

THE CITY OF STREETSBORO, OHIO
SPECIAL FINANCE COMMITTEE MINUTES

Monday, September 9, 2024

This Special Finance Committee Meeting was called to order on Monday, September 9, 2024 at 7:17 p.m. by Steve Michniak, Vice Chairman.

PRESENT: Jon Hannan, Anthony Lombardo, Lisa McDaniel, Jennifer Wagner, Marianne Glenn, Steve Michniak

ABSENT: Justin Ring

ALSO PRESENT: Glenn Broska, Mayor
David Nott, Law Director
Patricia Wain, Police Chief
Robert Reinholz, Fire Chief
Matt Miller, Finance Director
Bill Miller, Service Director
Justin Czekaj, Municipal Engineer
John Cieszkowski, Planning Director
Patrick O'Malia, Economic Development Director
Greg Mytinger, Parks and Recreation Director
Shawna Lockhart-Reese, HR Manager
Matt Coffman, IT Network Administrator
Caroline Kremer, Clerk of Council

MOTION: TO EXCUSE MR. RING.

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

Special Business

T-7659 Assignment of the CRA Agreement w/Geis

Mr. O'Malia explained that the Geis Companies were granted 100% real property tax abatement for the speculative building that they constructed on SR 43 near Camelot Village. Geis was now selling that building to their tenant, a Korean logistics firm known as FMS. FMS was based in Korea but had about 30 offices here in America. By assigning the contract to FMS Streetsboro would hold them responsible for an annual donation of \$5,200 for the Floyd North Bicentennial Park, scholarship donation to the School, and 20% of taxes otherwise due, and the creation or otherwise "payment in lieu of" of \$9,125,000 in payroll tax (which was about \$182,500 in actual net withholdings). When the abatement was granted to the Geis Companies, the City never thought the Geis Companies was going to create these jobs, it was understood that their tenant would create the jobs. Geis was now selling the building and wanted the tax abatement to be transferred to the purchaser.

The County Auditor has just valued the building at \$25,157,000, which equates to about \$585,000 in property taxes, so the math worked out in the City's favor. Even if they were not to create a single job, it would make much more sense for them to pay Streetsboro \$185,000 a year than to pay \$585,000 a year in property taxes.

Mr. Michniak asked if the CRA agreement was assignable in the original agreement, and if so, did the City need to execute any new documents in order to bind the new company. Mr. O'Malia said page 8, item 23, required the City to transfer the agreement to another entity if Geis made the request and it cannot be unreasonably withheld. The City was technically over the 10 business day period, but Mr. O'Malia had not wanted to call a Special Council Meeting for this. Mr. Nott added that the CRA agreement required the City to agree to the assignment and it shall not be unreasonably withheld. The other agreement that would need to be signed was the estoppel, which would basically say the contract had been complied with by Geis up until now.

Mr. Michniak asked if the Korean company needed to execute any documents in order to be a party to this CRA. Mr. Nott thought they would execute an agreement directly with Geis, but not necessarily with the City. Mr. Michniak was concerned that if the Korean company failed and the City tried to go back on them for whatever mitigation it could seek that the Korean company couldn't say that they never signed anything and didn't owe anything. Mr. Michniak wanted to protect the City because the City never negotiated directly with this Korean company and would not see what they were signing with Geis. Mr. O'Malia said all the City was doing now was allowing Geis to transfer the CRA agreement to FMS; the City was making no changes whatsoever to the contract or the terms therein.

Mr. Michniak wondered what would happen if they didn't meet the terms. He wanted to make sure the City wasn't creating a legal defense for them to say they had not agreed to the terms and didn't owe anything. Mr. O'Malia said the City would tell them they could pay the \$585,000 a year in taxes or the \$185,000 per the agreement, because they would have to pay one way or another. Mr. Michniak asked Mr. O'Malia to see if FMS would be willing to let Mr. Nott review the pertinent parts of their contract between Geis and FMS on that topic to see if Mr. Nott felt it protected the City. That was Mr. Michniak's concern. Mr. Nott mentioned that he had told their legal counsel that he would be bringing this issue before City Council, but did not guarantee the approval tonight.

Mayor Broska noted that there was a physical building there worth almost \$26 million, so someone would be paying \$585,000 a year in property taxes. The City would not be out anything even if FMS failed because the County Auditor would foreclose and put the property up for auction and property taxes would be the first lien.

MOTION: TO MOVE THIS TO TONIGHT'S REGULAR COUNCIL MEETING.

Moved by Mr. Hannan, seconded by Ms. Wagner. Upon voice vote, **motion carried.**

Executive Session

Mr. Michniak said he would like to invite the Mayor, Mr. Nott, Matt Miller, and Mrs. Lockhart-Reese into the executive session, then he would call for Mrs. Kremer, and then probably a potential candidate too.

MOTION: TO RECESS INTO EXECUTIVE SESSION TO CONSIDER EMPLOYMENT-HIRING.

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon roll call vote, **motion carried 6-0 and the meeting recessed at 7:25 p.m.**

MOTION: TO RECONVENE FROM EXECUTIVE SESSION.

Moved by Mr. Hannan, seconded by Mr. Lombardo. Upon voice vote, **motion carried and the meeting reconvened at 8:53 p.m.**

T-7660 Amend Pay Ordinance and Hire a Temporary Deputy Clerk

Mr. Michniak said the legislation indicated a full-time temporary Deputy Clerk to fill in for a few months while the Council Clerk was out of the office for some medical reasons, but Council was actually envisioning a 32-hour per week position at \$25/hr. He asked if they should change the legislation language or leave the legislation as is to possibly give Council more flexibility and only schedule and fund up to 32 hours per week. Mr. Nott advised the legislation be changed to state part-time; when it was drafted he wasn't aware it was to be part-time.

MOTION: TO AMEND THE DRAFT LEGISLATION EVERYWHERE IT SAID FULL-TIME TO REFLECT PART-TIME INSTEAD.

Moved by Mr. Hannan, seconded by Mrs. McDaniel. Upon voice vote, **motion carried.**

MOTION: TO AMEND SECTION 1 OF THE DRAFT LEGISLATION TO INDICATE NOT TO EXCEED 32 HOURS PER WEEK ON AVERAGE.

Moved by Mrs. Glenn, seconded by Mr. Lombardo. Upon voice vote, **motion carried.**

MOTION: TO AMEND THE DRAFT LEGISLATION TO INDICATE COUNCIL WISHED TO START THE PART-TIME EMPLOYEE AT \$25/HOUR.

Moved by Mrs. Glenn, seconded by Ms. Wagner. Upon voice vote, **motion carried.**

Mr. Michniak asked if the appointment of the specific individual needed to be done by motion or legislation. Mr. Nott recommended doing it through this legislation.

MOTION: TO AMEND SECTION 1 OF THE DRAFT LEGISLATION TO APPOINT BRIDGET PAVLICK TO THE TEMPORARY PART-TIME DEPUTY CLERK OF

COUNCIL POSITION EFFECTIVE TODAY.

Moved by Ms. Wagner, seconded by Mrs. Glenn. Upon voice vote, **motion carried**. Mrs. Pavlick suggested the legislation include her official given name, Edith Pavlick. She officially accepted the position as described in the legislation.

MOTION: TO MOVE T-7660 TO TONIGHT'S REGULAR COUNCIL MEETING AS AMENDED.

Moved by Mr. Hannan, seconded by Mrs. McDaniel. Upon voice vote, **motion carried**.

Announcements

A Regular Council Meeting will immediately follow this meeting.

There being no further business to come before this Special Finance Committee, and upon motion by Mrs. Glenn, seconded by Mr. Lombardo, this meeting adjourned at 9:01 p.m.

ATTEST:

Caroline L. Kremer, Clerk of Council

Steve Michniak, Vice Chairman