



**Director Rhodes-** explained that they received a check in the amount of \$1,255.00 from the City's insurance company for fence repair at Babe Ruth.

Motion by Mr. Bubb to send to full Council, second by Mrs. Floyd  
Motion passed by a 5-0 vote.

- b) A request for an appropriation from the unappropriated balance of the 234, Brownfield Fund, in the amount of \$500,000.00 (S 21<sup>st</sup> St PCA)

| Account      | Description           | Amount       |
|--------------|-----------------------|--------------|
| 234.148.5231 | Professional Services | \$ 50,000.00 |
| 234.148.5238 | General Services      | \$450,000.00 |

**Stuart Moynihan-** stated the request is for a grant that was awarded to the City by the Ohio Development Services Agency and Jobs Ohio intended for the remediation of 209 & 217 S 21<sup>st</sup> St.

Motion by Mrs. Floyd to send to full Council, second by Mr. Bubb

**Mr. Frost-** asked if there was a match requirement

**Stuart Moynihan-** stated there is a match required on the local level, however the match is to come from the development of a property not City funds.

**Ms. Best-** asked who currently owned the property

**Stuart Moynihan-** answered Robert Sneddeker and a mortgage is on it by Heartland Bank.

**Ms. Best-** asked if when the mediation gets cleaned up if the property owner will be able to sell the property.

**Stuart Moynihan-** stated he doubted if the owner would get the property back, that it would likely be taken over by the bank.

**Lesia Best-** asked if the bank would have to pay back anything.

**Stuart Moynihan-** answered no.

**Mr. Marmie-** clarified that when Mr. Moynihan states that they don't have to pay anything back that means the mediation costs and the grant.

**Lesia Best-** asked about the owner not being accountable.

**Mr. Marmie-** stated he/she is treated like anyone else who goes into foreclosure.

Motion passed by a 5-0 vote.

- c) A request for an appropriation from the unappropriated balance of the 100, General Fund, in the amount of \$33,865.93 (refund of HOME "CHIP" 2009 funds back to State of Ohio for 72 Wing St job)

| Account      | Description | Amount      |
|--------------|-------------|-------------|
| 100.601.5611 | Refunds     | \$33,865.93 |

**Director Mauter**- handed out a timeline that was pertinent to the project. He was making a request for a refund regarding the 2009 “CHIP” Grant. The refund is to the State of Ohio for some substandard work that occurred at 72 Wing St during prior administration. The 72 Wing St project was completed in summer and fall of 2011. After that the State performed a monitoring of all the CHIP jobs that were done that year this past June and July. As a result of the inspection the department received a written report in November which noted a number of substandard work items that were completed, and serious code violations that were not addressed. As a result the State required a whole new set of job specifications be done and a complete re-work be done without the use of grant funds.

The only option the City really has is to do a complete repayment of all the funds extended on this project to the State of Ohio. In December of 2012 the Department of Development sent a required response to the State that addressed all of the findings that were in their report. The following month Director Mauter, tried to minimize the cost to the City of Newark taxpayers in order to address the problem. One of the suggestions he made to the State was for the City to just address the serious code violations and to use City employees to address the non-code related items, like drywall and painting to keep the cost down. Unfortunately the State denied those requests and insisted on full re-payment or full re-works of the job site. Then he had two long time, reputable, local building contractors do a walk-through of 72 Wing St and to provide a preliminary estimate, which were in the \$45-50,000 range. Even at the \$45,000.00 range it still exceeds the \$33,865.93 that was expended originally to the project. Obviously the most cost effective decision is for the City is to repay the full amount to the State. He stated that this was something that happened prior to the Hall administration that he was just trying to make it right with the State.

**Mr. Frost**- clarified with Director Mauter that this incident occurred under Diebold administration with the CHIP Grant, which the City was awarded money that was used to improperly build something now it is cheaper for the City to pay back the grant than to fix the problems to code. He also asked if steps have been taken to ensure that this won’t happen again with this program or one similar.

**Director Mauter**- advised him that the employees that were involved with the CHIP program are no longer. He stated a more experienced individual would be working on the program and that Mr. Ketter has been with the City for 25 years. He himself will be involved and has 30 years construction background. He stated that they would take the items addressed in the report and make sure that they don’t happen moving forward.

**Mr. Frost**- asked if you were to look at the project today would you say it looked good enough or could you see the mistakes.

**Director Mauter**- answered that the individuals involved with the project for the City signed off as well as the owner of the property.

**Mr. Frost**- clarified his question to be whether the current employees would have caught the mistakes.

**Director Mauter**- answered with yes.

**Mrs. Floyd**- stated that she met with Director Mauter that day to discuss this issue and she regrets what has happened and knows that nobody on the Committee/Council probably does as well. She stated that they see it as a major issue for the City and something they certainly don't want to see happen again. She stated that she didn't think that anybody was happy with what they basically have to do to move forward.

**Mr. Ellington**- asked where we stood with the residents of the home.

**Director Mauter**- stated that the owner rents it out to a tenant and the property is going to stay the way it is.

**Mr. Greene**- asked who owns the property and though it is a past mistake asked how we currently got involved.

**Mr. Marmie**- stated that he was going to stop the discussion from the route that it is going. He advised everyone that the topic is voting on whether or not to pass the resolution on to Council to pay the State back. He stated that a mistake had happened who owns the property and other particulars are not relevant to the discussion tonight and that interested parties desiring that information can obtain it through the report to the City and the report from the City to the State. The money will be paid back to the State one way or another. The administration is and has handled the personnel issue it is not up to this legislative body to take action upon that.

**Mr. Greene**- asked who owns the property.

**Director Mauter**- answered Jim Washburn.

**Ms. Best**- addressed Mr. Marmie with questions regarding the Council overseeing the allocation of funds and the oversights that the past administration made with those allocated funds.

**Mr. Marmie**- clarified that this legislative body makes decision whether to allocate funds that they assume will be utilized properly; they do not over see each transaction by the administration with the funds. If a problem is brought to their attention they will address it. He stated that Director Mauter is responsible for the funds allocated to his department and the Mayor is responsible for Director Mauter.

**Mr. Cost**- asked if the house that is being rented is safe for occupancy

**Director Mauter**- stated yes.

Motion by Mr. Bubb to send to full Council, second by Mr. Frost

Motion passes by a 5-0 vote.

Doug Marmie, Chair