

**CITY OF READING, OHIO
COUNCIL MEETING MINUTES – LEGISLATIVE SESSION
DECEMBER 19, 2023 - 7:30 PM**

For the full detail of this evening's Council Meeting, please visit www.watchreadingohio.com

CALL TO ORDER

President Mr. Daum called the meeting to order at 7:30 PM.

INVOCATION AND PLEDGE OF ALLEGIANCE

President Mr. Daum led those in attendance in a prayer and then the Pledge of Allegiance.

ROLL CALL

Council Members Present: Mr. Powell, Mr. Bronner, Mr. Bishop, Mr. Boehner, Mr. Thamann, Mrs. Kroeger & Mrs. Eadicicco.

OTHER CITY OFFICIALS PRESENT:

Mayor Bo Bemmes, Treasurer Brenda Owens, Auditor Sabrina Smith & Clerk of Council Carla Kacher.

APPROVAL OF MINUTES: Motion to approve the December 5 (Regular) Council Minutes made by Mr. Boehner, seconded by Mrs. Kroeger. Motion carried by a voice vote.

GUEST SPEAKERS:

Linda Fitzgerald (Economic Development Director) & Keith McCluskey, John McCullough & Randy Merrill (McCluskey Representatives):

BACKGROUND:

McCluskey Chevrolet recently purchased two dilapidated properties on Reading Rd. that are contiguous to their existing body shop at 8525 Reading Rd. They cleared the properties to be used to support a planned expansion to include more space for the body shop including parts storage and new work technician bays. The total new investment will be \$1.8 million as outlined below:

New Construction	\$1,200,000
Improvements to Existing Bldg.	200,000
Machinery & Equipment	300,000
Furniture & Fixtures	<u>100,000</u>
Total New Investment	\$1,800,000

As part of the expansion project, 18 employees (with a \$1,663,530 annual payroll) at McCluskey's 435 Galbraith Rd. facility in Arlington Heights will be relocated to the Reading Rd. property. According to CFO John McCollough, McCluskey intends to eventually backfill the jobs at the Arlington Heights facility.

McCluskey will retain 15 existing jobs (with a \$1,752,052 annual payroll) at the Reading facility taking total employment to 32 with a total annual payroll of \$3,415,582. Collectively this will generate \$68,312/yr. in earnings tax.

NextGen Automotive 2 LLC (aka McCluskey Chevrolet) is asking for a Community Reinvestment Area (CRA) tax abatement on the value of the expansion. The proposed abatement will only be on the value of the new improvements. McCluskey will continue to pay property taxes on the underlying value before the improvements. Only new construction and improvements to existing buildings are eligible for tax incentives (not M&E or F&F). As such, the proposed base value for the CRA is \$1.2M.

Based on the score sheet that the CIC previously established for determining the term and rate of tax incentives under the CRA program, McCluskey would be eligible for a 50% abatement for six years. (Attached is the score sheet for McCluskey based on the information they provided in their application). Assuming the auditor will assess improvements at 60% of that value (\$729,000), annual new property taxes will be \$24,440. A 50% abatement would save the company \$12,222/yr. or \$73,332 over the six-year term of the abatement.

McCluskey has paid the required \$1,500 agreement fee to Reading Community Improvement Corporation (Reading CIC). They will also be required to pay the greater of one percent of the dollar value of incentives offered under the CRA Agreement for each year during the term of the agreement (\$733/yr. or \$4,398 over six years) for the proposed McCluskey agreement.

Representatives of McCluskey Chevrolet met with the Reading CIC on September 19, 2023 to give an overview on the proposed project and to formally request the 50% six-year tax abatement. The Board unanimously voted to recommend that Reading City Council approve the request. The CIC hired attorney Brenda Wehmer of Dinsmore & Shohl LLP to prepare the CRA agreement a copy of which is attached with this memo. A copy was also sent to the Reading Community Schools along with the required notification to the schools. I have stayed in close contact with Superintendent Davis and he indicated that his Board is in favor of the proposed abatement.

STAFF RECOMMENDATION:

Staff requests that the Reading City Council approve the proposed CRA agreement with NextGen Automotive 2 LLC/McCluskey Chevrolet at their December 19, 2023 meeting. I will be present at the meeting along with McCluskey CEO Keith McCluskey and CFO John McCoullough. Keep in mind that McCluskey cannot solicit bids or begin construction until after City Council approves the CRA Agreement. As such they are anxious for the City Council to proceed as expeditiously as possible.

COUNCIL QUESTIONS TO MCCLUSKEY REPRESENTATIVES:

Katie Eadicicco: What are the plans for the parking lot across the street?

Answer: Will be turned into a nice, landscaped parking lot for the employees & holding space for cars being worked on (with a row of trees for viewing obstruction & aesthetics).

Motion made by Mr. Boehner, seconded by Mr. Powell to go out of order and have the reading and possible passage of the CRA ordinance. Motion carried by a 7-0 roll call vote.

Motion made by Mr. Powell, seconded by Mrs. Kroeger to allow Public Comment regarding the CRA topic. Motion carried by voice vote.

Bob Ashbrock (221 Walnut Street): No opposition to the project. Raised concern for flooding issues and whether or not this project is compliant and would like to see trees considered along Reading Road to keep with the Streetscape project.

McCluskey Response: We have to comply with all flooding compliance.

AUDIENCE ASKING PARTICIPATION:

Bob Ashbrock (221 Walnut Street):

(1) October 3, 2023, the Ohio Revised Code updated to allow the publication of passed ordinances onto the City's official website. Would like to see Council publicize the passed ordinances on the City's official website.

(2) Asked about the remaining COVID funds. Would like to see some of the remaining funds go to Water Lead Service Line Replacement.

Sabrina Smith Response: All expenditures of the 501 COVID Fund are listed on OhioCheckBook.com and all money must be spent by December 2024. There is pushback for using the COVID funds for Water & Sewer projects so that is why that is not considered. There are also certain expenditures that can raise a flag and cause an audit, which is incredibly costly to the City, so the City has been very conservative on how the funds are used. As of today, the remaining balance of the 501 COVID fund is about \$500,000 or below.

READING OF COMMUNICATIONS: NONE

EXECUTIVE SESSION:

Motion made by Mr. Bronner, seconded by Mrs. Kroeger to enter in Executive Session at 8:07 p.m. for purposes of discussing pay ordinance. Motion carried by 7-0 roll call vote. Motion made by Mr. Boehner, seconded by Mr. Bronner to come back from Executive Session at 8:45 p.m. Motion carried by 7-0 roll call vote.

LEGISLATIVE SESSION:

READING OF RESOLUTIONS: NONE

READING OF ORDINANCES:

(1) *AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A COMMUNITY REINVESTMENT AREA AGREEMENT WITH NEXTGEN AUTOMOTIVE 2 LLC AS OWNER OF THE REAL PROPERTY AND MCCLUSKEY CHEVROLET, INC. AS OCCUPANT OF THE REAL PROPERTY AND AS EMPLOYER AND DECLARING AN EMERGENCY.*

Motion made by Mr. Boehner, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading. Motion carried by 7-0 roll call vote. Motion made by Mrs. Eadicicco, seconded by Mrs. Kroeger to adopt the ordinance. Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-42

(2) *AN ORDINANCE TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF READING, STATE OF OHIO, DURING THE PERIOD ENDING APRIL 30, 2024.*

Motion made by Mr. Boehner, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading. Motion carried by 7-0 roll call vote. Motion made by Mr. Bronner, seconded by Mrs. Kroeger to adopt the ordinance. Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-43

(3) *AN ORDINANCE AUTHORIZING AN EXPENDITURE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) FOR EXPENSES RELATED TO INAUGURATION, AND DECLARING AN EMERGENCY.*

Motion made by Mrs. Eadicicco, seconded by Mrs. Kroeger to suspend the rule that requires a second and third reading. Motion carried by 7-0 roll call vote. Motion made by Mrs. Kroeger, seconded by Mr. Bishop to adopt the ordinance. Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-44

(4) *AN ORDINANCE AUTHORIZING THE MAYOR AND SAFETY SERVICE DIRECTOR TO SIGN CONTRACT WITH THE FIRE DEPARTMENT UNION (RCFA) AND DECLARING AN EMERGENCY.*

Motion made by Mr. Bronner, seconded by Mrs. Kroeger to suspend the rule that requires a second and third reading. Motion carried by 7-0 roll call vote. Motion made by Mrs. Kroeger, seconded by Mr. Bishop to adopt the ordinance. Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-45

(5) *AN ORDINANCE ESTABLISHING FEES AND CHARGES FOR THE CITY OF READING PARKS, PROGRAMS AND RECREATIONAL FACILITIES AND DECLARING AN EMERGENCY.*

Motion made by Mrs. Kroeger, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading. Motion carried by 7-0 roll call vote. Motion made by Mrs. Kroeger, seconded by Mrs. Eadicicco to adopt the ordinance. Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-46

(6) AN ORDINANCE AMENDING ORDINANCE 2023 - 06 WHICH AUTHORIZES THE SAFETY SERVICE DIRECTOR TO EMPLOY CERTAIN TEMPORARY; SEASONAL AND PART-TIME HELP AND DECLARING AN EMERGENCY.

Motion made by Mr. Thamann, seconded by Mr. Bronner to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mrs. Eadicicco, seconded by Mrs. Kroeger to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-47

(7) AN ORDINANCE AMENDING PROVISIONS OF CHAPTER 880 OF THE READING CODIFIED ORDINANCES TO REFLECT CHANGES IN THE READING TAX CODE MANDATED BY THE PASSAGE OF H.B. 33 BY THE OHIO GENERAL ASSEMBLY ENACTING CHANGES TO CHAPTER 718 OF THE REVISED CODE AND DECLARING AN EMERGENCY.

Motion made by Mr. Boehner, seconded by Mrs. Kroeger to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mrs. Kroeger, seconded by Mr. Bishop to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-48

(8) AN ORDINANCE AUTHORIZING THE AUDITOR TO TRANSFER \$120,000.00 FROM THE MUNICIPAL ROAD FUND ACCOUNT (275) TO THE STREETS AND CURB FUND (230) AND STREET MAINTENANCE FUND (210), AND DECLARING AN EMERGENCY.

Motion made by Mrs. Eadicicco, seconded by Mrs. Kroeger to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mr. Bishop, seconded by Mr. Boehner to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-49

(9) AN ORDINANCE AUTHORIZING THE MAYOR AND SAFETY SERVICE DIRECTOR TO SIGN CONTRACT WITH THE PUBLIC WORKS UNION (AFSCME) AND DECLARING AN EMERGENCY.

Motion made by Mrs. Kroeger, seconded by Mr. Bronner to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mr. Bronner, seconded by Mr. Bishop to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-50

(10) AN ORDINANCE GRANTING THE AUDITOR THE RIGHT TO MAKE AN ELECTION TO BECOME A FULL TIME EMPLOYEE AND THE ESTABLISHMENT OF THE POSITION OF FULL TIME AUDITOR WITH BENEFITS AND DECLARING AN EMERGENCY

Motion made by Mr. Boehner, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mr. Powell, seconded by Mr. Bronner to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-51

(11) AN ORDINANCE AUTHORIZING ADJUSTMENTS IN THE GENERAL FUND AND DECLARING AN EMERGENCY.

Motion made by Mrs. Eadicicco, seconded by Mrs. Kroeger to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mrs. Kroeger, seconded by Mr. Boehner to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-52

**(12) AN ORDINANCE AUTHORIZING ADJUSTMENTS TO NON GENERAL FUND ACCOUNTS
AND DECLARING AN EMERGENCY.**

Motion made by Mr. Boehner, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mr. Boehner, seconded by Mrs. Kroeger to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-53

**(13) AN ORDINANCE ESTABLISHING SALARIES FOR CERTAIN ELECTED AND APPOINTED OFFICIALS
EFFECTIVE JANUARY 1, 2024 AND THEREAFTER AND DECLARING AN EMERGENCY**

Motion made by Mr. Bronner, seconded by Mrs. Eadicicco to suspend the rule that requires a second and third reading.
Motion carried by 7-0 roll call vote. Motion made by Mr. Boehner, seconded by Mr. Bishop to adopt the ordinance.
Motion carried by a 7-0 roll call vote.

ORDINANCE ADOPTED

ORDINANCE NUMBER 2023-54

MISCELLANEOUS BUSINESS:

(1) Mr. Powell – Thanked the outgoing President of Council, Dwight Daum, for his past 2 years of service.

(2) Mr. Bemmes – Thanked everyone for another successful year and all the hard work each and every one of the members of Council has put into the City.

(3) Mrs. Kroeger – Heartfelt condolences to the Joyce Proffit family.

(4) Ms. Smith – Delivered a letter to the Clerk of Council stating her intention of becoming a full time Auditor for the City of Reading for the term of 2024 – 2027.

ADJOURNMENT

Motion to adjourn came from Mr. Boehner and seconded by Mrs. Kroeger. Motion carried by voice vote. There being no further business, the meeting was declared adjourned at 9:24 pm.

X _____
Carla Kacher
Clerk of Council

X _____
Dwight Daum
President of Council