

BRECKSVILLE COMMUNITY IMPROVEMENT CORPORATION

**MINUTES
Of
October 30, 2018 Meeting
Brecksville City Hall Council Study
6:30 P.M.**

Present: Mayor Jerry N. Hruby, Council President Mike Harwood, Citizen Member Matt Garito, Finance Director Laura Starosta, Finance Committee Chair Laura Redinger.

Guests: Assistant Law Director Sergio DiGeronimo.

Call to Order: Garito called the meeting to order at 6:30 p.m.

Meeting Minutes: The minutes of the June 14, 2018 meeting were presented for review and approval.

Motion: Mayor Hruby made a motion to approve the minutes of the June 14, 2018 meeting as presented. Harwood seconded the motion. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Old Business: Mayor Hruby reported the DiGeronimo Companies submitted a quarterly report dated 10/26/2018 regarding the progress at the VA Property. Mayor Hruby said a business in town is looking to sign an agreement for space in Valor Acres for a 15 years lease.

Conflict of Interest Policy: Treasurer Starosta presented a conflict of interest policy. The policy contains standard language as included in the City Employee Manual.

Motion: Garito moved to accept the conflict of interest policy as presented. Seconded by Redinger. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Banking Policy: Treasurer Starosta said the Banking Policy is to advise the Board of the policies and procedures regarding the funds of the Community Improvement Corporation. Finance Director Starosta explained the signatories on the account are herself, as Treasurer and Mayor Hruby. Finance Director reported a Star Ohio bank account was opened and funds have been transferred. Highlights of the policy include, timely deposits of funds, authorized signatories, etc.

Motion: Garito moved to accept the Banking Policy as presented, Second by Mayor Hruby. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Purchasing Policy: Treasurer Starosta said the Purchasing Policy places controls for purchasing/releasing payments. The dollar limits require approval of Board member(s), other

than the Treasurer, prior to payment. Bank reconciliations are submitted monthly to Mayor Hruby by the Treasure for approval.

Motion: Garito moved to accept the Banking Policy as presented, seconded by Redinger. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Thompson Hine: Mr. Garito asked if members had any questions regarding the invoices presented. Mr. Garito asked if these are all of the charges presented by Thompson Hine. Treasurer Starosta said one invoice was paid previously. Treasurer Starosta said these amounts presented require Board approval before payment is made. Mr. Garito asked in year one of the development agreement, what the maximum amount allowed to be paid for expenses by the CIC. Asst. Law Director DiGeronimo said that amount is \$150,000.00. Treasurer Starosta said the developer paid that amount to the CIC and the CIC is holding those funds. Mr. Garito asked if funds are available to pay these invoices, and what is the balance. Treasurer Starosta said at this time no funds have been taken from the CIC accounts to pay expenses. Mr. Garito asked if the CIC will set a budget. Treasurer Starosta said the CIC is not subject to budgetary laws under ORC. Treasurer Starosta said in subsequent years the CIC may request reimbursement for up to \$100,000.00 from the developer. Mr. Garito asked if the CIC will have expenses that are not reimbursable by the developer. Treasurer Starosta said yes, the CIC may have additional expenses. Councilmember Redinger asked what type of additional expenses the CIC may incur. Treasurer Starosta said there will be costs related to filings with the county, bank fees, legal fees, etc. Assistant Law Director DiGeronimo said there may be property taxes. Councilmember Redinger asked if the CIC is expected to exceed the current funds. Mayor Hruby said he does not believe the funds will exceed the \$150,000.00. Mr. Garito asked if the expenses total \$151,000.00, where does the additional funding come from. Treasurer Starosta said that would be taken from the \$1 Million dollars, \$750,000.00 is at Star Ohio and the balance is available at PNC Bank.

Motion: Garito moved to authorize payment of both invoices to Thompson Hine as presented. Second by Mayor Hruby. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Liability Insurance: Mr. Garito said he spoke with representatives from Wichert Insurance regarding the insurance policy for the Community Improvement Corporation. The policy includes a Directors & Officers (D&O) policy, general liability, and crime policy. Mr. Garito is the only non-municipal employee of the CIC. Mr. Garito asked who holds the property of the VA land. Mayor Hruby said the CIC holds the title to the property. Assistant Law Director DiGeronimo said the appraisal of the VA was \$5 Million. Mr. Garito asked if the property was destroyed what would the replacement value be for lost opportunity, value, land use, cost. Mr.

Garito said the policy would cover a lawsuit against CIC crime, cybercrime, employee theft, computer fraud, and general liability. The cost is \$5,500.00 per year for this insurance. Tom Wichert felt this would be the minimum coverage for the property. Mayor Hruby said the CIC, the City of Brecksville and DiGeronimo properties all hold insurance coverage. Assistant Law Director DiGeronimo said the policy includes a duty to defend aspect. Mr. Garito said he felt the coverages are adequate.

Motion: Motion by Garito, seconded by Mayor Hruby, to accept and pay the first year premium to Wichert Insurance Company. Treasurer Starosta asked if the City was named additional insured on the policy. Mr. Garito said the City should be and will verify with Wichert that the City is named additional insured. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.

Mayor Hruby and Finance Director Starosta met with Alan Ritchey. Alan Richey will represent the CIC and will be part of the deals with companies coming to the City. Ordinances and legislation coming to the City would be handled by Mr. Matty. DiGeronimo Companies offered to defray the cost of TIF (Tax Increment Financing). Mr. Ritchey said he would be willing to handle the TIF legislation, but is unable to work for the City and the DiGeronimo Companies. Mayor Hruby said Mr. Richey will be providing an estimate of the costs for the TIF legislation.

Motion to Adjourn: Mr. Garito asked if there were any other matters deemed appropriate for the board to discuss. Hearing none, Garito made a motion to adjourn the meeting at 7:00 p.m. Mayor Hruby seconded the motion. Ayes: Garito, Harwood, Hruby, Redinger, Starosta. Nays: None. Motion carried 5-Ayes, 0-Nays.