thought that if in fact that was a mistake recently made, you know, it should be addressed, but it's been ...inaudible... Okay, thank you. I don't have any report.

Mr. Foltz: It's been eight years. Yea.

Mr. Snyder: Thank you Mr. Lindower. Member Lane.

Mr. Lane: No report. But then again another question for Jim. I had a lot of calls from the Woodside and East Maple field, they thought there was going to be another car wash put in there. So I was able to alleviate their fears that they're just using that for storage for the sewer project. But what's the time table on that? Is there ...

Mr. Benekos: It's a waterline project.

Mr. Lane: Yea, or waterline. I'm sorry, I misspoke.

Mr. Benekos: That's okay. Well they've started construction. They have done the bore under Main Street. They're doing the work on Bachtel right now. We're waiting for the subcontractor that does the boring work to come back and to bore under the creek on west - on East Maple and then they'll start from that end and work their way west into the city. So they're working now, they'll continue to work. Hopefully within two months they'll finish that job up.

Mr. Lane: So as long as that project is underway they're going to leave a lot of stuff there in storage and things.

Mr. Benekos: That's correct.

Mr. Lane: Okay, thank you.

Mr. Sarbach: If the stuff is there you don't have to mow it, right?

Mr. Lane: That's true.

Mr. Snyder: Member Kiesling.

Mrs. Kiesling: No report.

Mr. Snyder: Member Peters.

Mr. Peters: No report.

Mr. Snyder: Member Sarbach.

Mr. Sarbach: No report.

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Mr. Snyder: As you know, this is the last meeting I believe until sometime in August. What day is that date?

Mrs. Bittle: The 23rd I believe.

Mr. Snyder: The 23rd of August. However, you're subject to the call of either the mayor or myself. And I think unfortunately we're going to have to call you simply for the fact that we - those levies were passed and they've not come back from the auditor and they will come back from the auditor to which time we have to certify the amount. So I don't know what to tell you other than we will try to make it as expedient as we can, it will be a very short meeting. And I know most of you are usually available around the 4:30 or 5:00 hour and we would have a meeting so that you could just pop in and take care of that. And I appreciate and I apologize for any inconvenience we may cause you. But that should be within the next week or two I would think.

Mrs. Herr: Yea, we should get it back next week.

Mr. Snyder: Yea, so we would make it probably the following. But we will make it as easy as possible and as quickly as possible.

Mr. Lane: And this will be to put the levies on the ballot.

Mr. Snyder: That's correct.

Mr. Lane: Okay. And if they were to fail, which don't - I hope doesn't happen, but if they were to fail where do we go?

Mr. Snyder: Then we would resubmit the following - we would of been and I think it's - we have to understand, we would of still submitted these levies ...

Mr. Lane: Right.

Mr. Snyder: at the lower rate.

Mr. Lane: Even at the lower rate.

Mr. Snyder: Correct.

Mr. Lane: Right.

Mr. Snyder: They are renewable every - is it five years they were ...

Mrs. Herr: Five years.

Mr. Snyder: Yea, they were up for renewal. So we would of still been placing them. However, we'll be voting the next time and when the actual millage comes back it will tell us the rates and we'll be required to pass that legislation.

Mr. Sarbach: So if they were to fail we'll have a little ...inaudible...

Mr. Snyder: We have a little window ...inaudible... failing in the November election, I believe we have a little time. It's probably sometime in February is the filing deadline for the primary ballot.

Mr. Lane: So we could have a minor interruption in income basically. So...

Mr. Snyder: Yea just a little bump in the road there. Okay...

Mr. Lane: I'm going to go back to using slag.

Mr. Snyder: Right.

FINAL CALL FOR NEW BUSINESS:

Mr. Snyder: At this time I will have a final call for business from the council members, anyone in the audience.

Mr. Osborne: I have one followup question. Mr. Lindower, thank you for your followup on the Rose Lane/Fairoaks. I want to ditto what this gentleman back here said. I don't - I still don't have enough explanation on this road. The original contractor put it in several years ago and he's long gone, Mr. Benekos? No longer in business?

Mr. Snyder: The original contractor is no longer in - well he's gone. But he's not covered by his bond. His bond expires after we sign off the job. We released the contractor and the bond is released.

Mr. Osborne: Who was the contractor?

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Mr. Snyder: That was under Engineer Roush, if my memory serves me right. Those files are probably somewhere and I would say you probably have to make a records request for that to have that information brought out. I have no idea who it was.

Mr. Benekos: We should be able to find that fairly easily.

Mr. Snyder: Yea, I'm sure he could give it to you.

Mr. Osborne: But that original contractor is no longer in business in the area?

Mr. Benekos: I don't recall who the contractor was. I was not here at the time so I can't tell you ...

Mr. Osborne: I understand that.

Mr. Benekos: whether they're still in business or not.

Mr. Osborne: So you don't know the history of who the original contractor was?

Mr. Benekos: That's correct.

Mr. Osborne: And you bid this out and who was the contractor that won the bid?

Mr. Benekos: Central Allied.

Mr. Osborne: And was - did he fail to estimate his costs accurately or ...

Mr. Benekos: Is this something we can discuss afterwards or...

Mr. Snyder: Yea...

Mr. Osborne: Well I'd like to do it publicly, cause the public likes to know you know what's going on as well.

Mr. Benekos: Is the forum for that?

Mr. Snyder: Well here - the problem you have Mr. Osborne, and I'm trying to come to the ... the Engineer has no records in front of him and it's not fair to put him in a situation to have him comment. If you need that information I'm sure the Mayor's Office will charge him with getting it ready for you. But to question him on something he has no - to his independent memory wouldn't be very fair - put him on the spot at this point. First of all he's not - as you can see he's not comfortable in quoting publicly what was on there. But he'll gladly give you all that information. Or if you request it from Mr. Miller's office I'm sure they'll forward it to you. And I'm not trying to stall you sir...

Mr. Osborne: Well a change order is normally - comes about when the client, which in this case is a city, wants to make changes in the project. Is that not correct? So it looks like in this case the contractor did not estimate his costs properly and you're just ringing this up as a change order to cover his ...

Mr. Sarbach: I believe the extent of the material needed was mis-estimated by the contractor. He had so much cubic yards of this stuff or cubic feet he was going to remove. When he actually got in there and started doing it, there had to be more taken out. Consequently, more labor to take it out and prep it and more raw material put back in.

Mr. Osborne: So the contractor mis-estimated ...

Mr. Benekos: No...

Mr. Sarbach: I don't know if he mis-estimated or he estimated on the basis of our specs. I don't know about that.

Mrs. Kiesling: The condition of the soil was ...inaudible...

Mr. Osborne: Well everybody knew the history of this street, it was a mess.

Mrs. Kiesling: But you don't know the soil till you get down there Chuck.

Mr. Osborne: It looks like you're giving a change order to allow a contractor to adjust his figure. That's like going out and buying a car and you agree to a price and you come back the next day to pick it up and they say well we want another three grand out of you or something.

Mr. Snyder: Well I believe there were test bores made...

Mr. Foltz: No, no...

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Mr. Snyder: and there was estimates made as to what it would cost. And then upon opening the street, it was much greater damage than what they anticipated, to which they came back and requested the additional capital.

Mr. Osborne: So what...

Mr. Benekos: Unit price for the limestone was established in the contract. It's just the additional limestone that was needed because of the soil conditions when we opened it up. We knew we had to remove all the slag that was present and once we removed that the soil conditions there just required additional stone than what we anticipated. That's the cost, just the amount of the additional stone. But the unit price for the stone was established in the contract.

Mr. Osborne: Well they do borings generally to determine when there's soil that you have questions about.

Mr. Benekos: Regardless of whether you knew how much you had to remove before the contract was let or after it was let, the unit price of the stone was established and you still would have to pay the same amount.

Mr. Osborne: But you have a bid estimate, a final bid as to what it's going to cost to do this project. Anyway, it probably should of been a moral claim instead of a change order because you just bailed out the contractor as far as I'm concerned.

Mr. Snyder: Thank you. Any...

Mr. Foltz: We didn't - let me make a comment. We didn't bail out a contractor. There's quantities, when you put the bid proposal together, that's just common sense. And when you bid it, you bid on those quantities, if you get into a job, I don't think there's been any job that's come right on the nose. Has there Jim?

Mr. Benekos: No.

Mr. Foltz: In your history, you as an engineer, has there been any job that hit the bid specs right on the nose?

Mr. Benekos: I have not encountered it.

Mr. Foltz: Okay, that's just common sense and that's what we're saying here. Bid specifications indicated so much - just like if you're laying pipe, so many lineal feet. If you have to change it as you go into the job, cause no one really knows what's underneath that pavement until you dig it out, that's the bottom line. We estimated that job was done six to eight years ago...

Mr. Benekos: Correct.

Mr. Foltz: different administration, different engineer, so that's the way it is. So he bid a unit price. He felt that more stone was needed. There's been nothing that's done that is the contractor's responsibility.

Mr. Osborne: I... inaudible ...

Mr. Foltz: They made the call as engineers.

Mr. Osborne: I used to bid on carpet and you tell the customer it's so much a yard - now a day it's so much per square foot. You give the customer an estimate, you need a hundred yards of - square yards of carpet. If it turns out you need a 130 square yards of carpet, just because you're still maintaining the unit price of that carpet. You have a bid process because you want to know the lowest bidder. And I just ...inaudible...

Unidentified: Whatever...

Mrs. Kiesling: We did it...

Mr. Osborne: Inaudible...

Mr. Foltz: Chuck you're not ...

Mrs. Kiesling: We had the lowest bidder on the line Chuck.

Mr. Snyder: We don't all want to talk a the same time.

Mr. Foltz: You're not following this, we don't need to go on.

Mr. Snyder: Thank you Mr. Osborne. Mr. Oakes would like to make a comment.

Mr. Osborne: If you're going to have unit pricing on every bid, then you're never going to know what a project is going to cost you. Thank you.

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Mr. Snyder: Thank you Mr. Osborne. Mr. Oakes, you have a comment?

Unidentified: Inaudible... measure a room, you don't know ...inaudible...

Mr. Oakes: Thank you Mr. President. Mr. Benekos, I know it was before your rein and so my comments are ...inaudible...

Mr. Benekos: Sure.

Mr. Oakes: slag ...inaudible...

Mr. Foltz: Right...

Mr. Oakes: Mr. Osborne, with all due respect, roads ... carpet ...

Mr. Foltz: Yea.

Mr. Oakes: to apples and oranges. I would like to commend your department at least unit cost ...inaudible... So many miss that and then when the change orders do come through they get killed. That's brilliant - not brilliant, that's just the way you should do business and I applaud you for that. We have done test holes with our own civils and our own testing agencies, where right here I hit a hole, I drill a 30 foot bore, it's perfect, where this young lady sits, it's junk for 50 feet. There's no way to anticipate - there is no way to anticipate that in road construction. The only way to cover yourself...

Mr. Sarbach: Especially under this city ... mines.

Mr. Oakes. is through unit cost bidding and for that I appreciate it. But what I would request of the city, is I'd really like to know who the outside engineer was that set the specs for that eight years ago and see those bid documents. Thank you.

Mr. Benekos: Sure.

Mr. Snyder: Thank you sir. Anybody else wish to speak? Sam...

Sam Brenton: Sam Brenton from 1681 Westfield SW. I want to thank Mr. Miller and Mr. Rice. I mentioned that fire plug down there that was buried up to the caps on a 70 degree angle after a machine hit it and that machine now is on city property, it's off of private property. And there was a committee went down there when I first mentioned it and they all said it had to get out of there. Thank you for moving it. Now, there's a hole in the sidewalk down there that I complained about for three years. I mentioned to Mr. Held and Mr. Rice three times, the third time Mr. Held says our man is going to go down there and fill it in and they did fill it in. The one down there by Cleveland Avenue or South Main, the contractor that put that line in filled that in with concrete. If you look at both of those you'll see a blue whatever they do stamp it. It was probably done one of your city workers that the waterline and they stamped that there and they're the one that removed it. The contractor did put that back in. And it's a shame that's a knee deep hole where people walk down there. One of these days I want to take my pickup truck down there and fill the damn thing up myself. I'll put gravel in there. Hell I'll take my ten year old granddaughter there to help me.

Mr. Miller: North side of Everhard or south side of Everhard, down by South Main?

Mr. Brenton: Yea, down below Ambler there. That thing is knee deep and people walk down there.

Mr. Miller: I'll follow up with him.

Mr. Brenton: One of these days some kid is going to go down there with a bicycle about 20 miles an hour. Where's he going to end up at? Anyhow that's two - but thanks for the fireplug. Now get them two.

Mr. Miller: Okay.

Mr. Brenton: Alright, thank you.

Mr. Snyder: Thank you sir. Anyone else? Seeing none, may I have a motion to adjourn the meeting?

ADJOURN:

Mr. Lane moved and Mr. Foltz seconded to adjourn the council meeting. All members present voting:

Yes: Kiesling, Lane, Lindower, Peters, Sarbach, Snyder and Foltz.

No: 0

The meeting adjourned at 8:21 p.m.

PRESIDENT OF COUNCIL

ATTEST:

CLERK OF COUNCIL