

# FINDLAY CITY COUNCIL MINUTES

**REGULAR SESSION**

**June 7, 2016**

**COUNCIL CHAMBERS**

**PRESENT:** Frische, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser

**ABSENT:** Harrington

President J Slough opened the meeting with the Pledge of Allegiance and a moment of silent prayer.

## ACCEPTANCE OR CHANGES OF MINUTES AND PUBLIC HEARINGS:

Councilman Russel moved to accept the May 17, 2016 Regular Session City Council meeting minutes. Councilman Niemeyer seconded the motion. All were in favor. Motion carried. Filed.

## ADD-ON/REPLACEMENT/REMOVAL FROM THE AGENDA:

Councilman Monday moved to add-on and replace the following on tonight's agenda. Councilman Klein seconded the motion. All were in favor. Motion carried. Filed.

### ADD-ONS:

- Letter from HRPC Director – RLF administrative agreement (**REPORTS OF MUNICIPAL OFFICERS AND MUNICIPAL DEPARTMENTS** section)
- **ORDINANCE NO. 2016-057** – authorize the Mayor to enter into RLF administrative agreement (**LEGISLATION** section)

### REPLACEMENTS:

- **CARRY-OVER LEGISLATION** cover sheet (**LEGISLATION** section)

— **ORDINANCE NO. 2016-047** (123 Garfield St rezone)

- o should be (429 Walnut St/420-422 Prospect St rezone)

— **ORDINANCE NO. 2016-048** (429 Walnut ST/420-422 Prospect St rezone)

- o should be (Toledo-Lucas County Port Authority grant)

- **ORDINANCE NO. 2016-051** (**LEGISLATION** section)

FROM: General Fund

\$ 3,734.00

**should be**

FROM: General Fund (Insurance proceeds)

\$ 3,734.00

FROM: SCM&R Fund

\$ 727.00

**should be**

FROM: SCM&R Fund (donations/contributions)

\$ 727.00

TO: SCM&R Fund

\$ 727.00

**should be**

TO: SCM&R Fund #22040000-other

\$ 727.00

**PROCLAMATIONS:** – none.

**RECOGNITION/RETIREMENT RESOLUTIONS:** - none.

## PETITIONS:

**Zoning amendment request – 0 Kennigston Drive (parcel 210001028299; lot 349)**

Van Horn, Hoover & Associates Inc on behalf of Roger Best would like to change the zoning to CD Condominium. It currently is zoned as R2 single family medium density. Referred to City Planning Commission and Planning & Zoning Committee.

**Street vacation request – Connell Street**

Theresa Heidlebaugh and Marcus Price are requesting to vacate Connell Avenue from Fishlock Avenue east to the north-south alley located between Fishlock Avenue and Williams Street (60' x 160'). Referred to City Planning Commission and Planning & Zoning Committee.

**Zoning amendment request – 1011 North Blanchard Street**

Jean Dove, on behalf of Habitat for Humanity would like to change the zoning to R3 single family, high density. It currently is zoned R2 single family, medium density. Referred to City Planning Commission and Planning & Zoning Committee.

**Street vacation request – East Lima Street**

Philip Rooney is requesting to vacate the north-south alley located between Lots 1164-1167 in the Byal's 2<sup>nd</sup> Addition, and Lot 1191 also in the Byal's 2<sup>nd</sup> Addition, bounded on the south by East Lima Street and on the north by the east-west alley between South Main Street and Beech Avenue. Referred to City Planning Commission and Planning & Zoning Committee.

**Zoning amendment request – 1017 E Sandusky St (Hancock County Fairgrounds)**

Clouse Construction Corp on behalf of the Hancock County Agricultural Society would like to change the zoning to PO Park and Open Space District. It currently is zoned as R2 Single Family Medium Density. Referred to City Planning Commission and Planning & Zoning Committee.

**WRITTEN COMMUNICATIONS:** - none.

## **ORAL COMMUNICATIONS:**

### **David Corbin, Hancock-Wood Electric – HWE franchise agreement**

Mr. Corbin appreciates what City Council did for Hancock-Wood Electric and their franchise agreement. Council listened to them, thought about it, and told everyone that it should be retained like it used to be for many years in which AEP broke the rules last year. If AEP had not done what they did, then HWE would not have come to City Council to begin with.

Mr. Corbin also told Council that a friend of his gave him a book about Findlay that has old photographs in it. He shared that book with President Slough who will pass it around. Some of the photographs are of Fort Findlay, and of Main Street transportation via horses and antique cars. He invited Council to review it keeping in mind that the photographs depict how Findlay started and what we have today which is a great city. He encouraged Council to keep up the good work.

### **Kelly Lowry, Bureau of Worker's Compensation – update**

Ms. Lowry, Account Executive for CompManagement, Inc. (third party administrator for Worker's Comp), provided handouts on their executive summary and a series of charts. She provided Council with an update on the City's Worker's Compensation program. She first highlighted the executive summary handout: the first page shows the frequency of claims. In 2011, the City had nineteen (19) claims, and by 2015, that dropped forty-two percent (42%) to eleven (11) claims. Even better than that was the City's lost comp claims, which are the cost drivers, dropped from seven (7) to one (1). The City is doing a great job of controlling the number of frequent claims. Not listed in the handout are the costs that fell seventy-eight percent (78%). In 2011, costs were one hundred ninety-two thousand dollars (\$192,000), but in 2015, costs fell to forty-one thousand dollars (\$41,000). The City is doing a great job on frequency and severity, but there is always room for improvement. The City Auditor's Office is working with CompManagement House Systems (CHS) to look at trending which is explained in the other handout (series of graphs breaking out frequency and severity for not only the entire City, but also by department shown on the subsequent pages). The Auditor's Office and CHS are looking at trends and assisting the City's safety departments in reducing the frequency and severity even further.

Page 2 of the graph handouts indicate that Police, Fire, and Street Departments are the most frequent claims which is not a shock as they are very physical and dangerous jobs. The second graph shows, although Police have the most frequent claims, severity is greater with the Fire Department. Fire Department claims average about six thousand dollars (\$6,000) per claim, Police Department average about three thousand dollars (\$3,000) per claim. Water District is about fifty-eight hundred dollars (\$5,800) per claim.

The next page of the graph handouts shows lost days (LD) which is the blue bar. The red bar is transitional work days (TWD). The City does a great job of getting employees back to work on restricted duty which saves the City a lot of money. Transportation related incidents cause the most transitional days and overexertion causes the most lost time days.

The last page shows the numbers that back up those graphs. These reports show where the City's trending is. Page 2 of the executive summary shows payroll. From 2011 to 2014, it dropped slightly to about six percent (6%) over that period of time.

Page four shows EMR which compares Findlay to the average city in Ohio. It looks at the size of our city and the payroll that is reported to them. The average city in Ohio is going to have a one (1) or 1.00. Anything under that is better than average. For 2015, Findlay is at .80 which means Findlay is twenty percent (20%) better than the average city of its size in Ohio.

The last page shows savings. It breaks it out by a couple of different things that are done for savings. The fourth (4<sup>th</sup>) paragraph lists retro-refund as one hundred ten thousand nine hundred fifty-one dollars (\$110,951) which was the first year/first refund. This is a new program. Next year, the City can expect two (2) refunds totaling not quite as high. The following year should be three (3) refunds. The individual retro (savings) through December 31, 2015 is eight hundred seven thousand dollars (\$807,000).

These savings are possible due to the good decisions the Findlay City Auditor's Office have made on the City's programs. They are doing a great job of being safe and bringing employees back to work, as well as the partnership with CompManagement and CompManagement House Systems which has saved the City over a million dollars (\$1,000,000). CompManagement Inc. appreciates the City's business.

### **Discussion:**

City Auditor Staschiak pointed out that these savings are due to the work by every department and every employee.

Mayor Mihalik agreed with City Auditor Staschiak that everyone is doing a great job. The City has been very aggressive about creating a safety culture since 2012. In fact, the City just received an award as a group from the Bureau of Worker's Comp for having at least a twenty-five percent (25%) reduction in lost days, and so far, that is continuing into this year. The City's Safety Committee, that is led by members of the leadership team and employees, emphasize that City employees be smart about their workday which has provided a significant cost savings in claims since 2012.

## **REPORTS OF MUNICIPAL OFFICERS AND MUNICIPAL DEPARTMENTS:**

**Traffic Commission minutes – May 16, 2016. Filed.**

**Hancock Regional Planning Commission Director Matthew Cordonnier – Revolving Loan Fund appropriation request (Waldo Peppers)**

On May 12, 2016, the City of Findlay Revolving Loan Fund (RLF) Committee awarded a loan to M&J Enterprises Inc and MGB Real Estate Holdings (dba Waldo Peppers) in the amount of \$110,000. The funding will provide funds for working capital, machinery and equipment, and property acquisition. The funds will be used as part of a remodeling project at the site of Waldo Peppers. The closing date for the loan has been set for June 10, 2016. Legislation to appropriate funds and pass on an emergency basis in order to accommodate the timeline of the business and the bank that are involved in the financing of the project is requested. The appropriation of City RLF funds have historically been passed on an emergency basis in order to accommodate the time sensitive needs of businesses. Ordinance No. 2016-049 was created.

FROM:	City of Findlay Revolving Loan Fund	\$ 110,000
TO:	MGB Real Estate Holdings LLC	\$ 40,000 acquisition
TO:	M&J Enterprises Inc.	\$ 45,000 working capital
TO:	M&J Enterprises Inc.	\$ 25,000 equipment

Filed.

**Parks and Recreation Board minutes May 16, 2016.** Filed.

**City Planning Commission agenda – June 9, 2016; minutes – May 12, 2016.** Filed.

**Hancock Regional Planning Commission Director Matthew Cordonnier – amend Revolving Loan guidelines**

On May 12, 2016 the City of Findlay Revolving Loan Fund Committee reviewed and voted to approve the following changes to the City of Findlay Revolving Loan Guidelines. The proposed changes would reduce the required cash equity from 10% of the total projected project costs to 5%. The changes to the City of Findlay Revolving Loan Guidelines will align it to the State of Ohio standards which only require 5% equity. The exact changes are listed below.

*Part II Section F-2(d)*

*d. have cash or equity less than 10% 5% of total projected project cost;*

*Part II Section F-3*

*3. Applicant Equity Typically, 10% Five percent (5%) of the total project costs must be furnished by the principal(s) of the applicant company as equity infusion. For individual loans, additional equity may be required (i.e. for a business start-up).*

Legislation to amend the RLF guidelines and pas on an emergency basis in order to accommodate the timeline of the business and the bank that are involved in the financing of the project is requested. The appropriation of City RLF funds have historically been passed on an emergency basis in order to accommodate the time sensitive needs of business transactions. Ordinance No. 2016-050 was created. Filed.

**Service-Safety Director Paul Schmelzer – Insurance payment on Police cruiser**

The City of Findlay has received payment for the repair of a police vehicle from an incident from the City's insurance company in the amount of \$3,734.00. It has been deposited in the General Fund. Legislation to appropriate funds is requested. Ordinance No. 2016-051 was created.

FROM:	General Fun (insurance proceeds)	\$ 3,734.00
TO:	Police Department #21012000-other	\$ 3,734.00

Filed.

**Service-Safety Director Paul Schmelzer – Adopt-A-Flag program**

The City of Findlay received \$727.00 in donations from the Adopt-A-Flag program to go towards the purchase of American flags for Main Street. The funds have been deposited in the SCM&R Fund. Legislation to appropriate funds is requested. Ordinance No. 2016-051 was created.

FROM:	SCM&R Fund	\$ 727.00
TO:	Street Department #22040000-other	\$ 727.00

Filed.

**Service-Safety Director Paul Schmelzer – annual bids & contracts**

Each year, the City of Findlay formally bids a number of chemicals, materials, and services. The contractors for these items run for a calendar year, with option(s) to renew the contracts in one-year increments. In July, a review and evaluation of the current contracts and contracted vendors will be conducted. For those contracts that will not be renewed, the City will advertise and receive bids in October. Items that are normally bid each year include several chemicals used by the Water Treatment Plant and Water Pollution Control Center, uniforms, services, and supplies. Legislation authorizing the Service-Safety Director to contract these items is requested. Ordinance No. 2016-052 was created. Filed.

**Service-Safety Director Paul Schmelzer – 1001 Blanchard Avenue demo**

This property is currently in very poor and hazardous condition. It was formerly owned by the Findlay School District, but it has been sold several times in the past fifteen (15) years. Currently, it is owned by an individual who lives in California and refuses to maintain the property.

The City has issued notice to the owner requesting that the building be structurally stabilized so that it will no longer be a safety threat to the adjacent Findlay City School facility. Given the poor condition and overall structural instability, the only solution is for the City to demolish the structure. The City will provide the funding up front; however, any costs incurred for the demolition would be assessed through the property taxes.

There is no guarantee that all costs associated with the demolition will be recovered; however, in circumstances like this one, there are not many alternatives that do not involve public agency action. Blighted properties like this one and abandoned gas stations need addressed for the benefit of the community as a whole and hold owners accountable for the costs of their neglect. Legislation to authorize formal advertising and bidding is requested. After bids are received, the cost to perform the demolition will be known at which time Council can consider a path forward. Ordinance No. 2016-053 was created. Filed.

**City Auditor Jim Staschak – Bureau of Worker’s Compensation Group Retrospective Rating Plan**

Legislation is on tonight’s agenda to authorize the Auditor to enroll the City in the Bureau of Workers Compensation group retrospective rating program. It is necessary to have Council’s approval each year to enroll in the program. This Ordinance must be passed by the first meeting in July with the emergency clause in effect for a July 31, 2016 filing deadline.

The financial benefits of each program the Bureau offers are reviewed and analyzed throughout the year by the Auditor’s Office with the assistance of CompManagement, Inc., the City’s third party administrator for workers comp issues. Consideration was given to each option, and it has been determined that the group retrospective rating program would once again best serve the needs of the City in 2017. This is the fourth year the City will have participated in this particular program. Ordinance No. 2016-055 was created.

**Discussion:**

Councilman Russel requested the letter be read in full. The Council Clerk read the letter in its entirety. Filed.

**Service-Safety Director Paul Schmelzer – Police Department radios, Project No. 31965400**

Included in the 2016 Capital Improvements Plan is a line item for a partial replacement of the Police Department’s portable two-way radios. Legislation to appropriate funds is requested. Ordinance No. 2016-056 was created.

FROM:	CIT Fund		
	Capital Improvements Restricted Account	\$ 234,021	
TO:	Police Department Portable Radios Replacement <i>Project No. 31965400</i>		\$ 234,021

**Discussion:**

Councilman Russel asked how many radios this covers. Service-Safety Director Schmelzer replied the final number is still in negotiations. It will cover between seventy-six to eighty (76-80) radios which will cover the entire Police Department except for the mobile radios in the vehicles. Councilman Russel then asked what the expected lifetime of the radios are and if there is a replacement process in place. Service-Safety Director Schmelzer replied that Motorola’s suggestion is five (5) years, but the City expects to get more than that. The radios that are currently being used in the Police Department are not dual frequency, but will be great for the service department, so those radios will be transitioned there. He expects those radios to last an additional five to ten (5-10) years. Filed.

**Hancock Regional Planning Commission Director Matt Cordonnier – RLF Administrative Agreement**

The State of Ohio has requested the City of Findlay update its Revolving Loan Fund Administrative agreement between the City of Findlay and the State of Ohio. The agreement was provided with this letter.

Ordinance No. 2016-057 was created. Filed.

**COMMITTEE REPORTS:** - none.

**LEGISLATION:**

**RESOLUTIONS**

**RESOLUTION NO. 019-2016** **third reading** **adopted**

*(CDBG (FY16) application, areas B-4 & B-6 (Phase II) sewer separation project no. 32556100)*

A RESOLUTION AUTHORIZING THE MAYOR AND/OR SERVICE-SAFETY DIRECTOR OF THE CITY OF FINDLAY, OHIO TO FILE AN APPLICATION FOR FISCAL YEAR 2016 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND, IF AWARDED, TO SIGN A GRANT AGREEMENT WITH THE OHIO DEPARTMENT OF DEVELOPMENT.

Councilman Russel moved to adopt the Resolution, seconded by Councilman Klein. Ayes: Frische, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser. The Resolution was declared adopted and is recorded in Resolution Volume XXXII, and is hereby made a part of the record.

**RESOLUTION NO. 020-2016** **third reading** **adopted**

*(CDBG Critical Infrastructure grant application)*

A RESOLUTION AUTHORIZING THE MAYOR AND/OR SERVICE-SAFETY DIRECTOR OF THE CITY OF FINDLAY, OHIO TO FILE AN APPLICATION FOR A CRITICAL INFRASTRUCTURE GRANT FROM COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND, IF AWARDED, TO SIGN A GRANT AGREEMENT WITH THE OHIO DEPARTMENT OF DEVELOPMENT.

Councilman Russel moved to adopt the Resolution, seconded by Councilman Shindledecker.

**Discussion:**

Councilman Russel asked how many CSOs are out there, what the City’s exposure is, and how much this takes out. Service-Safety Director Schmelzer replied it takes out five (5) of those CSOs. This is to install flap gates. Currently, we are in compliance with our long-term CSO control plan with the EPA. This involves major infrastructure to take the flow to completely eliminate those. He is unsure the dollar amount it will take to take care of the problem. It is a strong mitigation effort for the City. The flap gates will keep flow from the river from going into the system itself which on a combined sewer system is a huge problem. Even though the gates will not eliminate it, they will still functionally keep the river out of residents’ sanitary sewers.

Ayes: Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische. The Resolution was declared adopted and is recorded in Resolution Volume XXXII, and is hereby made a part of the record.

**RESOLUTION NO. 022-2016** *(no PO)*

first reading

adopted

A RESOLUTION APPROVING THE EXPENDITURES MADE BY THE AUDITORS OFFICE ON THE ATTACHED LIST OF VOUCHERS WHICH EITHER EXCEED THE PURCHASE ORDER OR WERE INCURRED WITHOUT A PURCHASE ORDER EXCEEDING THE STATUTORY LIMIT OF THREE THOUSAND DOLLARS (\$3000.00) ALL IN ACCORDANCE WITH OHIO REVISED CODE 5705.41(D).

Councilman Monday moved to adopt the Resolution, seconded by Councilman Russel. Ayes: Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Hellmann. The Resolution was declared adopted and is recorded in Resolution Volume XXXII, and is hereby made a part of the record.

**ORDINANCES**

**ORDINANCE NO. 2016-044** *(Main St alleys reconstruction (CDBG FY15) project no. 32864500)*  
AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

third reading

adopted

Councilman Klein moved to adopt the Ordinance, seconded by Councilman Russel. Ayes: Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Hellmann, Klein.

Discussion:

Councilman Klein asked what the timing on the process is. Service-Safety Director Schmelzer replied the plans will be finalized the summer, construction this fall, and completed before the end of the paving season. Councilman Klein then asked if there is a process in place to work with the business owners that accept deliveries in those alleys. Service-Safety Director replied they will have to phase it.

The Ordinance was declared adopted and is recorded in Ordinance volume VV, Page 2016-044 and is hereby made a part of the record.

**ORDINANCE NO. 2016-045** *(11815 TR 145 ROW dedication)*

third reading

adopted

AN ORDINANCE DEDICATING A CERTAIN PORTION OF RIGHT-OF-WAY (HEREINAFTER REFERED TO AS 11815 TOWNSHIP ROAD 145) IN THE CITY OF FINDLAY, OHIO.

Councilman Russel moved to adopt the Ordinance, seconded by Councilman Hellmann. Ayes: Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Hellmann, Klein, Monday. Ordinance was declared adopted and is recorded in Ordinance Volume VV, Page 2016-045 and is hereby made a part of the record.

**ORDINANCE NO. 2016-046** *(Miracle Field contribution)*

second reading

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

Second reading of the Ordinance.

**ORDINANCE NO. 2016-047** *(429 Walnut St/420-422 Prospect rezone)*

second reading

AN ORDINANCE AMENDING CHAPTER 1100 ET SEQ OF THE CODIFIED ORDINANCES OF THE CITY OF FINDLAY, OHIO, KNOWN AS THE ZONING CODE BY REZONING THE FOLLOWING DESCRIBED PROPERTY (REFERRED TO AS 429 WALNUT STREET AND 420-422 PROSPECT STREET REZONE) WHICH PREVIOUSLY WAS ZONED "C2 GENERAL COMMERCIAL" TO "R4 DUPLEX TRIPLEX RESIDENTIAL".

Second reading of the Ordinance.

**ORDINANCE NO. 2016-048** *(Toledo-Lucas County Port Authority grant)*

second reading

AN ORDINANCE AUTHORIZING THE SERVICE-SAFETY DIRECTOR OF THE CITY OF FINDLAY, OHIO, TO SIGN AND EXECUTE A COOPERATE PROJECT MANAGEMENT AGREEMENT WITH THE TOLEDO-LUCAS COUNTY PORT AUTHORITY, AND TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO RECEIVE AND ADMINISTER A GRANT SUB-AWARD THROUGH THE TOLEDO-LUCAS COUNTY PORT AUTHORITY IN THE AMOUNT OF THREE HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$355,000.00), AND DECLARING AN EMERGENCY.

Second reading of the Ordinance.

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilwoman Frische. Ayes: Russel, Shindledecker, Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer. The ordinance received its second and third readings.

Discussion:

Councilman Russel asked where the money comes from for the Revolving Loan Fund (RLF), what the applicant process is, and what happens if the project falls through. Matt Cordonnier (from the audience) replied that the Revolving Loan Fund originates with HUD. They are given to the State through Community Development Block Grant (CDBG) dollars. The State then entrusts the City or County with the RLF. The State still has some control over local RLF dollars. For example, in 2012, of the 125 RLF in the state of Ohio, seventy-five (75) communities had not issued a loan to five (5) applicants, so in 2012, they demanded that those seventy-five (75) communities spend the money or return it. RLF is not money that originates from the City of Findlay's budget. It originates from the State. In some ways, we are playing with house money as that money comes from the State. The RLF program is designed for gap financing and is designed to take more risks than conventional loans. If a project were to fall through, it would be a hit to our RLF fund that originated at the Federal Government level through the State.

Councilman Wobser asked if there is any legal recourse to recoup funds if the loan falls through and the City cannot recover those funds. Matt Cordonnier replied that the City does have legal recourse. It is a standard financial measure and we are required to take a second on all positions to the bank which makes it attractive to the bank. In most cases, HRPC will be the last ones paid. Councilman Wobser noted that another ordinance on tonight's agenda is to change the equity basis from ten percent (10%) to five percent (5%) which further exposes us to potential loss because there is less equity in the loan. Matt Cordonnier replied that is correct. Councilman Wobser then asked if the City has a choice in making it five percent (5%) or ten percent (10%) or if it is up to the State to decide. Matt Cordonnier replied the City does have a say. The State takes a hands-off approach to local RLF loans. For example, tonight's loan request, HRPC determined the terms and sent a summary to the state who reviews it and lets HRPC know if it meets their general guidelines, and if so, it is approved. We have the ability to set the equity rate and rates of terms, however we choose to, but we cannot go below five percent (5%). Councilman Wobser then asked what the \$40,000 acquisition amount for this loan is. Matt Cordonnier replied it is the acquisition of the current building.

Councilman Shindledecker asked what the track record for paybacks are for previous RLF loans. Matt Cordonnier replied that within the last ten (10) years, there have been no defaults on the loans. Currently, there are ten to eleven (10-11) loans out totaling just over a one million dollars (\$1,000,000). The payback on that is approximately seven hundred thousand dollars (\$700,000). There have been situations where borrowers have gotten into tight situations, but HRPC has been able to work it out with them and have gotten them back on track. So far, no one has walked away.

City Auditor Staschiak added that Councilman Harrington is the voting member on the board, but is not present tonight. It is a board that oversees the RLF. They meet and discuss in detail the financials of each applicant. Auditor Staschiak is Ex Official on that board. Over the time he has participated on the board, the group has done a wonderful job of analyzing situations, some being clear-cut and some very complex and risky. The board makes the decision whether or not to recommend a business benefit (i.e. those employed or a benefit to the community) if they meet the requirements and if it should invest in. HRPC also has to implement the wishes for the instructions of that board.

Matt Cordonnier noted that the reduction from ten percent (10%) to five percent (5%) was brought to the board and discussed. The majority vote was to reduce it. We can set our own standards. City Council would have to approve it to make it go into effect.

Councilman Russel asked who all is involved on the lien. Matt Cordonnier replied it is the City of Findlay. Councilman Russel then asked what percentage the board has said no to the applicants. Matt Cordonnier estimated one in five (1 in 5) times. Typically, the bank walks away because they do not feel it is a viable project. Before the board even hears it, the bank washes their hands of it and he informs the applicant that they need to find a bank that will provide them with a commitment letter before the RLF Board will even hear it.

Councilman Shindledecker asked if the equity can go higher than ten percent (10%). Matt Cordonnier replied that on a case by case basis, the City of Findlay could require more. HRPC is looking to change the guidelines. The City can set the guidelines. He had a conversation with an applicant that may come before the board in which he told them that the preferred equity down is ten percent (10%). The Board will look closely at anything less than that. He continues to guide applicants towards a minimum of ten percent (10%).

Councilman Russel asked if the board will look at what the minimum percent should be on a case by case application basis, or is this ordinance making it so that five percent (5%) is the minimum for all applicants. Matt Cordonnier replied that the board can determine that any applicant is not a viable project for many reasons. One reason could be that the equity risk is too much for a particular project. Those on the board have strong financial backgrounds and are capable of making those good business decisions. This is a great partnership with the Alliance Economic Development group, specifically with Dan Shaffer and his small business incubator, because he has the business acumen. He gets the businesses up and running and points them to a source of funding to help them get their project going. A lot of projects that RLF are involved in have been referred from the small business incubator.

Councilman Russel moved to adopt the Ordinance, seconded by Councilwoman Frische. Ayes: Shindledecker, Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer, Russel. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-049 and is hereby made a part of the record.

## AN ORDINANCE AMENDING THE CITY OF FINDLAY REVOLVING LOAN FUND GUIDELINES, AND DECLARING AN EMERGENCY.

Councilman Klein moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Monday. Ayes: Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer, Shindlededecker. Nays: Russel. The ordinance received its second and third readings. Councilman Klein moved to adopt the Ordinance, seconded by Councilman Wobser.

**Discussion:**

Councilwoman Frische asked for clarification on what this Ordinance is asking for. She asked if the ten percent (10%) is the minimum and if this Ordinance is changing it so that five percent (5%) is the minimum to be considered. She then asked how HRPC will still be able to target the ten percent (10%) amount if the guidelines are changing to five percent (5%). Matt Cordonnier replied that per his conversation today with the applicant, ten percent (10%) is what the board wants to see. It can go as low as five percent (5%), but that would be getting into dangerous waters. It is an aggregation of the entire project. If someone is purchasing a building and remodeling it (working capital), all of it can be aggregated and not just a portion that being putting into it. It is five percent (5%) of the whole entire aggregated project.

Councilman Wobser noted that Matt Cordonnier had mentioned that they have never had a loan go bad on them. Matt Cordonnier replied they have not within the last ten (10) years.

Councilman Hellmann asked how future requests, if Mr. Cordonnier happens to no longer be administering loans, will be done so that the lowest denominator of five percent (5%) will not be the goal of financing projects with small amounts of funds from the owner. Matt Cordonnier replied that there is nothing to prevent that. HRPC will do their best to always retain good business and financial individuals populating the boards in the future so that the board can make good business decisions. HRPC relies on that board and their business acumen to look at a project and determine if it is too much of a risk or not, and if it is a good project or not. Ten percent (10%) is what they aim for, but there are no specific guidelines. Councilman Hellmann asked if it could be made a part of the policy. Matt Cordonnier replied the policy could be changed to state that.

Councilwoman Frische asked if the Ordinance could be amended to state that it stays at ten percent (10%) but can go as low as five percent (5%) with approval of the majority of the board. She also asked how the banks look at the loans if they go down to five percent (5%). She asked if the prospect has to have a letter of intent from the bank before RLF will approve their loan. Matt Cordonnier replied that the prospects have to have a letter of intent from the bank before RLF will consider their application. The banks have their own equity requirements. Often times, their equity requirements drive them to have more than five percent (5%) into the project. In this situation, the bank is willing to go to a lower percentage and RLF has the flexibility to meet them there. Councilwoman Frische asked if the verbiage in this Ordinance could be amended to keep it at ten percent (10%), and could go down to five percent (5%). She asked if there is already someone at five percent (5%) which would be why this Ordinance came about. Matt Cordonnier replied they do have someone that is looking to move forward at the five percent (5%) level. Law Director Rasmussen noted that the second paragraph of Section 1 states that projects less than five percent (5%) will not be funded. Paragraph 3 of that section states that typically, five percent (5%) of the total project costs must be furnished. It could be changed to state that at least five percent (5%) of the total project costs must be furnished by the principle. Ten percent (10%) is the preferred course of action and could also be put in the language. It would give the ability to assist with a good project that the board approves with only five percent (5%) in those cases.

Councilman Russel asked if the reduction of ten percent (10%) to five percent (5%) will bring more potential business or clients. Matt Cordonnier replied that all previous applicants had at least ten percent (10%). The project Council is asked to approve tonight is significantly more than ten percent (10%). Generally, they see projects with more than ten percent (10%), so he cannot quantify how many more, but would cast a bigger net. City Auditor Staschiak added that the board has debated whether or not to approve the loan at the current ten percent (10%) minimum. The RLF is looking at, on a case by case basis, those who want to invest in our community and deciding if there is enough reward to offset the risk that they have nowhere else to go for this money. In most cases, they come to the RLF because the bank is not getting enough and cannot do the deal without it. He predicts one (1) out of five (5) cases are declined even at ten percent (10%). While lowering it to five percent (5%) casts a bigger net, it will probably increase the number of times that the banks will decline the offer. It will allow more applicants to apply, but the point of the RLF is not to put HRPC in the loan or banking business, but is to give the opportunity to a business who wants to start in Findlay and there is nowhere else they can go to get the start-up money. It is money that they have gotten through grants and other avenues to try to make it happen. Mayor Mihalik added that there have been some significant loans that have been done in the community to allow businesses to grow. They go through a very thorough process. Before it even gets to the board, it is analyzed very thoroughly by an independent outside account who makes sure the cash flow works and that they have enough money to make this happen outside the first year. The board puts a lot into these loans. It is gap financing, and RLF is the last resort for it to happen. Applicants are typically very small companies that are high risk. It is the nature of what RLF does. It helps create low to moderate income jobs. The money is tied to LMI jobs through the CDBG program. It gives the opportunity to those who might be some of Findlay's most vulnerable citizens to be able to have an opportunity to have a job and create a life for themselves. It also gives the business an opportunity to start, grow, expand or help them in a tough time. No matter how you look at it, it is high risk. If it wasn't, then every local community bank would be jumping all over it.

Councilwoman Frische asked what percentage other RLF are at. Matt Cordonnier replied he does not know.

Councilman Wobser asked who makes up the board. Matt Cordonnier replied Don Bledsoe, Jim Ferguson, Matt Klein, John Harrington, Chris Alexander, Paul Craun, Jim Staschiak ex officio, Tim Mayle ex officio. Councilman Wobser then asked if they are appointed to the board. Matt Cordonnier replied they are appointed by RLF's recommendation to the Mayor who requests Council's confirmation.

Ayes: Frische, Hellmann, Klein, Monday, Russel, Shindlededecker, Watson. Nays: Wobser, Niemeyer. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-050 and is hereby made a part of the record.

**ORDINANCE NO. 2016-051** (*insurance payment on police cruiser damage; Adopt-A-Flag program*)  
AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

**first reading**

**adopted**

Councilman Klein moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilwoman Frische. Ayes: Frische, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser. The ordinance received its second and third readings. Councilwoman Frische moved to adopt the Ordinance, seconded by Councilman Hellmann.

Discussion:

Councilman Wobser asked what SCM&R stands for. Service-Safety Director Schmelzer replied it stands for Street Construction Maintenance and Repair.

Ayes: Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser Frische. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-051 and is hereby made a part of the record.

**ORDINANCE NO. 2016-052** (*annual bids & contracts*)

**first reading**

**adopted**

AN ORDINANCE AUTHORIZING THE SERVICE-SAFETY DIRECTOR OF THE CITY OF FINDLAY, OHIO, TO ADVERTISE FOR BIDS AND ENTER INTO CONTRACTS, WITH OPTION YEARS, FOR THE PURCHASE OF THE MATERIALS, CHEMICALS, AND SERVICE AGREEMENTS NEEDED BY THE VARIOUS DEPARTMENTS OF THE CITY OF FINDLAY, OHIO COMMENCING JANUARY 1, 2017, AND DECLARING AN EMERGENCY.

Councilman Russel moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Hellmann. Ayes: Klein, Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Hellmann. Nays: Frische. The ordinance received its second and third readings. Councilman Russel moved to adopt the Ordinance, seconded by Councilman Shindledecker.

Discussion:

Councilman Wobser asked if these are all annual contracts. Service-Safety Director Schmelzer replied they are. Some are with renewal options.

Councilwoman Frische noted that her only reason for voting to not suspend the statutory rules and give the Ordinance its second and third readings was because it is not effective until January 2017, so she does not see a reason to adopt it now. Service-Safety Director Schmelzer replied that this is done this time of year every year.

Ayes: Monday, Niemeyer, Russel, Shindledecker, Watson, Wobser, Frische, Hellmann, Klein. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-052 and is hereby made a part of the record.

**ORDINANCE NO. 2016-053** (*1001 Blanchard Avenue demo*)

**first reading**

AN ORDINANCE AUTHORIZING THE SERVICE-SAFETY DIRECTOR OF THE CITY OF FINDLAY, OHIO, TO ADVERTISE FOR AND ACCEPT BIDS FOR THE DEMOLITION OF 1001 BLANCHARD AVE, AND DECLARING AN EMERGENCY.

Councilman Klein noted that he has gone by this building several times and can verify that it is a danger to public safety. Councilman Klein moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Niemeyer. Ayes: Niemeyer, Watson, Klein, Monday. Nays: Russel, Shindledecker, Wobser, Frische, Hellmann. The motion was defeated.

First reading of the Ordinance.

**ORDINANCE NO. 2016-054** (*2015 ordinances & resolutions updates*)

**first reading**

AN ORDINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE FINDLAY CODIFIED ORDINANCES, AND DECLARING AN EMERGENCY.

First reading of the Ordinance.

**ORDINANCE NO. 2016-055** (*BWC group retrospective rating program*)

**first reading**

**adopted**

AN ORDINANCE AUTHORIZING THE AUDITOR OF THE CITY OF FINDLAY, OHIO TO ENROLL THE CITY OF FINDLAY IN THE BUREAU OF WORKER'S COMPENSATION (BWC) GROUP RETROSPECTIVE RATING PLAN, AND DECLARING AN EMERGENCY.

Councilwoman Frische moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Hellmann. Ayes: Shindledecker, Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer. Nays: Russel. The ordinance received its second and third readings. Councilwoman Frische moved to adopt the Ordinance, seconded by Councilman Russel. Ayes: Shindledecker, Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer, Russel. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-055 and is hereby made a part of the record.

**ORDINANCE NO. 2016-056** (*Police Dept radios*)

**first reading**

AN ORDINANCE APPROPRIATING FUNDS AND DECLARING AN EMERGENCY.

First reading of the Ordinance.



AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF FINDLAY, OHIO, TO ENTER INTO A THREE (3) YEAR REVOLVING LOAN FUND AGREEMENT WITH THE STATE OF OHIO, DEPARTMENT OF DEVELOPMENT, EFFECTIVE JANUARY 1, 2015, EXPIRING DECEMBER 31, 2017, AND DECLARING AN EMERGENCY.

Councilwoman Frische moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Watson. Ayes: Watson, Wobser, Frische, Hellmann, Klein, Monday, Niemeyer, Shindledecker. Nays: Russel. The ordinance received its second and third readings. Councilwoman Frische moved to adopt the Ordinance, seconded by Councilman Monday.

**Discussion:**

Councilman Wobser asked if the effective date is correct in that it went into effect a year and a half ago. Matt Cordonnier (from the audience) replied it is correct. Councilman Wobser then asked if it has been operated without an agreement for a year and a half. Matt Cordonnier replied that is correct. It was brought to his attention while reviewing the previous loan for the state's approval. The state has approved two (2) RLFs last year. They let us know last week. They said they sent emails to us in 2015 stating so, but he has not yet found those emails. He is trying to track down what lapse occurred whether it was on his end or the state's end. They are creating a tickle calendar for all of their contracts as a reminder of when they will be ending. Councilman Wobser then asked if this exposes the City to any liability for not having an agreement in place. Matt Cordonnier replied he does not know. Law Director Rasmussen replied that they still approved the loans, so we would not have been able to make the loan without that approval. He is unsure how it came to be that there wasn't an agreement in place. He recommended Mr. Cordonnier go through their contracts to find the ending dates so that they can create the tickle calendar. In the long run, they did approve all those agreements, including this one knowing Council would be acting on the agreement tonight.

Councilman Watson asked if there are any consequences are of not having an agreement in place. Law Director Rasmussen he does not believe there are any consequences because they approved the loans and we are not checking with their files to make sure that we had this agreement signed. They approved this particular loan knowing we did not have the agreement and ask that it be presented to City Council at the earliest convenience for approval.

Ayes: Wobser, Frische, Hellmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson. The Ordinance was declared adopted and is recorded in Ordinance volume XX, Page 2016-057 and is hereby made a part of the record.

**UNFINISHED BUSINESS:****OLD BUSINESS:**

Councilwoman Frische asked if there is a process in place in order for the City to condemn a property, and if so, has the City gone through that process for the 1001 Blanchard Avenue demolition (Ordinance No. 2016-053). Service-Safety Director Schmelzer replied that the City has gone through the process. He was contacted when the roof on the old school adjacent to the current school building collapsed. There were some significant structural deficiencies, so he contacted the City's Fire Department who did an assessment on the structural stability and came to the same conclusion and contacted the Law Director who attempted to reach out to the current property owner multiple times to let him know that there was an issue. Upon making contact with that property owner, he advised him that the issues needed to be addressed, but after no response, attempted to contact him again but still no response, so he contacted the County because they have the ability to move forward with condemnation proceedings, assessment, and auction. The County was reluctant to move in that direction, so he discussed it again with the school and decided to move forward to see what Council's feeling are to obtaining a bid for demolition. Councilwoman Frische then asked what the County's reasoning for being reluctant. Service-Safety Director Schmelzer replied that ultimately, there were two (2) reasons why. The property was severely flood damaged, so he requested they use flood dollars which is why the County was involved in the first place, but they were reluctant to use those dollars for the demolition. Also because it is a cumbersome process that has no guarantee you will recoup all your funds. It is a long process to go through condemnation and work through the auctions required. Councilwoman Frische asked how the City can remove a structure if they are current on their taxes. Service-Safety Director Schmelzer replied they can do so if it is not in a safe condition. Councilwoman Frische asked if the City could just board up windows and doors so no one can access the building. Service-Safety Director Schmelzer replied that is not our obligation.

Councilman Hellmann asked if the City is inadvertently improving someone else's problem. Service-Safety Director Schmelzer replied it depends if knocking the building down and removing it is considered an improvement. In this case, he would call it a safety issue. The entire cost of this project will be assessed to the property and look for payment at the next installment. Councilman Hellmann asked if the payment is required before taxes are paid. Service-Safety Director Schmelzer replied it would be paid in conjunction with it. The demolition work fee would be due at the next payment schedule. Councilman Hellmann noted that the property owner could not pay all his taxes and not the demolition assessment and say that he/she is current with their taxes. Service-Safety Director Schmelzer replied he/she would have to pay both or be considered delinquent on his/her taxes.

Councilman Wobser asked if the City were to knock the building down if we can then go through the condemnation process to get the property turned over to. Service-Safety Director Schmelzer replied if he/she does not pay the assessment. Councilman Wobser then asked if he/she does not pay the assessment, then we would go through proceedings to take care of the current safety issue. Service-Safety Director Schmelzer replied that is correct.

Councilwoman Frische asked if Findlay City Schools gone through a legal process as being the neighboring property as it will be to their benefit for the building to come down. She asked if FCS addressed the property owner before the City got involved or did they come straight to the City. Service-Safety Director Schmelzer replied that he is not aware of any civil suit filed. Councilwoman Frische noted that when the County took down some buildings down on Main Street, flood dollars were used, then they profited off that. She asked how that can be prevented. Mayor Mihalik replied that project was a grant from the Attorney General's Office to remove blighted properties.

Councilman Niemeyer noted that years ago, an incinerator fell and someone lost their life. He asked if this is the same property. Service-Safety Director Schmelzer he is not sure.

Mayor Mihalik asked Council to reconsider this Ordinance. It is just to advertise and bid. It is a health and safety issue that they are trying to rectify. It will take time to advertise for bid. The Administration will come back to Council for approval to enter into a contract and appropriate funds. It behooves this Council and this community to try and take care of something that presents a severe health and safety issue, not only to Findlay City Schools and their Administrative building there with their IT program, but also with the neighborhood. Many complaints on this property have been received and have had no ability to be able to be in contact with the property owner. Unfortunately, this is one of those situations where the schools auctioned off the property to someone who is does not live in Findlay and has not maintained it, so now the City is responsible to getting it removed. Knowing it is a health and safety issue, knowing that our Fire Chief and his department has gone through it and knows what the risks are associated with having a building like that inside the City without taking care of it, could potentially be a liability on our part.

Councilman Russel clarified that Findlay City Schools did not sell this property directly to this individual. It has actually changed hands a couple of times. At one time, it was owned by a church organization. Noted that there have been conversations about other blighted properties within the City and thankfully we are not as bad as Detroit or Columbus which have used land banks other tools to help clean their properties up. He asked if this is like a first step of a procedure that the City can execute again and again if it turns out to be successful, take some of the eyesore properties the County seems to be a slow process on their end. Service-Safety Director Schmelzer replied that the City will become very familiar with the process if we move clear through condemnation. It will be the process for any building that is deemed a safety hazard and needs torn down. Other types of issues for properties (i.e. abandoned gas station), there may be grant dollars associated with mitigation and cleanups. Every case is going to be met with its own challenges and own circumstances regarding whether or not you would want to move forward with some kind of demolition. Mayor Mihalik added that this is not the first time that the City has invoked a dilapidated structure ordinance to rid the safety hazard. It has been done before with garages and homes where we have assessed the property for the cost of tearing it down, or boarding it up, or mowing the grass, removing junk, etc. They all fall back on local government to be responsible for in the case that there isn't anyone else to take care of it.

Councilwoman Frische feels this is a hard topic of discussion of stepping over the line or being on the fine line. She asked if Engineering's estimate for this property is around \$100,000.00 and asked where the funds will come from. She asked if the City wants to get into the business of tearing down buildings when the County is not ready to do it and give \$100,000 for just one property. Service-Safety Director Schmelzer replied that blame cannot be placed on the County as they are not obligated to have anything to do with this. This would still be a legitimate request when we get the bids back and know what the numbers look like. There is no doubt this structure is in the condition it is because of where it is. If it were to be redeveloped, which is a severe stretch, it would face limitations because it is in the floodplain. It is not an unfair request, and once we know what the bid numbers look like, we will go back to Council for permission, and if granted, will set up funds to mitigate risk in the floodplain. It is has a legitimate purpose and point to take care of risk in that floodplain. Without knowing what those numbers are, we are trying to guess what the demolition costs are. The ordinance is just to accept bids. It does not mean the City is going to even do the project. It just means that the City can legally accept and open bids, then those numbers will be brought back to Council for consideration. Councilwoman Frische then asked where the funds will come from. Service-Safety Director Schmelzer replied from the General Fund. Councilwoman added that more funds may be needed for a gas station cleanup which will most likely have to go through the EPA. She asked if any funds will come from the Capital Funds. Service-Safety Director Schmelzer replied it is not a capital investment.

Councilman Niemeyer moved to suspend the statutory rules and give the Ordinance its second and third readings. Seconded by Councilman Watson. Ayes: Heilmann, Klein, Monday, Niemeyer, Russel, Shindledecker, Watson. Nays: Frische, Wobser. The motion was defeated.

Discussion:  
Service-Safety Director Schmelzer asked if it is Council's intent to not move forward on this, or if they defeated the motion of suspending the second and third readings tonight. Councilman Wobser replied they did not want to suspend the second and third readings tonight. It would be good to let it go until the next City Council meeting in two (2) weeks where it can be picked up at that point after obtaining more information and by getting public input instead of pushing it through after one reading. Councilman Russel echoed his comments adding that this issue is on the front page of today's Courier newspaper, so he would like to give citizens the opportunity to make their feelings known. Service-Safety Director reiterated that this ordinance is only to find out how much it would actually cost.

Councilman Niemeyer added that there is nothing in the Ordinance that states we are going to start the project tomorrow. It is just to obtain bids to find out the cost. We have to find out the cost at some point.

Councilman Wobser congratulated the Findlay Hancock County Habitat for Humanity on their thirty-sixth (36<sup>th</sup>) wall-raising ceremony that was held this past Saturday on Payne Avenue. Director Wendy McCormick and Board President Larry Dunfee are to be congratulated for their great work.

### **NEW BUSINESS:**

Councilman Russel: **PLANNING & ZONING COMMITTEE** meeting on June 9, 2016 4:00pm in the first floor Council Office (CO).

agenda:

1. Kennington Drive (parcel 210001028299; lot 349) rezone (condominium complex)
2. Connell St vacation
3. 1011 N Blanchard St (Habitat for Humanity) rezone
4. E Lima St vacation

Councilman Monday asked the Service-Safety Director if he is aware of any agenda items for next week's Appropriations Committee meeting. Service-Safety Director Schmelzer replied he is not aware of anything. Councilman Monday then announced that there will not be an Appropriations Committee meeting on Tuesday, June 14, 2016 due to lack of agenda items.

Councilman Russel made a motion to excuse the absence of Councilman Harrington. Seconded by Councilman Klein. All were in favor. Filed.

President J. Slough adjourned Council at 8:48pm.

  
CLERK OF COUNCIL

  
PRESIDENT OF COUNCIL