

**REGULAR CAUCUS MEETING  
OF THE COUNCIL OF THE CITY OF BROOK PARK, OHIO  
TO BE HELD ON TUESDAY, JANUARY 9, 2018**

The meeting was called to order by Council President Vecchio at 7:00 p.m., the clerk called the roll and the following Members of Council answered:

**SCOTT, BURGIO, ORCUTT, STEMME, MENCINI, POINDEXTER, SALVATORE**

Also in attendance were Mayor Gammella, Law Director Horvath and Finance Director Cingle.

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**APPROVAL OF MINUTES OF PRECEDING MEETINGS:**

1. Regular Caucus meeting held on December 12, 2017.

**Motion** by Mr. Burgio, supported by Mr. Mencini, to approve as printed.

**ROLL CALL: AYES:** Burgio, Mencini, Salvatore, Scott

**NAYS:** None.

**ABSTENTION:** Poindexter, Stemme, Orcutt. The motion carried with a vote of 4 with 3 abstentions.

**DISCUSSION:**

1. DIVISION OF LIQUOR CONTROL - PAWUK REALTY LTD, DBA PAWUKS BAR, 15200 BROOKPARK ROAD, BROOK PARK, OH 44135 C TFOL 6749239 FOR A D2, D2X, D3, D3A, D6. (**Note:** per conversation with liquor control agent on 11/22/2017 TFOL is a transfer of location - **former Fox's Den**). **At the 12/5/17 Caucus Prior to the Council Meeting, City Council by motion asked for a 30-day extension that was granted until January 11, 2018.**

Mrs. Horvath stated she had an opportunity to speak with the Ohio Department of Liquor Control and the gentleman requester on behalf of Pawuk Realty. The reason for the delay is it was thought the license was sold to someone who is opening up a facility in Northfield, OH. We were trying not to have them do two transactions but another extension cannot be given and they have yet to complete the sale to the buyer in Northfield. Law Director Horvath suggested if there are no objections would be to check the box that a hearing is not being requested. I have not had any objections as to why the license cannot be held at the Fox's Den.

Mr. Salvatore asked Law Director Horvath if the owners have been identified? The documentation shows two owners holding 5% each, is it known who owns the other 90%?

**Discussion: cont.**

Mrs. Horvath stated it is my belief that is a sister of Mr. Pawuk who has an establishment in the City of Cleveland and is seeking to bring that liquor license for safekeeping at the former Fox's Den location; I think this is family-owned and she is the other interested party.

Motion by Mr. Salvatore, supported by Mr. Mencini, that item number one was discussed. Members of Council voted AYE. The motion carried.

2. CONNECTION SALES QUOTE FOR OFFICE 365 ENTERPRISE BUSINESS PROGRAM FOR THE COUNCIL OFFICE (\$519.84)

Mr. Vecchio stated this is for Councilmembers to have city email addresses and is over the threshold of the Council President spending limit; Council approval is needed.

Mr. Salvatore asked Mr. Vecchio if this will be placed on a Council agenda under verbal approval or give verbal approval at tonight's Caucus.

Mr. Vecchio responded I think verbal approval tonight to move forward and expedite this, if Council is okay with that.

**Motion** by Mr. Salvatore, supported by Mr. Burgio, to verbally approve the expenditure of \$519.84.

**ROLL CALL: AYES:** Salvatore, Burgio, Scott, Orcutt, Stemm, Mencini, Poindexter  
**NAYS:** None. The motion carried.

3. SALARIES LOW TO HIGH FOR PART-TIME COMMISSIONERS (Councilman Scott)

Mr. Scott provided copies of a spreadsheet of the 2017 salary schedule (on file in the Council office for review) along with breakdown and stated that he is looking to make some salary cuts and doesn't believe the high salaries for 2017. Some of these have to be looked and the last page of the spreadsheet shows a 10% or 12% reduction for Economic Development, Service, Safety, Human Resources, Recreation, Administrative Assistant and Building Commissioner; these are all new positions. I'm sure Mr. Poindexter agrees with me, I've been in the union since 1974 and this has been discussed in the past few years. I can't never feel comfortable asking established employees to take a pay cut, I think you would agree with this on a union base. You never cut somebody's salary it is just frozen and with new personnel coming in and this is open for discussion. Also, the part-time minimum passed in 2017 was raised to \$10.00, which to me was a slap in the face to all the part-time established employees, some of them adults, making

**Discussion: cont.**

\$11.00 an hour and have 14-year-olds coming in and making \$10.00 an hour. I think this was overly excessive and asked Finance Director Cingle to take a look at the cost from \$8.15 current minimum wage to \$10.00; there was about a \$14,000 cost to the city. I'm looking at a part-timer starting at \$8.30 an hour which is state minimum and maybe go to \$12.50 or \$12.60 and think this is something that should be looked at.

Mr. Vecchio referred to Finance Director Cingle regarding the \$14,000 cost to the city for an in-depth understanding of that.

Mr. Cingle stated the \$14,000 cost is on taking the minimum wage at \$10.00 an hour versus the \$8.15 in 2017. What Mr. Scott asked me to do was look at the employees that were earning \$10.00 an hour in 2017 and analyze how much the costs to pay at \$10.00 an hour and compare to being paid at minimum wage of \$8.15 an hour. The dollar amount of \$1.85 difference times the number of hours worked and think it was \$11,000 and some change. That did not include the Medicare costs that the city pays along with the employer's portion of PERS (Public Employees Retirement Service) and Workmen's Compensation costs that is applicable to the wage. With all of that it ends up between \$13,000 and \$14,000 based on that analysis.

Mr. Mencini stated I was the one of the frontrunners on moving the minimum wage up for the city and one of the reasons I did that is I was looking at quality instead of quantity. At the time since that was done in 2017 I realized using the recreation center as a start that more people are needed over there. I understand the lifeguards with training and the responsibility but there was a need there. When I voted on that I thought maybe we could get quality people to do two things instead of one with the economic situation the city was in, that didn't work out that way. What I see now and can say, hopefully, if we do about with this maybe instead of hiring two there would be four. That's what would help us, the departments and the community by getting more young people that are needed through the part-time salaries. I think with the new Administration and Council coming in this is a way forward and can open up more employment and need. Again, my thinking when this came forward is that we would get more but some departments were short-handed, hopefully, this is a start of moving forward.

Mr. Poindexter stated I can go a couple of different ways on this, first let me just start by saying I will always advocate for the lowest wage earners in our society to make more. Because when the bottom is so low it doesn't give much bargaining power for those of that have skills, more educated or so forth. The lowest level worker, in my opinion, should make a living first and foremost. Secondly, the

**Discussion: cont.**

difference in a minimum wage of \$8.15 to the \$2.00 established has been a grand total of \$14,000 with benefits included in that.

Mr. Cingle interjected benefits meaning the employer's portion of Medicare and PERS along with the Workers Compensation, that is around \$13,000 or \$14,000.

Mr. Poindexter commented the city's books are in trouble because of \$13,000 when last year the top heads of departments were given raises far more than \$14,000, is that true?

Mr. Cingle responded yes, when the directors were brought up to maximums the total of that would exceed \$14,000.

Mr. Poindexter continued personally being leaders they start with themselves, department heads start with themselves, don't take it out on the lowest wage earner in our city who are just for all purposes trying to make ends meet. To brush them with a broad stroke because they are children in meaningless jobs. That's not the case really, with manufacturing leaving and other industries leaving a lot of people who have time in high-skilled fields have no other options than to work minimum wage jobs. As a Councilperson, I don't want to see any low-end wage earner have to take more out of their pocket.

Mr. Stemm stated regarding retention levels, HR (Human Resources) could answer this unless someone here can. Has there been a change from 2016-2017 of part-timers with the salary increase?

No one knew at this time.

Mr. Burgio thanked Mr. Scott for bringing this forward and stated this was discussed with the last Council and think it's a good idea to bring up to see what the new Council thinks. Councilman Mencini made some good point about possibly having more employees if the salary were lower, more children could be provided more opportunities to be involved. This is worth considering and taking a look at every aspect.

Mr. Mencini stated I don't want anybody not being able to make a living I was discussing our youth and the part-time salaries and don't think children should be paid \$10.00 to keep score at a game. I believe giving them a reasonable salary because they are working and they're helping the community. Do we ever want to cut, no we don't, but we have to be smart with the finances and to quote a former Councilperson, Council manages the money and has to be smart with it and I would rather see more working than less because it will help our community. This

**Discussion: cont.**

is a step forward and right of Council and I believe the Administration will manage it the correct way.

Mr. Scott stated this is low-to-high, just saying start out at \$8.15 for the lead way to figure what to pay; I'm not saying everybody has to get paid \$8:15 an hour. There are experienced children at the recreation center that have been there three, four, five years. Should it be \$8:15 for them, no, that should be left up to the discretion of the department head. This is just a starting point and don't feel comfortable starting at \$10.00 an hour, I'm not singling out anybody, but a 14-year-old scorekeeper, in my opinion are not mature to earn \$10.00 an hour. This is a range of high-to low and it's up to the department heads whether to create a tier for their department.

Mr. Salvatore thanked Mr. Scott for bringing this forward and stated there was much discussion on this during the last term with good suggestions that was never utilized. One of them was establishing a sliding scale for the first year and might come in at minimum wage and if comes back the second year would be bumped to a higher level and so on. Having people to stick around a while gives incentive to have them come back and think that's important to have experience. I, too, have seen some people that probably aren't ready to keep score yet and maybe it's our fault they weren't trained properly but there are a lot of things that can be done to add incentives. Incentives work and think that's what we should be looking at; not so much at the \$14,000. At some point we do have to assume responsibility of streamlining city government and has to start somewhere. That has started with City Council over the years, I've been around a long time, and the first place to be cut is with Council not taking a pay increase; that's not only happened once but has happened several times. Mr. Salvatore continued I'm anxious to have the budget in because there has to be some cuts and sure the Mayor will be recommending some to take a look at and at Councilman Scott's suggestions. Hopefully, with a joint effort of this Council and the Administration we can maintain a level of cooperation that will also achieve high expectations for city employees as well as minimizing expenditures that can be reduced. Mr. Salvatore asked Mayor Gammella if there will be any recommendations in the budget for reduction in pays?

Mr. Gammella responded I will be sitting down with the Finance Director and to go over that; I think we have to streamline the operation and cut costs.

Mr. Orcutt thanked Mr. Scott for putting in his time and looking over this preliminary it's basic arithmetic and something easy and simple and our responsibility to look and discuss this.

**Discussion: cont.**

Mr. Vecchio stated being a parent of children in that age bracket and the minimum wage. Being that I am a parent of children in multiple age groups I, for one, don't believe that the \$10.00 an hour is warranted to start a child at the age of 14 with no experience in doing something. I believe that the only way that the child learns is by stepping in and received those merit increases to get a better performance. I don't believe there is anybody here or anyone I personally know that was started at the top of a scale or started higher than minimum wage. I think that we know that our future is the children and have to teach them the correct way in working forward and doing a better job is how a higher salary is obtained. Mr. Vecchio thanked Councilman Scott for bringing this forward.

Mr. Poindexter commented when I started working the minimum wage was \$4.25 an hour and his starting wage was \$6.25 an hour. So with the minimum wage now being \$8.15 and the \$10.00 being paid is about two-dollars more; so it's inline when I started working and had no skills. Secondly, we're talking about \$14,000 and later on the agenda there will be discussion of giving \$30,000 to a company, that could pay for two years of this increased wages for part-timers. Not all of these part-time employees are children they're not all children that are earning \$10.00 an hour.

Mr. Scott stated everything on the pay scale is full time and stated to Mayor Gammella if any of these positions would be considered as part-time?

Mayor Gammella responded I've been on the job about nine days, so give me time, I think we need to streamline the operation.

Mr. Scott continued the minimum are for full time employees and if looking at part time down the road the schedule will need to be adjusted accordingly.

Mr. Salvatore joked about the statement of no one starts at the top of the scale. When I started working with the city as a child lining the fields, I started at the top of the scale at nothing.

Mr. Vecchio stated all of us probably have a story of where we started and how things have changed. This discussion is one that has some contentious and valid points; we may not agree but we can also agree to disagree.

**Motion** by Mr. Mencini, supported by Mr. Scott, that item number three was discussed.

**ROLL CALL: AYES:** Mencini, Scott, Burgio, Orcutt, Stemm, Poindexter, Salvatore

**NAYS:** None. The motion carried.

**Discussion: cont.**

4. AN ORDINANCE AMENDING SECTIONS 1803, 1805, 1807, 1809, 1810 OF THE BROOK PARK CODIFIED ORDINANCES AND DECLARING AN EMERGENCY. Introduced by Mayor Gammella

Mayor Gammella stated this is a housekeeping measure for the tax department. The State of Ohio has changed some of the laws and things of that nature and the city wants to be in compliance.

Mr. Scott asked Law Director Horvath or Finance Director Cingle we spoke a few days ago concerning HB49 (House Bill) and read that the City of Berea has a lawsuit against the state for an injunction on this. It is my understanding this has to be passed but wording is being put into the Resolution that sort of relieves them of any burden that is declared unconstitutional.

Mrs. Horvath stated Finance Director Cingle and I have been talking about this and the Mayor is correct this normally would be a housekeeping item. I would estimate about 100 municipalities joining the lawsuit that was filed before the holidays. The legislation basically places collection of income taxes into the state's hands and the state would then charge a non-negotiable fee to cities. The bases for the lawsuit is asking the court to declare this to be unconstitutional because it infringes on the city's 'Home Rule' power to collect our own taxes. As such this is a very important issue and certainly that we might want to preserve. So the legislation passed by the state mandates that the ordinance be passed by January 31st or else there are some financial penalties. But, with the filing of the lawsuit there is a possibility there may be a temporary injunction which would be beneficial to the cities involved in the lawsuit and I think would overflow to all municipalities. At this point in time, Mr. Cingle and I have been researching the possibility of putting some qualifying language into the legislation in the event that HB49 is declared unconstitutional. Saying in the event that would happen this ordinance would be null and void. Mr. Cingle has been in touch with the Ohio Municipal League for suggested language and I, in turn, have called the gentleman in Columbus who filed the lawsuit to gain more information to, perhaps, add some additional language into this ordinance or decide what other course to be taken.

Mr. Cingle stated I would just add that the changes in the ordinance in front of you tonight is recommended to be passed by the end of this month. There may or may not be additional changes to the municipal income tax ordinance depending on the outcome of the injunction that's going to be heard in February; so there may be changes that will be forthcoming. As presented tonight the Administration would ask Council to consider approving this by the end of January so that the city is in compliance with state law. HB49 is the budget bill for the State of Ohio within that bill there were changes made to the municipal income

**Discussion: cont.**

tax laws that are part of this ordinance tonight. Mainly, it's just the verbiage for the net-operating loss carry forward is being removed from a few sections and is being put into Section 1803.25. Also, under Section 1805.01 there's an amendment to the day from when wages are reported. For example, if you were to report your withholding for qualifying wages through June 30th the previous due date was July 15th and is now moved to July 31st. In section 1809.01 the word 'first' was added to that section and in section 1810.01 they changed the withholding penalty from 50% of the amount owed to not exceeding 50% of the amount owed; the department can still charge the 50%. They've given the latitude to the communities to charge not more than 50%. Those are the changes in a nutshell and the Administration is asking Council to consider and hopefully approve by the end of January.

Mr. Mencini commented there will be an injunction for HB49 but if this legislation is moved to next week's Council meeting. If any language needs to be changed would that be okay.

Mrs. Horvath responded I think it needs to be determined what language would be necessary and insert at the first possible time Council would be allowed to do so. The intent of putting in the additional language would be to make sure that if this is found to be unconstitutional the ordinance would be null and void. I will endeavor and report to Council as soon as possible to get that language in and also achieve the goal of getting this passed by the end of January.

Mr. Cingle added the ordinance as presented tonight is in good form and can be approved regardless of what happens in February. If the injunction is thrown out, then there will be at least two changes to this ordinance that would be brought forward to City Council. If the injunction stays then the ordinance, I believe, will continue as presented this evening.

Mr. Salvatore stated am I understanding correctly that other cities are joining in for a lawsuit but are going to pass this ordinance at the same time.

Mrs. Horvath responded that's my understanding and just became aware of this recently and haven't had a lot of time to research. My understanding is they're trying to phrase the language of their ordinance in such way if they are successful in the lawsuit the 'Home Rule' issues to still maintain and the ordinance would be void as far as the State of Ohio actually doing the collection.

Mr. Salvatore stated to Law Director Horvath, the city being 'Home Rule' would it be in the city's best interest to join the lawsuit and if we did would there be a cost attached to it?

**Discussion: cont.**

Mrs. Horvath responded I think you're correct, I'm sure there is also. My understanding is the cities that have joined are putting money into a pool to pay for attorney fees and if the pool is exhausted then the city contributes an additional amount. That is something I wanted to investigate and inform Council of and one of the reasons I called the attorney in Franklyn County that filed the suit but haven't heard back yet.

Mr. Salvatore asked if it would be in the city's best interest to move this legislation to the Caucus prior to the next Council meeting to have answers from the other involved communities and have legislation prepared with the changes already made.

Mrs. Horvath responded if Council wishes to have additional discussion that would be fine but there is still the issue of passing this legislation by the end of the month otherwise there are financial penalties involved. It wouldn't hurt to place on the next Caucus prior to but there is a deadline of passed by the end of the month.

Mr. Cingle noted there will not be any changes regardless of what the law director finds out when speaking with the attorney that filed the lawsuit. There will not be any changes to this ordinance as presented tonight, that will hinge on what happens in February. The OML (Ohio Municipal League) recommends that this ordinance in front of Council tonight get approved this month, I think that were mixing apples and oranges here. The other piece of this is whether the city wants to join the lawsuit that other communities have joined together. The law director along with the Mayor and I were going to sit down and evaluate that to see if the City of Brook Park does want to join this lawsuit and then come back to Council with an explanation and the costs. The City of Berea taxes are collected by the Regional Income Tax Agency (RITA). So the reason that RITA has filed a separate suit and I don't know if Berea's named in their suit; they started with the communities on the western geographic area of Cuyahoga County. I know Avon Lake and Strongsville was included in the filing of that additional suit and may name more parties moving forward. A lot of this will get worked out in February but the thrust of the matter is in the HB49 budget bill. Language was added to the budget bill and the big piece of language that is now being disputed is the net-profit tax collection. The state wants to start collecting net-profit taxes for companies and the way the house bill was written it would allow companies to make a determination this year whether or not they wanted to file with the city where located or if they wanted to file through the Ohio Business Gateway or through the state, that's the crux of the lawsuit. This is a play like when we went through HB5 a few years ago and now HB49; the state's ultimate goal from the legislature is to get ahold of the individual withholding tax, if they can control that they can put fees on that. The city collects around \$19 million dollars a year and

**Discussion: cont.**

if the state gets in control of that \$19 million dollars that would have a significant impact on the operation of this community. That's the crux of the lawsuit is to defend Home Rule and this ordinance in front of Council this evening is in good working order and hopefully get approved by the end of January.

**Motion** by Mr. Salvatore, supported by Mr. Mencini, to place the legislation on the next Council agenda.

**ROLL CALL: AYES:** Salvatore, Mencini, Poindexter, Stemm, Orcutt, Burgio, Scott

**NAYS:** None. The motion carried.

5. CITIZEN OF THE YEAR COMMITTEE COUNCIL REPRESENTATIVES

Mr. Vecchio stated this is for a two-year term, Mr. Scott was the chairman last year.

Mr. Scott stated this is a committee to select a Citizen of the Year, last year the committee had good discussion. My suggestion would be that whoever takes this on get an earlier start. Last year the committee started in March with the nominees having to be in April, the committee only had three weeks to do this. Mr. Scott continued last year there was an issue about me being a bully and my philosophy was this is the Citizen of the Year Committee and should be singular and hopes whoever continues this takes that mindset of highlighting one person, not a group.

Mr. Salvatore stated I introduced the Citizen of the Year Committee and worked hard to put this together and at that time it was something to be proud to bring a Citizen of the Year before Council and by getting the community involved by putting a gift-basket together with a nice presentation; since that time things have changed.

**Motion** by Mr. Salvatore, supported by Mr. Burgio, to nominate to retain Richard Scott as Chairman of the Citizen of the Year Committee.

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Mr. Poindexter commented that he had the pleasure of serving on the committee last year and thought Mr. Scott did a great job running the committee. There were several different opinions and he worked through the process and the process played itself out very well.

Mr. Burgio stated these are some of the things that Brook Park should be proud of and this has been a success since 1997, when introduced by Councilman Salvatore. This blends in nicely and adds to the Best of Brook Park ceremonies

**Discussion: cont.**

and the people that are awarded are grateful and it's nice to be recognized as an individual by Council and the residents at the Best of Brook Park.

Mr. Orcutt thinks Mr. Scott will do a wonderful job and heard he did a great job last year. I know that there were a lot more than a few opinions and he was able to get through them all.

Mr. Stemm concurred.

Mr. Mencini stated I served on this committee and people that are awarded are ecstatic of this well-deserved award. Mr. Mencini asked Mr. Scott if there is a deadline for the representatives.

Mr. Scott responded asap, I would like to get started in February to get this committee going.

Mr. Vecchio stated due to the time-crunch and the presentation in April I think one week (seven days) is a good time to come forward with who Council would like to appoint.

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The clerk called the roll on the motion by Mr. Salvatore, supported by Mr. Burgio, to retain Mr. Scott as Chairman of the Citizen of the Year Committee.

**ROLL CALL: AYES:** Salvatore, Burgio, Orcutt, Stemm, Mencini, Poindexter

**NAYS:** None.

**ABSTENTION:** Scott. The motion carried with a vote of 6 with 1 abstention.

**ADDENDUM:**

## 1. REVISED COMMITTEE ASSIGNMENTS

Mr. Vecchio stated I appointed the person's to the committees and had some oversight on my part before Council took their seats. I took the time to reach out to Council to make a couple of changes: To the Aviation & Environmental Committee I appoint Mr. Poindexter - Chairman; in the Legislative Committee I appoint Mr. Burgio - Co-Chairman; in the Safety Committee appoint Mr. Burgio as the Member and in the Service Committee appoint Mr. Poindexter as Co-Chairman. Mr. Vecchio commented this was my mistake by not fully comprehending the balance of the workload.

Mr. Scott stated on the Aviation & Environmental Committee, I am listed as Co-Chairman and would like to relinquish that to Mr. Burgio; due to the fact that he

**Discussion: cont.**

has been involved in the committee and in contact with Hopkins Airport about issues.

Mr. Burgio stated I would like to co-chair and accept the co-chair along with Mr. Poindexter because in October, 2016 there was discussions on changing flight patterns. There were meetings in some cities and at that time Brook Park wasn't involved in those meetings because the Mayor and Economic Development Commissioner weren't aware of these meetings. After I made them aware of that, I introduced a Resolution inviting an airport official to come before Council to speak on that issue since the city is adjacent to and surrounds the airport. Flight patterns will be changed around Spring, 2018 and am interested in pursuing this to make sure Brook Park gets all the necessary information in case the community is impacted and the city is not left behind in any way. I do think the City of Cleveland is not ignoring us but, at that time, it appeared we weren't in the first phase of the discussions taking place.

Mr. Poindexter stated I live in Ward 1 and also in the airport expansion zone and am eager to chair this committee and think it would be good for neighbors to have a Council representative that lives in the area chair this committee; Mr. Poindexter thanked Council President Vecchio for the committee change.

**FINANCE COMMITTEE - CHAIRMAN, SCOTT:**

1. AN ORDINANCE AUTHORIZING THE CITY OF BROOK PARK TO PROVIDE A DEMOLITION & PLANT EXPANSION GRANT FOR QUES INDUSTRIES, INC., LOCATED AT 5420 WEST 140TH STREET AND DECLARING AN EMERGENCY.  
Introduced by Mayor Coyne

Mr. Scott stated Ques Industries came before the Board of Zoning last year and all requested variances were passed unanimously as well as requests of the Planning Commission.

**Quentin Meng - Owner  
Ques Industries  
5420 W. 140th Street  
Brook Park**

Mr. Meng provided background details by stating that Ques has been around since 1983 and currently have a little over \$3,053,855.00 expansion going on directly next door with the demolition of the former animal hospital and adding on nearly doubling the facility size. At the beginning of 2017 the company employed 20 employees and at the end of 2017 have 27 employees. The payroll variance of

**Discussion: cont.**

those two numbers rotate between a little over \$1.1 million dollars up to \$1.35 million dollars. Ques Industries is still looking at expanding in and that's prior to expansion and we are on a pretty steep growth curve at the moment. As every business owner deals with tightens up cash flow a little bit; thus the need for this grant. We have a fair amount of new equipment and capabilities going in right now even ahead of this new building expansion, which counting the mezzanine is about 40,000 square feet. Ques is looking at adding around 10 to 30 jobs at the very least with this expansion and have already added seven (7) in 2017 and have three (3) more coming in this month.

Mr. Vecchio clarified that Ques Industries makes different chemicals, correct?

Mr. Meng concurred and stated we manufacture for a huge collector of industries, historically, have been for water treatment, industrial cleaning products as well as car wash. We have brought in a few heavy-hitter accounts, one of which will be starting in the third quarter of this year for enamel apply coating that we will be selling, hopefully, to get the account to PPG and Owens-Corning. That is a new product development that we assisted a company in Florida with and will be manufacturing to bring gross sales in 2019 of \$4 million dollars in sales. We've also worked with a large chemical company by bringing them in last year and are now manufacturing the automotive detailing industry, silicone based detailers, that is also about a \$2.5 million-dollar customer. This grant was originally planned as a demolition grant and Ques has since demolished the building because this building cannot go up fast enough for us. Now, we're hoping to get a little help on the label line that we're planning on bringing in; the label line, itself, is only one part of the process. The grant will be able to help to bring the business in, the piece of equipment that we will be able to automate the task that is not doable by hand due to cost reasons. The packaging and every other aspect will still be done by hand and Ques will be hiring more, it's just not feasible to price a product when you're labeling each individual container with millions being done. The equipment is approximately \$70,000 not counting the components that will be added in and that's all outside the filling line that is being added in for flammable solvents.

Mr. Vecchio stated to Mr. Meng, you mentioned around 10 to 30 jobs additionally with three more coming this month; how far out is that projection?

Mr. Meng responded that's always a tough question to answer, it really depends. The growth we have is not sustainable and if we bring in all of the business that is open we would have to add 15 or 20 jobs this year, without a doubt.

Mr. Burgio asked Finance Director Cingle, having five or seven new employees how long would it take to recoup the \$30,000?

**Discussion: cont.**

Mr. Cingle responded it all depends on the average salary. If it's a \$50,000 average salary 2% of that salary would be is \$1,000; so 30 jobs.

Mr. Meng interjected we're about 50-50 split with the employees in the office and in the plant. I would average our plant position at around \$18.00 an hour and average office salary, that widely varies, between two offices and technical. The technical salaries range from \$80,000 to \$130,000 or up; prior to any bonus plans or benefits. Office typically rotates between \$40,000, \$75,000 or \$80,000; we do not pay minimum wage they are healthy manufacturing jobs.

Mr. Burgio stated with all the expansion you're hoping to get I don't think it will be that long for the city to recoup that \$30,000 in payroll tax; I don't think it would be too many years. Bottom line I believe in being business-friendly and we have done that with businesses over the years and for Ford Motor for decades. Also, that's why tax abatements were given to keep jobs here and to add more jobs so our residents can benefit. A better quality of life because it comes back in the community with services and so forth. Mr. Burgio stated the animal hospital was basically vacant and expanding on that is a good thing, also the adding of 30 new employees is good and the expanding of the plant. I would like to see the success you're having and am wondering the economy seems to be on an uptake and doing well so far. Are you optimistic and encouraged by that as a business owner?

Mr. Meng responded I am, some of the growth we have is in industry that we've had previously - Industrial Water Treatment. We work across the United States as well as in Canada and Mexico; we are seeing increases in sales and existing markets. However, this entire expansion is dedicated to adding new capabilities and honing in on new markets. Small packaging is part of our business that we've never had before and the bulk majority of this new business is in small packaging. Where large quantities of products are manufactured in small containers; that is one of many capabilities that are being added in. Full explosion-proof and flammable-blending we have an ISO class clean room, food grade clean room that is being put in for manufacturing with USP or GMP products. That's the capability that, as far as I'm aware of, the chemical blending in the City of Cleveland doesn't have currently, it's not in our specific industry. As well, down the line hopefully, once we are planning on getting into reactionary chemistries which would be a very nice capability to have in Cleveland. For our specific industry we would be able to backwards integrate with our own raw-material processes and at the same time sell hopefully along the lines with people like Lubrizol.

Mr. Burgio stated I'm glad for your success and hope you continue to expand because it's good for your company and good for the city, good luck.

**Discussion: cont.**

Mr. Stemm stated to Finance Director Cingle the numbers provided on salaries, it's safe to assume, that each FTE (full-time employee) could bring in between \$700.00 to \$1,000.00 annually?

Mr. Cingle responded I would say yes, a \$30,000 grant just on the withholding alone has generated \$1.5 million dollars in payroll wages. Number two if the company is profitable they pay into the profit-tax as well.

Mr. Mencini thanked Mr. Meng for being in the community 34-years. I, personally, have always believed that the long-standing businesses should be rewarded. We want them here; we want them to stay here. You're expanding here, how many companies in Brook Park are expanding right now; besides the work being done at the Recreation Center. Manufacturing is in the nation as a whole but definitely this part of the country is doing pretty good, I think the time is right. How many employees do you have that live in Brook Park?

Mr. Meng responded I know of two, I believe, and many of the employees are from around here, Parma, Parma Hts., there are a few in Avon, Elyria and Westlake. I'm not entirely sure how many are in Brook Park.

Mr. Mencini continued you're expanding in a major zone over there and can't speak for the administration but hopefully the city will get more business friendly for more cooperative work between the city businesses and the city.

Mr. Poindexter stated you stated technical employees and office employees make on average \$80,000 and up. Does this expansion add any of those positions or is it just line-workers in the \$18.00 an hour range?

Mr. Meng responded both with variations, our technical would be a little higher than the office employee. But, we are adding and moving our existing R&B lab into the new R&B lab which is about three times the size of the current lab. We are planning eventually as workload adjusts on the technical side having at least one or two additional chemists. As well as several new capabilities on the R&B side, we're looking at FTIR and Gas Chromatographs, items that are quite expensive to purchase, so that will take a little bit of time.

Mr. Poindexter continued the total project estimate stated is \$3.2 million dollars.

Mr. Meng responded \$3,053,855.00, that number is committed to memory.

Mr. Poindexter continued the \$30,000 grant is less than one-percent (1%) of the project.

**Discussion: cont.**

Mr. Meng responded very small.

Mr. Poindexter asked Mr. Meng how is that helping offset the cause. If you can afford \$3.2 million-dollar.

Mr. Meng interjected it is all on loan. Outside of the \$53,000 we pulled a \$3 million-dollar loan at 3.9%; technically, it's a \$2.6 million-dollar loan at 2.6% with a balance business line of credit at 3.98%, that's all on a loan. This piece of equipment is helping us with business that we're trying to bring in right now.

Mr. Poindexter stated being this legislation was written up as a demolition and Expansion grant will it have to be reworded to the purchase of a piece of equipment; or does it matter if they get the grant they can use it for whatever purpose.

Mr. Scott commented I believe it's used for the demolition, that's what it's 'earmarked' for demolition only.

Mrs. Horvath stated I believe you're correct, that's the way its drafted. Certainly, in the past the city has given grants for purchase of a specific piece of machinery. That might be something Council may want to discuss because the way it's written now that demolition has also been accomplished. One of the conditions of giving the grant was to have the demolition completed. As it's written now if that remains the same then certainly the biggest condition would be removed at this point in time, the building or buildings are gone. I'm sure that what was discussed with the previous administration and was found to be acceptable by Ques Industries.

Mr. Meng commented I believe, it was under the assumption that Ques would cover the demolition and this would be a grant-match for the demolition.

Mr. Salvatore commented this is a tremendous opportunity for us to invest in a business in Brook Park; it's important to go out and find new businesses to move into the city. But, is equally important to find businesses that are already in the city to keep them here and fine ways to help them expand and grow. From what I'm hearing tonight this is just the beginning and there are great things that could come from this business. I'm proud to be a part of it and if we can give a small grant and am confident that the city will be reimbursed based on the growth that he is going to provide from that business. A very eager young man that wants to succeed and what we want to see and Brook Park is lucky to have you.

**Motion** by Mr. Salvatore, supported by Burgio, to place on the next Council agenda.

**Discussion: cont.**

Mayor Gammella thanked Mr. Meng for expanding in the city and we won't let you down; we look for a long-time partnership.

Mr. Scott asked Mr. Cingle if the \$30,000 coming out of the 2017 or 2018 budget?

Mr. Cingle responded the money will come out of the 2018 budget, out of Fund 243 - Economic Development Fund.

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**ROLL CALL: AYES:** Salvatore, Burgio, Scott, Orcutt, Stemm, Mencini, Poindexter  
**NAYS:** None. The motion carried.

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**LEGISLATIVE COMMITTEE - CHAIRMAN, MENCINI:**

- 1. AN ORDINANCE AMENDING SECTION 141.02 OF THE BROOK PARK CODIFIED ORDINANCES ENTITLED 'COMPOSITION: EXECUTIVE HEAD' AND DECLARING AN EMERGENCY. Introduced by Council President Astorino.  
**(Note: Moved by motion from the July 25, 2017 Caucus meeting).**

Mr. Salvatore reminded Council that this legislation was moved to the Safety Committee and no longer in the Legislative Committee.

Mr. Salvatore - Point of Order, with Mr. Stemm being the chairman it would be his decision to make if the legislation should even be on the tonight's agenda. Since the chairman didn't place it here the legislation could be placed back in committee based on the desire of the Safety Committee Chairman.

Mr. Stemm concurred to place back in committee, I'm not prepared to speak on it.

**Motion** by Mr. Mencini, supported by Mr. Scott, to place back in committee.  
**ROLL CALL: AYES:** Mencini, Scott, Burgio, Orcutt, Stemm, Poindexter, Salvatore  
**NAYS:** None. The motion carried to have the legislation placed back in the Safety Committee.

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There being no further business to come before this meeting a **motion** by Mr. Salvatore, supported by Mr. Scott, to adjourn.

**ROLL CALL: AYES:** Salvatore, Scott, Burgio, Orcutt, Stemm, Mencini, Poindexter  
**NAYS:** None. The motion carried.

Council President Vecchio declared this meeting adjourned at 8:17 p.m.

RESPECTFULLY SUBMITTED Michelle Blazak

APPROVED January 23, 2018

THESE MEETING MINUTES APPROVED BY BROOK PARK CITY COUNCIL ARE A SYNOPSIS, NOT TRANSCRIBED IN THEIR ENTIRETY, ALTHOUGH ACCURATE.