

CONCORD TOWNSHIP BOARD OF TRUSTEES  
LAKE COUNTY, OHIO  
REGULAR MEETING

Concord Town Hall  
7229 Ravenna Road  
Concord, Ohio 44077

July 17, 2019  
7:30 p.m.

TRANSCRIPT OF PROCEEDINGS

Present on behalf of the Board of Trustees:

Paul Malchesky, Chairman  
Caroline Luhta, Vice Chairwoman  
Carl Dondorfer, Trustee  
Amy Dawson, Fiscal Officer

Also Present:

Andy Rose, Administrator  
Michael Lucas, Esq., Legal Counsel  
Matt Sabo, Fire Chief

**Melton Reporting**  
11668 Girdled Road  
Concord, Ohio 44077  
(440) 946-1350

1 7:30 p.m.

2 CHAIRMAN MALCHESKY: All right. I am going to call  
3 the Concord Township Board of Trustees July 17, 2019, meeting  
4 to order. Please stand for the Pledge of Allegiance.

5 (Whereupon, the Pledge of Allegiance was recited.)

6 CHAIRMAN MALCHESKY: Okay. Roll call.

7 MS. DAWSON: Mrs. Luhta?

8 MS. LUHTA: Here.

9 MS. DAWSON: Mr. Malchesky?

10 CHAIRMAN MALCHESKY: Present.

11 MS. DAWSON: Mr. Dondorfer?

12 MR. DONDORFER: Present.

13 CHAIRMAN MALCHESKY: Okay. Approval of the July 3,  
14 2019, regular Trustees minutes. You okay with those?

15 MS. LUHTA: Yes.

16 MR. DONDORFER: I will make a motion to approve.

17 CHAIRMAN MALCHESKY: All right.

18 MS. LUHTA: Second.

19 CHAIRMAN MALCHESKY: All in favor say "aye."

20 (Three aye votes, no nay votes.)

21 CHAIRMAN MALCHESKY: Okay. Fiscal Office.

22 MS. DAWSON: I have no report, Mr. Malchesky.

23 CHAIRMAN MALCHESKY: No report?

24 MS. DAWSON: No.

25 CHAIRMAN MALCHESKY: Mrs. Luhta?

26 MS. LUHTA: I have no report.

27 CHAIRMAN MALCHESKY: Mr. Dondorfer?

28 MR. DONDORFER: Just a few comments to make since  
29 our last meeting. As the new Trustee and reflecting on what  
30 our responsibilities are, some of those important

1 responsibilities are making critical decisions that impact the  
2 community and the future of Concord Township.

3 With that in mind, I've spoken with several  
4 residents either on the phone or personally regarding our fire  
5 station project. Some of those people are here today, others  
6 I've spoken to over the phone. Since my appointment in April,  
7 I had to get up to speed on the fire station project. We've  
8 worked diligently to come up with what I think is a very good  
9 footprint. I reviewed that recently with our fire chief, our  
10 deputy chief. And through my 26 years in public safety, I've  
11 had my occurrences to be in many fire stations and know  
12 operationally what needs to be there as far as serving the  
13 efficiency of the community.

14 With that, we took a lot of community input from  
15 some people that are here today that had some good ideas and  
16 we made some changes to that footprint. And upon reviewing  
17 that recently again with the chief and deputy chief and  
18 speaking with some other residents, you know, I'm confident  
19 that we have a good footprint here that we're going to move  
20 forward on. And I know our goal is to build fire stations  
21 that sustain our safety services in Concord Township for the  
22 foreseeable future and to sustain the growth of the township.

23 With that, I believe that we're going to responsibly  
24 fund that and we're going to have some discussion on that  
25 today because, again, it's our obligation as Trustees to be  
26 fiscally responsible in completing this project.

27 So I've spoken with several residents and there is  
28 going to be some situations where people have different ideas  
29 of how this fire station should look and appearance and things  
30 of that nature, and I respect those opinions, and there is

1 going to be some differences, I think, in some of that. I've  
2 read some information about, you know, that they appear to be,  
3 you know, too --

4 CHAIRMAN MALCHESKY: Too big?

5 MR. DONDORFER: -- too big, uninspiring. But, you  
6 know, they're fire stations and they're designed to house our  
7 safety services, i.e. Fire Department, and they have to have  
8 some -- they have to have operationally sound floor plans as  
9 far as the renditions. And, you know, I am comfortable with  
10 my years of service -- Again, as a law enforcement officer, I  
11 worked in concert with the Fire Department over 26 years and I  
12 am very comfortable with what I saw on the recent renditions  
13 by the architect.

14 And I appreciate everybody that has had input that  
15 we have worked together with, some of which are in this room  
16 and others that I have spoken with on the phone. There seems  
17 to be a lot of support from the community from people that I  
18 have talked to, not only here but over the phone, and I look  
19 forward to, you know, getting this project done. So that's my  
20 brief report.

21 CHAIRMAN MALCHESKY: Thank you. Listen, I  
22 appreciate all the hard work that Carl and Connie have both  
23 done on looking at this issue and going over certain aspects  
24 of it.

25 That being said, I do talk a lot. I am delighted to  
26 have for us tonight Hannah, who is a Concord Township  
27 resident. She is a student at Edinboro College. She has been  
28 our intern this summer, has been diligently doing all kinds of  
29 different tasks, but one of the things that I did ask her to  
30 do was to give a report on our tax dollars in Concord

1 Township.

2 And so I would ask Hannah to come up here and  
3 introduce herself and explain to us a little bit about what we  
4 asked you to do.

5 MS. BRENTAR: Thank you, Mr. Malchesky.

6 Hi, my name is Hannah Brentar. As previously  
7 stated, I am a student at Edinboro University of Pennsylvania  
8 and I am an intern with Concord Township for the summer. I  
9 started here at the beginning of June. And I must say, I was  
10 very overwhelmed at first. Being a Riverside High School grad  
11 and living in Concord my entire life, I thought I had a basic  
12 understanding of how our government was running, and I was  
13 very wrong.

14 I am very grateful for this opportunity and  
15 experience, however. I've learned so much about the township  
16 I've lived in my entire life. I've had the pleasure of  
17 working on a number of interesting projects to help better the  
18 community, listen in on government meetings, and I have met  
19 several city managers and township administrators all across  
20 Lake County.

21 I have been asked by the chairman of the Board,  
22 Mr. Malchesky, to do a presentation explaining how our taxes  
23 are spent in our township. I was very excited to start this  
24 project because most people do not know how their tax money is  
25 actually spent, including myself before this presentation.  
26 Since this is a new subject for me, I did research on the tax  
27 rates in our township and the breakdown of exactly where our  
28 money is spent, how much is spent where, and how to calculate  
29 these numbers so I could fully comprehend and explain how our  
30 taxes work.

1 I apologize in advance if I sound repetitive or if  
2 this is old information for you but it is important for  
3 everyone to be aware of exactly how much of their money is  
4 being spent and where it is going.

5 CHAIRMAN MALCHESKY: The first example is that the  
6 Powerpoints never works out right.

7 MS. BRENTAR: Oh, there we are.

8 MR. DONDORFER: Technology.

9 MS. BRENTAR: First of all, it is important to note  
10 the difference between the gross tax rate and the effective  
11 tax rate. The gross tax rate is originally agreed upon by the  
12 voters and indicates the highest amount the taxpayers will pay  
13 for each subdivision. The effective tax rate is the rate that  
14 residents will actually pay because of the decreasing millage  
15 rate over time and the increasing population of Concord. I  
16 will refer to the effective tax rate as the actual tax rate  
17 throughout this presentation.

18 As most of you know, Concord Township is composed of  
19 three different school districts: Riverside, Mentor, and  
20 Chardon. Each School District has a different gross and  
21 actual tax rate. The gross tax rate for Riverside Local  
22 School District is 97.03, Mentor's is 111.78, and Chardon's is  
23 112.23. The rate that you are actually paying in taxes is  
24 65.21 for Riverside, 65.48 for Mentor, and 69.32 for Chardon.

25 Now, exactly where do these numbers come from? Your  
26 taxes go to a number of different places, including Lake  
27 County; Concord Township; Riverside, Mentor, or Chardon Local  
28 Schools; libraries; joint vocational schools, such as Auburn  
29 Career Center; and the Lake County Financing District, which  
30 is the school levy for Riverside that is shared between

1 eastern Lake County schools. I will begin by showing you the  
2 breakdown of each political subdivision and explaining what is  
3 included with each part.

4 Lake County's gross tax rate is 16.78, which has  
5 several services, including the Board of Alcohol, Drug  
6 Addiction and Mental Health Services, the Board of  
7 Developmental Disabilities, the Narcotics Agency, Child  
8 Services, the Forensic Crime Laboratory, senior citizens, Lake  
9 Metroparks, and Lakeland Community College. The actual  
10 effective tax rate for the county is 14.83, which means that  
11 roughly 23 percent of your taxes goes to the county and these  
12 agencies provided.

13 Concord Township's tax rate is 11.7 and includes the  
14 General Fund and Roads and Bridges, which is inside millage  
15 that the township is required to provide for the residents, as  
16 well as fire protection, roads, and safety forces, such as  
17 sheriff's, which are voted in by the taxpayers. The actual  
18 effective tax rate is 10.78 after the decreasing millage rate,  
19 so about 16.5 percent of your taxes goes towards Concord  
20 Township.

21 Schools are generally where the majority of your tax  
22 money goes to. Living in the Riverside Local School District,  
23 the gross tax rate is 60.45, which is now actually 34.24;  
24 Mentor's is 81.30, which has been lowered to 38.15; and  
25 Chardon's gross tax rate is 80.68, which returns out to be  
26 40.63. So more than half of your tax dollars help support the  
27 school systems.

28 Then we have other places, such as libraries, which  
29 tax rates range from 1.7 to 2, depending on the school  
30 district, and have been lowered to as low as 1.61. Joint

1 vocational schools such as Auburn Career Center's tax rate is  
2 1.5 for Riverside and Chardon Schools. And we have the Lake  
3 County Financing District whose tax rate is 4.9 for the  
4 eastern Lake County districts, which has decreased to 2.28.

5 So to summarize all that, here is how your taxes are  
6 broken up to get your total gross tax rate per school district  
7 in Concord Township. The tax rate you are actually paying for  
8 each school district is 65.21 for the Riverside district,  
9 65.48 for Mentor schools, and 69.32 for the Chardon district.  
10 Notice how these rates significantly decrease over time, which  
11 helps lower taxes in several ways.

12 Now let's talk about roughly how much of your money  
13 is going where. It is important to note the millage rate,  
14 which is the rate to calculate local property taxes. For  
15 Concord Township, the millage rate is \$35 per \$100,000 value  
16 of your house. So to find the amount of money spent for each  
17 subdivision, you multiply the millage rate of \$35 times the  
18 value of your house per \$100,000.

19 Now, I know at least for me, I do better with  
20 examples, so we will do one here. Since the majority of  
21 Concord citizens live in the Riverside School District, and  
22 the average house value in Concord Township is around  
23 \$300,000, we will use this as our example. So we will take  
24 our actual tax rate, which is about 65 for the township, times  
25 that by our millage rate of 35 and times that by our  
26 appraised value of our house per \$100,000, in this case it is  
27 3. After multiplying these together, you get \$6,847.05.

28 Now, I know, this number seems to be a lot of money  
29 spent on your taxes every year. However, keep in mind that  
30 Concord is a growing community and continues to increase in



1 population as new developments are being built and more  
2 businesses are moving into Concord. In fact, our total  
3 population has increased 3.35 percent since 2010. Trust me,  
4 living in Concord my entire life, I have been able to  
5 experience first hand the increase in population, and I can  
6 understand how some residents want to preserve our rural feel  
7 of the township.

8           However, I truly believe that this increase in  
9 Concord's residents is a positive thing as it will lower our  
10 taxes and millage rates in Concord as Concord continues to  
11 grow without completely urbanizing the township. As our  
12 population increases, our tax rates continue to go down since  
13 there are more people paying for taxes, which lowers the  
14 millage rate. So this number is at most the amount of tax  
15 dollars you're paying living in a \$300,000 house in the  
16 Riverside School District, and it continues to decrease as  
17 more people move into Concord Township.

18           Now let's look at the breakdown of these taxes to  
19 see exactly how much of your money goes where. Using the same  
20 process as earlier, we will use the effective tax rate of each  
21 subdivision multiplied by the millage rate and the appraised  
22 value of your house and property per \$100,000. Going back to  
23 the tax rates discussed earlier, the township's effective tax  
24 rate tax is 10.75. Multiplying that by 35 and 3 provides you  
25 with \$1,128.75, which is approximately the amount of your tax  
26 dollars that are spent towards the township in this scenario.

27           Following that same process, I did similar  
28 calculations for the county, schools, libraries, Lake County  
29 -- Lake City Schools, and joint vocational schools to get  
30 approximately what amount would be spent towards each

1 subdivision for a \$300,000 house in the Riverside Local School  
2 District. As you can see, the township only gets a small  
3 portion of your taxes as the majority of your tax money goes  
4 to these other places. Again, keep in mind that this is the  
5 most amount of money that a person at this rate is going to  
6 pay because of the decreasing millage rate and the increasing  
7 residents of Concord.

8 Our taxes are such a huge part of our lives and it  
9 is an important topic for the public to understand them. One  
10 thing I have learned while working with local government is,  
11 if people want to know more information about anything that  
12 goes on in their township, they absolutely have that right and  
13 can get involved in whichever way and however much by making  
14 an effort to do so. The same goes for taxes. You absolutely  
15 have the right to know exactly where your money goes since it  
16 is, in fact, your money.

17 I believe this project allowed me to show the public  
18 where and how much of your tax money is being spent, including  
19 learning it for myself. Thank you for taking the time to  
20 listen, and I hope you have a better understanding of how your  
21 taxes work. Thanks.

22 (Applause.)

23 CHAIRMAN MALCHESKY: Thank you, Hannah. That was  
24 awesome. Greatly appreciate it.

25 Mr. Rose, you've got to -- You get the next report.

26 MR. ROSE: Thank you, Mr. Malchesky. Good evening,  
27 members of the Board, Mrs. Dawson, members of the public.

28 On today's agenda is Resolution 2019-18. This is a  
29 resolution to enter into an agreement with Burgess & Niple for  
30 architectural services. We plan to utilize Burgess & Niple to

1 evaluate the current Town Hall administration building. This  
2 study will evaluate the existing township administration  
3 functions in the existing facility, define any requirements  
4 for a possible addition, and also put a priority concern of  
5 the spaces being evaluated as ADA compliant.

6 Resolution 2019-19, this is the bond levy. This  
7 resolution places the question on the November 5th, 2019,  
8 ballot that will be decided by the voters. It is a  
9 \$10 million bond, it's 28 years, and it's, right now, the  
10 millage is set for the ballot at .83.

11 The Fire Station 1 renderings are complete. They  
12 are posted on website. They are also on Facebook.

13 Rick, could you put those on the screen quickly?

14 We have the site plan. I know that's difficult to  
15 see in this room. This is more for the folks at home on TV.  
16 We have full-size renderings here. If you could go to the  
17 next one, that's the site plan and then that is the floor plan  
18 of the Fire Station 1. We did not make any changes to Fire  
19 Station 2.

20 Thank you, Rick.

21 The plans are currently with the engineers for cost  
22 estimation. We anticipate those back by the end of next week,  
23 at the latest. That's what we're being told. My best guess  
24 is they will come back around \$9 million for Station 1. We  
25 do, as I stated earlier, we do have a full set of renderings  
26 here for both stations. We have made them available prior to  
27 the meeting. We will make them available for review  
28 immediately following the meeting. And our Fire Chief and  
29 Deputy Fire Chief are also available for questions after the  
30 meeting and they are currently sitting in the audience.

1           We continue to meet with residents to discuss our  
2 fire station project. We welcome the opportunity to meet with  
3 anyone, anyone who has questions, comments, or concerns. And  
4 I, again, encourage anyone who wants to know more about the  
5 project to contact myself, contact the Trustees, or contact  
6 the Fire Chief or Deputy Fire Chief to discuss the project.

7           On to a lighter note, as a reminder to everyone, we  
8 have a Concord bicentennial that's coming up in a few years.  
9 Early planning has started with that and we have the Concord's  
10 Bicentennial Logo Contest that is currently underway. The  
11 entries for that logo contest are due by mid-December.

12           We are also seeking historical photos of Concord  
13 Township. So as you're cleaning out your storage spaces,  
14 please be mindful of those pictures of people, places or  
15 things that are tied to or related to Concord Township and its  
16 history. Additional information regarding our bicentennial  
17 events and information is available on our website at  
18 ConcordTwp.com, under the Recreation tab.

19           That concludes my report, sir. Thank you.

20           CHAIRMAN MALCHESKY: Thank you.

21           That leads us to the audience portion. There's  
22 never a great way to go ahead and handle the audience portion,  
23 so we're going to start easiest, on the right-hand side.  
24 Please come up, announce your name and --

25           MS. DAWSON: Address.

26           CHAIRMAN MALCHESKY: -- address and let us -- give  
27 us some information. We do have a fairly big crowd here  
28 today, so let's try to limit it to four minutes.

29           Come on up.

30           MR. MASSIE: Good evening. I am Brian Massie,

1 8196 Rainbow Drive. I have some basic questions. The .83  
2 mills, 28-year bond, that's for both fire stations, is it not,  
3 Mr. Rose? It covers both?

4 MR. ROSE: Yes, sir.

5 MR. MASSIE: Have we looked into the possibility of  
6 just building one fire station over five years and then, at  
7 the end of the five years when that's paid for, build the  
8 second? No one is going to argue, really, looking at the  
9 actual structures of the fire station, it certainly appears  
10 that they need to be updated, so that's sort of a given.

11 CHAIRMAN MALCHESKY: Let's be clear. Yes, we have  
12 looked at that. The Fire Station 2 will be completely paid  
13 for by JEDD dollars.

14 MR. ROSE: Correct.

15 CHAIRMAN MALCHESKY: Okay? We will use some TIF  
16 money and we'll use some stormwater money but that's somewhat  
17 nominal compared to the JEDD dollars. Fire Station 1 -- And,  
18 again, we are going to have someone talk to us a little bit  
19 more about that but the bond has to cover the construction,  
20 and I will have bond counsel explain that. The number could  
21 be lowered because, obviously, we can get a good bid. The  
22 millage could be lowered because we have a lower interest rate  
23 prior to ever being collected. We will be able to refinance  
24 that in seven years. It would be my intent that the township  
25 has always been in projection to refinance that and have that  
26 paid off.

27 So this is, this is the package that we found to be  
28 the most reasonable that allows us to borrow some money with  
29 the, with the anticipation of lowering that and having that  
30 off the taxpayers', off -- that additional tax off the

1 taxpayers' back sooner than later.

2 MR. MASSIE: It's still for 28 years. So the bond  
3 itself, we have said that is for both fire stations. The JEDD  
4 funds are going to be used for the operational costs? I must  
5 have missed that.

6 MR. ROSE: No, I apologize. And I gave a, kind of,  
7 a more detailed breakdown at our last meeting and maybe I  
8 should have recapped that for this meeting. The \$10 mill --  
9 The question that's going, if the Trustees approve  
10 Resolution 19, the .83 mill bond levy goes on the ballot.  
11 That \$10 million, not to exceed, will fund Station 1.

12 Station, once Station 1 is complete, Station 2, we  
13 will then go out and we will either get a loan, secure another  
14 bond through another issuance and we will back that with JEDD  
15 dollars to pay for Station 2 but we will not come back to the  
16 voters for an additional levy for Station 2. This is the  
17 only, this is only issue that will come up for the voters for  
18 both stations but this is predominantly for Station 1.

19 MR. MASSIE: So Station 1 is \$9 million. And what  
20 is the cost for Station Number 2 then? Was that a \$4 million  
21 number?

22 MR. ROSE: We think that is going to come in at  
23 about 4.5, between 4.5 and 5 is where we are right now.

24 MR. MASSIE: And, Mr. Rose, how does that compare to  
25 other fire stations in other communities? Is that in the  
26 ballpark of what other communities have paid?

27 MR. ROSE: Station 2 is in the ballpark. Station 1,  
28 our station that we have planned is higher, but you also have  
29 to factor in construction costs and other variables. Some of  
30 those stations were built several years ago. You also have to

1 factor in that these are engineer estimates and more than  
2 likely, while there is no guarantee, it is likely that once  
3 they actually do go out for bid, historically, they have come  
4 in under the engineer's estimate, which will also then shave  
5 some money.

6           The other factor that's not built into this, while  
7 it doesn't affect the actual cost of the fire station, is the  
8 fact that we are applying to be included in the state's  
9 capital budget. That will happen later this year. We were  
10 originally told we had to have something in by the end of  
11 July. In speaking with Mr. Reed, I believe, Bob Reed is his  
12 name -- His name is Bob but I believe his last name is Reed.  
13 He is our state representative's legislative assistant and he  
14 is now telling us probably mid-August those packages will be  
15 due to be reviewed but they likely won't vote on that until  
16 later in the year based on the legislative calendar. While  
17 that doesn't affect the overall cost of the station, it does  
18 affect, if we do get some funding for that from the state,  
19 that will reduce the amount that we go out for a bond  
20 issuance.

21           MR. MASSIE: Just a couple more questions, if I may,  
22 Mr. Malchesky. Of the \$9 million for this Fire Station 1, is  
23 there -- are there reasons, specific reasons why it got to \$9  
24 million? Are there some state mandates, fire station mandates  
25 that says "you must have this" which adds the cost to the fire  
26 station?

27           MR. ROSE: I will defer that question to the Fire  
28 Chief. He can probably answer that after the meeting. I will  
29 tell you that our fire station does meet NFPA regulations, and  
30 especially we paid particular attention to the areas of

1 contamination or decontamination so that, when the  
2 firefighters come back from a scene, they have the ability to  
3 decontaminate before going into other parts of the fire  
4 station.

5 MR. MASSIE: I see. Thanks.

6 MR. ROSE: We don't want another --

7 MR. MASSIE: So that's added some additional cost?

8 MR. ROSE: Cut down on the considerations,  
9 decontamination.

10 MR. MASSIE: I see you've taken away the continuous  
11 levy, so I appreciate that. There is no continuous levies  
12 associated with that.

13 MR. ROSE: No, sir.

14 MR. MASSIE: And for the young lady's presentation,  
15 I thought it was very well done. I agree that \$35 per  
16 \$100,000 of market value is the correct calculation. Many  
17 people don't understand that.

18 However, the idea that our taxes are going to keep  
19 going down, what my studies have shown is that, as we grow as  
20 a community, although HB920 does, you know, lower that  
21 effective tax rate, the more people, you're going to add more  
22 services. So there is going to be demands for more police,  
23 more fire, more roads. So, unfortunately, the taxes never go  
24 down. They will continue to go up.

25 And I agree that about 17 percent is going to  
26 Concord and 68 to 70 percent is going to our schools. And I  
27 am trying to make everyone aware there is going to have to be  
28 a paradigm shift on how we are educating our kids because it  
29 is not sustainable with what we're doing. And the township  
30 is -- I know you've got a tough job as we're growing but I am



1 very concerned for the seniors of the community. Thank you  
2 very much.

3 CHAIRMAN MALCHESKY: Thank you.

4 MR. DONDORFER: Thanks, Mr. Massie.

5 CHAIRMAN MALCHESKY: Come on up, sir.

6 I see you in the back, sir. We will get you next.  
7 Okay?

8 MR. DUNN: Paul Dunn, 7074 Brightwood Drive. I just  
9 have one comment regarding Station 2. You indicated that's  
10 going to be paid with the JEDD dollars. If those JEDD dollars  
11 were not to be used for the fire station, where would they be  
12 spent or what would those dollars be used for?

13 CHAIRMAN MALCHESKY: Well, they recently were used  
14 for the road project on Crile and Auburn Road. It was, it was  
15 our intent initially in the drafting of that agreement that we  
16 would use them, you know, as necessary for safety forces, and  
17 it was our intent to use them on Station 1 and 2 initially.  
18 It is now our intent that, because we've come up with this  
19 package to use the bond levy to pay for Station 1, station --  
20 the JEDD dollars will be used for the engineering cost of  
21 those, of that station, paying down Station 1. And when we're  
22 ready to build Station 2, we will use all those JEDD dollars  
23 for Station 2.

24 MR. DUNN: Okay. Thank you.

25 CHAIRMAN MALCHESKY: Thank you.

26 Sir, I don't want to forgot about you back there. I  
27 saw you.

28 MR. SANDERSON: My name is Robert Sanderson. I live  
29 at 7796 Rockdove Lane. I would like to read from a letter  
30 that I sent to all of you.

1           CHAIRMAN MALCHESKY: Sure.

2           MR. SANDERSON: And thank you, Mr. Malchesky, for  
3 responding.

4           Ladies and Gentlemen: Since you have introduced the  
5 idea of two new fire stations in our community, I have not  
6 heard one -- anyone speak alienating against those proposals.  
7 I have heard people speak against the way you intend to  
8 finance them, which is basically putting the debt burden on  
9 the property owners of Concord Township. I would like to ask  
10 you to please reconsider your current thinking and plan the  
11 construction of these two fire stations within the Concord  
12 Township sources of income. Property taxes in Concord  
13 Township have become a burden, especially for seniors, as you  
14 have heard testify to you from current senior residents. We  
15 agree on the need to improve the fire stations. You have the  
16 ability to implement this improvement and not put it on the  
17 backs of residents. Thank you for your time.

18           CHAIRMAN MALCHESKY: Thank you.

19           MR. DONDORFER: Thank you.

20           CHAIRMAN MALCHESKY: Okay. How about in row two in  
21 the rear?

22           MR. MILEY: Hi, I'm Jack Miley and I live at  
23 6975 Auburn Ridge Drive in Concord. I am here to say that I  
24 know there is a need to upgrade our fire departments and I  
25 agree. I don't degree with the footprints and I don't agree  
26 with a few other things that are in the project. By looking  
27 on the Facebook tonight about 5:00, it looked like your minds  
28 were already made up, and I question the leadership in that  
29 because the community has some concerns about the price and  
30 you want us to pass a 9 or a 10 mill levy and the building, we

1 were just told, was going to come in at somewhere around 9.  
2 If I'm doing my math right, we got an extra million there that  
3 you're asking us to pay for over 28 years.

4 I also think I heard -- tell me if I'm wrong -- that  
5 it was your hope to pay this off in seven years.

6 CHAIRMAN MALCHESKY: Well, we can refinance it in  
7 seven years for sure. Whether or not we pay it off in seven  
8 years --

9 MR. MILEY: You are asking the voters of Concord to  
10 support a levy. You don't know the interest rate. You don't  
11 know the bond rate. You don't know the real cost. I just, I  
12 just have some deep concerns that way. Thank you for your  
13 time.

14 CHAIRMAN MALCHESKY: Thank you.

15 All right. Anybody in that row that Mr. Miley was  
16 just in? Anyone in Mr. Dunn's row? Anybody in the front row?  
17 Vanessa, do you want to say anything?

18 MS. PESEC: I will go near the end.

19 CHAIRMAN MALCHESKY: Well, you can go now.

20 MS. PESEC: I'm okay.

21 CHAIRMAN MALCHESKY: Okay. Anybody else?

22 MR. FALCONE: Yeah, I have a --

23 CHAIRMAN MALCHESKY: Come on up here, Mr. Falcone.

24 MR. FALCONE: I am Marc Falcone. I reside at  
25 10185 Page Drive. A couple of questions I have. First is  
26 going back to the June 19th meeting. You voted to have legal  
27 research, a resolution to determine -- to terminate a  
28 continuous levy after the purpose no longer exists. Is there  
29 any resolution to that? Do we --

30 CHAIRMAN MALCHESKY: I don't, I don't have an answer

1 to that.

2 MR. FALCONE: Okay.

3 CHAIRMAN MALCHESKY: But, I guess, in a sense with  
4 respect to the -- That was whether or not we were going to  
5 finance this property with -- or this building with a  
6 continuous levy.

7 MR. FALCONE: Yes.

8 CHAIRMAN MALCHESKY: And because we have foregone  
9 that, that decision and decided to do a bond levy, I still  
10 haven't heard back from legal counsel on that.

11 MR. FALCONE: Okay. I know we have --

12 CHAIRMAN MALCHESKY: It became irrelevant.

13 MR. FALCONE: -- a continuous levy still.

14 CHAIRMAN MALCHESKY: Otherwise, with regard to  
15 regular continuous levies, the Trustees can go ahead and put  
16 an issue up and take that away.

17 MR. FALCONE: Can you get some resolution and have  
18 the residents of Concord informed on that, on that vote?

19 CHAIRMAN MALCHESKY: Right. Without, without doing  
20 any other research than that -- The research we were talking  
21 about was requiring or burdening upon a new board to  
22 automatically withdraw that continuous levy that if it was  
23 going to be used to fund a building and it was no longer  
24 necessary.

25 MR. FALCONE: Sure, sure, I understand the focus was  
26 because the continuous levy was being thought for this  
27 project.

28 Okay. I do want to oppose the high cost of this  
29 fire house, the two fire stations. I think that way exceeds  
30 the semi rural character of Concord, Concord Township.

1           And I would like some reassurances from the  
2 Trustees -- I know they're not going to be around here for 28  
3 years, probably going on to bigger and better things -- that  
4 they're going to use JEDD funds, TIF funds to pay off this  
5 bond as best they can, as best they see fit. That's my  
6 biggest concern, that things are going to keep on escalating.

7           Of course, Station Number 2 is going to be built  
8 after Station 1. Do we have any reassurances from the  
9 Trustees that you're not going to be coming from the voters to  
10 ask for another bond issue or another levy? Would the JEDD  
11 funds and TIF funds take care of this? I want some  
12 reassurances from the Trustees that, diligently, you guys are  
13 paying it through those funds, the JEDD and TIF.

14           CHAIRMAN MALCHESKY: I don't disagree with you on  
15 that. I think, at one point, we will do a resolution on the  
16 total financing package so that that is, that is voted on by,  
17 by this Board. I think that's a good idea.

18           MR. FALCONE: Okay. Very good. Thank you.

19           MR. DONDORFER: Thank you, Mr. Falcone.

20           CHAIRMAN MALCHESKY: All right. Anybody else on the  
21 right-hand side? Anybody else on the left-hand side? Come on  
22 up.

23           MR. PESEC: I am John Pesece, 11705 Cali Court. I  
24 have some comments but, first, I had a question. We have a  
25 \$10 million bond issuance. What are the restrictions on where  
26 we can spend that money?

27           MR. ROSE: That's outlined in the resolution that it  
28 can only be utilized for fire station construction, sir.

29           MR. PESEC: So if it's not spent on Fire Station 1,  
30 it rolls over into Fire Station Number 2?

1 MR. ROSE: It can but that's not the intent. The  
2 intent is to do a bond issuance for what the cost of Fire  
3 Station 1 comes back at on the actual bid.

4 MR. PESEC: So, right now, you are resolving for a  
5 \$10 million bond package but you're going to wait until the  
6 bid comes in and reduce that bond. And then what happens with  
7 construction overages or underages?

8 MR. ROSE: Construction overages and underages are  
9 factored into the bid that is built in. Contractors and the  
10 engineers build in -- and that's negotiated -- either a 10 or  
11 15 percent contingency.

12 MR. PESEC: So now what I heard today though was  
13 that the Trustees are fully expecting that the construction  
14 costs will be less than \$9 million, but \$9 million is 40  
15 percent more than the average fire station that's been going  
16 up in the area and that's not due to inflation over the past  
17 two to three years. If I am right, construction costs aren't  
18 going up nearly that much. I don't know why we need such an  
19 expensive fire station.

20 When I look at the .8 mills required to finance  
21 this, that is, .8 is about 8 percent of Concord's budget. In  
22 other words, we are going to have our Concord taxes increased  
23 by 8 percent in order to fund this and that goes on for 28  
24 years. Now, we may hear things that some future trustee will  
25 feel very obliged to pay down debts. I've never known a  
26 politician really to do that because they have money that they  
27 want to spend in the short-term.

28 MR. ROSE: Well --

29 MR. PESEC: I know Concord has had a different  
30 history than that.

1 MS. LUHTA: Right.

2 MR. PESEC: But we have to look to the future. We  
3 are going to have new trustees. At least one, maybe two  
4 members of this Board will never -- won't be here again.

5 But, furthermore, refinancing in seven years, the --  
6 We don't know what interest rates will be like in seven years.  
7 We don't know that we can refinance this at a lower rate. We  
8 very well could have much higher interest rates in seven  
9 years.

10 I'd also like to take issue -- The intern mentioned  
11 that more people bring in more revenue, so our taxes are  
12 likely to go down. That directly conflicts with what former  
13 trustee Chris Galloway said when he commented in a meeting  
14 here that the budgets of townships are really like a Ponzi  
15 scheme. That is, the new home construction and the new people  
16 coming in pay for the cost to maintain the roads of the older  
17 developments. And we know we're going to be caught up when  
18 this Ponzi scheme comes due during the lifetime of this loan,  
19 so we need to consider that. We need to consider how  
20 expensive this station is. Even though it may seem like we're  
21 rolling in money right now, we're not going to be rolling in  
22 money in five to ten years.

23 If we had saved the money that was spent on Capital  
24 Parkway and some other expenditures that have gone on in the  
25 last couple years, we could have saved money so we could pay  
26 for this fire station out of our current revenues rather than  
27 coming and asking for a long-term debt. And I think fiscal  
28 responsibility is really important. You said, in the future,  
29 we're going to have another fire station. We're right now  
30 talking about an admin building. All of these expenditures

1 pile up and, again, our township finances are due to get worse  
2 rather than better. Thank you.

3 CHAIRMAN MALCHESKY: Thank you.

4 Okay. Anybody, anybody in Mr. Pesec's row? Anybody  
5 in the next? Come on up, sir.

6 I apologize. I don't know everybody's name, so I  
7 feel bad saying, "Come on up."

8 MR. CASTRO: No, that's fine. I'm kind of new at  
9 this anyway. Paul Castro, 11323 South Forest Drive. Last  
10 meeting that we had, it was discussed, in somewhat of detail,  
11 some of the specifics that went to building up the cost. And  
12 one that was kind of alarming to me as I was sitting here was  
13 the number that was attributed towards the architectural fee  
14 and the maintenance engineering fee by the architects over the  
15 period of construction. I don't remember the exact dollars  
16 but it was over a million dollars.

17 MR. ROSE: That's true.

18 MR. CASTRO: And it was a significant percentage of  
19 the total cost of the project. And I went under -- Excuse me.  
20 I went under the assumption that there was going to be some  
21 discussion and, possibly, some negotiation with the firm to  
22 see if that number could be brought down. Am I off base?  
23 What has happened on that issue, and where are we today?  
24 Thank you.

25 CHAIRMAN MALCHESKY: Mr. Rose, do you want to  
26 address that?

27 MR. ROSE: Sure. We have disputed the Phase 2  
28 proposal from the architect and engineering firm. The  
29 engineering firm is AECOM. That's no secret. They are a  
30 subcontractor. They do all the engineering for mechanical and



1 structural for the architect. We have disputed those charges.  
2 As a matter of fact, we had a phone conference with the  
3 architect last week. We, actually, there was a resident that  
4 was in there when we were discussing this. We don't have a  
5 final number yet because we have disputed it. We think it's  
6 too much. I have an email that they have yet to answer and  
7 we're waiting for that answer from the architectural firm on  
8 why some of these things are listed in there and why these  
9 costs are so high.

10 So we are continuing to try to drive down the  
11 administrative costs of the construction. They typically fall  
12 in the 10 to 12 percent range and these are in about the 15 to  
13 17, 18 percent range and we feel that those are high. So we  
14 are negotiating and trying to drive those costs down. They  
15 have not answered us yet.

16 MR. CASTRO: Well, then, sir -- Should I go back?

17 CHAIRMAN MALCHESKY: Come on up, yeah.

18 MR. ROSE: Please.

19 CHAIRMAN MALCHESKY: As of right now -- We're  
20 revamping our system here but, as of right now, nobody can  
21 hear you unless you're at that microphone for the TV, so I  
22 think it's important.

23 MR. CASTRO: Got it. Thank you.

24 So, Mr. Rose, then are we jumping the gun by going  
25 after a dollar amount today that could be significantly  
26 lowered by hundreds of thousands of dollars?

27 MR. ROSE: No, sir, because what will -- And this is  
28 Andy Rose, the Administrator's, opinion. I am not speaking  
29 for the Board on this. This, we've -- I've advised this in  
30 the past. Fire station comes in at 7 and a half million once

1 the general contractor bids it, 10 to 12 percent for  
2 engineering, inspection, construction drawings, et cetera.  
3 That bond that we go out for for the actual issuance would be  
4 8. something million. At that point, the millage to the  
5 voters or to the citizens gets reduced by whatever that is.

6 MR. CASTRO: Okay. Then, Mr. Rose, when would you  
7 be able to report or when would the Board be able to report  
8 the success or failure of being able to renegotiate those  
9 fees?

10 MR. ROSE: We won't -- Two things: We won't sign a  
11 final contract with the engineers until we're satisfied with  
12 the price, and that probably won't happen until we know  
13 whether or not the levy passes.

14 AUDIENCE MEMBER: What? What?

15 MR. CASTRO: It just seems odd that -- It seems like  
16 the cart is before the horse but, like I said, I am new to  
17 this. Just as --

18 MR. ROSE: We can't turn on detailed construction  
19 drawings. That's about 4 or 5 hundred thousand dollars. I  
20 can't commit to that and sign a contract for that until I know  
21 that the voters have approved, if they approve, the fire  
22 station project.

23 MR. CASTRO: Well, the more --

24 MR. ROSE: This is no different than a school  
25 construction project, any other municipal, any construction  
26 project. That's, that's typically how this works.

27 MR. CASTRO: Well, in terms of presenting to the  
28 voting citizens of the community, that ambiguity is not  
29 necessarily going to be good press and convincing to get this  
30 thing over the top. I do believe that there needs to be some

1 assistance for the firefighters.

2 And I would also recommend that you go beyond just  
3 discussing decontamination in terms of letting the citizens  
4 know what you're bringing in terms of improvements.  
5 Decontamination is something most of us know about. All you  
6 have to do is just turn on the TV and find out what's  
7 happening to the firefighters that were the first responders  
8 over at 9/11. It's extremely important. But I am sure there  
9 are other things going into that fire department that need to  
10 be enumerated and the information needs to be transferred to  
11 people that are going to vote yes or no. But I am concerned  
12 about the ambiguity on the cost. Thank you for listening.

13 MR. ROSE: Yes, sir.

14 CHAIRMAN MALCHESKY: Anybody in Mr. Castro's row  
15 additionally? How about the row behind him?

16 MS. BREWSTER: Good evening. Denise Brewster,  
17 7207 Alexander Road. Just following up on some of the  
18 discussion that took place. First of all, I wanted to say  
19 nice job, Hannah. That was a lot of work. I can appreciate  
20 that.

21 And I did talk to Amy earlier about the \$1.8 million  
22 that we do get from inside millage because I wanted to know  
23 if, with the increase in property taxes, that affects inside  
24 millage. Does that mean an increase for Concord? Right now,  
25 it doesn't appear so. It has been pretty consistent at about  
26 \$1.8 million, which goes into Roads and General Fund. And so  
27 I was just wondering that because I know with schools inside  
28 millage is probably bigger and probably will affect their  
29 funding, have more of an impact.

30 And following up on the tax comment, taxes go down

1 primarily when we get commercial and some industrial offset.  
2 And that's why it's so important that we just don't constantly  
3 build out Concord with residential because residential does  
4 not pay for itself. It ends up costing us money. And that's  
5 why it's important to continue to attract businesses, and I  
6 think a lot of people feel that way. And we have areas  
7 designated for that.

8           We know that we need new fire stations. Please  
9 don't ever think that we don't appreciate our firefighters and  
10 what they do on a daily basis. I heard them at least three  
11 times today. I know they're busy and they need their  
12 stations, and what they're living in is not good.

13           However, I also feel that, you know, when you have  
14 to work with the community and you have to find a way that the  
15 residents are willing to spend a certain dollar amount --  
16 obviously, it's additional tax -- you have to find a happy  
17 medium.

18           I am going to go back to what I said at a prior  
19 meeting about the JEDD funds. The creation of the JEDD, which  
20 is money that we created, it was a funding mechanism to  
21 address infrastructure and safety issues without increasing  
22 property taxes across the township. The intent was not to  
23 have Concord residents spend \$10 million for one fire station  
24 and \$5 million in interest over 28 years, for a total of \$15  
25 million. That's a lot of money. I know. I did the math. I  
26 would be 95. You can do the math, figure out how old I am.  
27 But, anyway, the point being that, I mean, it's a lot. It's a  
28 long time.

29           I mean, when we complained about a continuous levy,  
30 we didn't like it because we knew that there would be an end

1 to paying for the fire station, and so we didn't want to be  
2 saddled with a tax, but now 28 years is like being saddled  
3 with a tax forever.

4 I wanted to ask, since we didn't get an answer,  
5 there was no answer or was it ever researched about the  
6 continuous levy being stopped, and then also what Mr. Hach  
7 brought up about the 10-year loan that was brought up? So I  
8 don't know if you want to address that now or later.

9 CHAIRMAN MALCHESKY: I don't have an answer on  
10 stopping a continuous levy to pay for a fire station by  
11 strapping another board at a later time to be able to do that.  
12 I don't have an answer on that.

13 With regards to the 10-year, Mr. Hach, there's a  
14 couple issues. There is a disagreement between, I believe,  
15 Mr. Lucas and I about how you regulate what millage does that  
16 require? Is it inside millage or is it just all our outside  
17 millage that would allow us to qualify for -- to use that?

18 The problem we have on the 10-year levy is the  
19 millage would be too high, something more like a 2.5 mills,  
20 which I do believe is just not something that I would be  
21 willing to go ahead and ask a voter to vote on at a time like  
22 this. I just think, you know, 2.5 millage is way too high.

23 So that's my personal opinion on that. Like I said,  
24 the law, Mr. Lucas and I may disagree on.

25 MS. BREWSTER: Okay. Well, I just thought it was an  
26 important point to be researched because 28 years is a long  
27 time and I don't know what other options. But I do feel that  
28 for one station, if the final price tag to the taxpayers is  
29 \$15 million, it may be a little less because we might  
30 refinance or pay off it early but it is excessive. And, you

1 know, in the tri-county area, there is only one station that  
2 cost that and that's Beachwood and we're not Beachwood.

3 So but, you know, I just want to respectfully  
4 disagree. I respect all of you. I've had good conversations  
5 with all of you. You have been extremely open to ideas that I  
6 have shared with you, especially on the design, but I have a  
7 serious concern when I look at the taxes. And that is, you  
8 know, something that I don't know whether it would be, as far  
9 as looking at the JEDD, whether if the intent was not to have  
10 citizens or residents spend that much money, whether it should  
11 have been a two-thirds, one-third split.

12 Why is it, I think, really, we're going back to the  
13 very beginning when we looked at the funding that was  
14 proposed -- there was the possibility of a 1.0 mill levy.  
15 We're at .83 -- but, you know, what it was going to raise.  
16 But with the fact that you're going to use JEDD dollars for a  
17 certain period of time, even if you say 10 years, there's  
18 still going to be another 18 years that we're paying that  
19 you're going to have JEDD dollars, and that's a lot of money  
20 that could have paid this.

21 CHAIRMAN MALCHESKY: No, no, but if it's paid off  
22 early. And so like anything, I don't know how people run  
23 their finances but there is a lot of people that go ahead and  
24 get a 30-year mortgage and make extra payments and pay it off  
25 in 15 years. There's other people that, you know, force  
26 themselves to do that by 15 years. All I can tell you is the  
27 track record of Concord Township has historically paid off --  
28 if we've ever borrowed and we rarely do -- paid things off  
29 very early. And one of the first times we did is when we  
30 bought some trucks. It was the first time we were going to

1 buy these plow trucks and we were going to take a loan out on  
2 it because we were able to get it at a zero percent interest  
3 rate and we were able to kind of, you know, use the fleet, and  
4 we paid those off extremely, extremely early.

5 So we're very conscientious about not spending  
6 dollars but we are also conscientious of probably trying to  
7 give us a little bit of breathing room as we see things come  
8 in. And I think, as time comes on, it will, you know, it will  
9 be paid off early. I think the number is going to be lower.  
10 I will have somebody talk about that and how it works. I do  
11 think that, you know, the question becomes, is it the chicken  
12 or the egg that comes first?

13 When I say that, I mean, you know, we're asking --  
14 We may ask the voters to approve a bond levy not to exceed \$10  
15 million, not to have an interest rate higher than 4.3, not to  
16 have a millage rate greater than .83. And then it's incumbent  
17 upon the Administration and the Trustees and staff to reduce  
18 that. Nothing goes on, nothing is -- Nothing goes to the  
19 Auditor and Treasurer and the collection of those dollars and  
20 funds until that number is set at a number. And by law, I  
21 think it has to be set at what the cost of that construction  
22 is on Station 1 and what that interest rate is on that dime.  
23 And then you have, then you have a number and then that is  
24 what gets turned on to the voters.

25 And so it is, it is tough but you have to have some  
26 guarantees that there is the ability to go ahead and pay for  
27 that. That's the only way the bank will fund, fund those  
28 things. And I will have, I will have bond counsel go ahead  
29 and speak on that.

30 MS. BREWSTER: Well, I mean, as I said, it's a lot

1 of money and there is a lot of variables in this that are not  
2 making some people feel secure in moving ahead, but I really  
3 feel that I would like an answer to that 10-year funding  
4 option, whatever that was that --

5 CHAIRMAN MALCHESKY: Yeah. Again, my belief is it's  
6 not a possibility, it's not a possibility.

7 MS. BREWSTER: Because of high millage.

8 CHAIRMAN MALCHESKY: Because of the millage, the  
9 range.

10 MS. BREWSTER: Right.

11 CHAIRMAN MALCHESKY: But additionally -- And there's  
12 going to be a question of what millage counts. But from my  
13 standpoint, the millage that it would cost to go ahead and  
14 bond that and pay for that was way too high.

15 MS. BREWSTER: Yeah.

16 CHAIRMAN MALCHESKY: So I was not prepared. I  
17 wanted something under, under 1 mill I thought that would be  
18 a reasonable, a reasonable request, and we'll continue to get  
19 that lowered. So thank you.

20 MS. BREWSTER: Okay. Thank you.

21 CHAIRMAN MALCHESKY: And thank you for your work. I  
22 do appreciate the comments that you've made.

23 All right. Is there anybody else?

24 Okay. I am going to move on to our New Business.  
25 Resolution 2019-17, Alice Fish, Concord Community Day Citizen  
26 of the Year. Didn't we used to do this secretly?

27 MS. LUHTA: No.

28 CHAIRMAN MALCHESKY: We always read this first?

29 MS. LUHTA: Yes.

30 CHAIRMAN MALCHESKY: I thought it was a surprise at



1 one time.

2 MS. LUHTA: Let me read Resolution 2019-17:

3 "Concord Community Day 2019 Citizen of the Year,  
4 Alice Fish.

5 "Whereas, Mary Alice Fish, friend, neighbor, and  
6 good citizen of Concord Township for 15 years has, through her  
7 dedication to home, family, community and profession,  
8 consistently set the finest example for the values of good  
9 citizenship; and,

10 "Whereas, Alice, originally from Cleveland, is  
11 married to husband Warren and has a sister, Peg, residing in  
12 Sarasota, Florida. Alice has two daughters, Dina and Julie,  
13 and four beautiful granddaughters, Mary Faith, Veronica Kay,  
14 Jane Lee, and Carys Mae; and

15 "Whereas, Alice worked for JC Penney and was a  
16 Media Center Specialist and Main Office Secretary at Shore Jr.  
17 High School in Mentor, Ohio. Alice moved to Kentucky in 1987  
18 due to Warren's job transfer and served as Administrative  
19 Assistant to the Chief Information Officer of the University  
20 of Kentucky Medical Center. Alice moved to Concord Township  
21 in 2004 to establish a permanent homestead; and

22 "Whereas, Alice is a dedicated and active member of  
23 the Concord Garden Club for over 14 years, serving as First  
24 Vice President in 2014 and 2015, President in 2016 and 2017,  
25 Advisor in 2018, and now serves at the Long-Range Planning and  
26 Giving Chair in 2019; and

27 "Whereas, Alice volunteers as a member of the  
28 Concord Township Bicentennial Planning Committee and at  
29 St. James Church in Painesville. Alice is a valued and active  
30 contributor to the betterment of Concord Township through her

1 countless volunteer hours and committed service to our  
2 community.

3 "Now therefore be it resolved, that we, the Concord  
4 Township Board of Trustees, Lake County, State of Ohio, on  
5 behalf of the residents of Concord Township, do hereby, with  
6 great privilege, recognize and pay honor and tribute to Alice  
7 Fish as the Concord Township Citizen of the Year for 2019."

8 I move that we adopt this resolution.

9 MR. DONDORFER: I will second.

10 CHAIRMAN MALCHESKY: All in favor?

11 (Three aye votes, no nay votes.)

12 MS. LUHTA: Okay. And we'll all sign it. There is  
13 two copies.

14 CHAIRMAN MALCHESKY: Do you have a copy of  
15 Resolution 2019-8?

16 MS. DAWSON: 18 or 19?

17 CHAIRMAN MALCHESKY: 18.

18 MS. LUHTA: Okay. Here we go. You sign these, two  
19 copies.

20 CHAIRMAN MALCHESKY: Okay. As you guys are signing  
21 that, there is a Resolution 2019-18, the resolution  
22 authorizing the Board for Trustees of Concord Township to  
23 enter into an agreement with Burgess & Niple for architectural  
24 services. This contract does not allow them to cease -- or  
25 does not allow them to go over activity that would cost  
26 anything greater than \$18,800. This is -- It's my intent that  
27 these services are used and I've certainly spoken to our  
28 Administrator.

29 We certainly have, the first problem we have is  
30 there's some significant water problems here. Our elevator

1 chute has water in it constantly that's being bailed out.  
2 There is some significant drainage issues around the  
3 perimeter. It was my intent initially to engage Burgess &  
4 Niple to take a look at those types of issues.

5 You know, we have a rain garden in the rear of this  
6 and, as we went in there, we're going to look at some other  
7 structural things with regards to stormwater, the ability to  
8 keep water away from the property, and then what else, what  
9 potential do we have on any additions to this building. There  
10 are no additions planned for this building but it would be  
11 nice to have some information about what, at least, we would  
12 need to do to get the water away from here and then the  
13 additional review for the structure of the building.

14 So with that, I would ask that we entertain a  
15 motion.

16 MS. LUHTA: I move that we adopt Resolution 2019-18.

17 MR. DONDORFER: I will second.

18 CHAIRMAN MALCHESKY: All in favor say "aye."

19 (Three aye votes, no nay votes.)

20 CHAIRMAN MALCHESKY: Now we come to Resolution  
21 2019-19. Can I see that document? I have -- We have been  
22 talking with -- and I mentioned earlier -- we started talking  
23 to bond counsel sometime after the Thanksgiving holiday but  
24 before Christmas.

25 We have in the audience here is Mr. Callender.  
26 Mr. Callender is a Concord resident but is a lawyer, does a  
27 lot of bond work, and we had asked that if he could come up  
28 here, introduce himself. And my understanding is that you had  
29 a hand in this drafting of this document, so if you would  
30 please educate us.

1 MR. CALLENDER: Sure. Thank you, Board of Trustees  
2 and officers. As Mr. Malchesky stated, I started talking with  
3 the township shortly after Thanksgiving, talking about various  
4 options that the township could pursue. I got a call from  
5 Mr. Rose probably, whatever, a few weeks ago that this was the  
6 direction you wanted to, at least, investigate further.

7 So at your previous meeting on July 3rd, you adopted  
8 the first resolution that was necessary to put it on the  
9 ballot. That resolution, really, the main purpose of it is  
10 for you to have asked the County Auditor to certify back to  
11 you various information that's required by the statute, by the  
12 Ohio Revised Code, and that's where the .83 mills comes from.

13 And so there is really three variables that you all  
14 have talked about quite a bit, and the audience today as well,  
15 that create that millage rate. The variables are the  
16 principal amount of the bonds, the number of years in which  
17 you intend to go out, and an estimated interest rate. So the  
18 tricky one there, obviously, is the estimated interest rate.  
19 That is estimated. You did have a professional financial  
20 advisor provide you with that number and that's what was used  
21 in the resolution.

22 I've been in public finance for about 20 years,  
23 practice all over the country in this, not just the state. I  
24 would not go forward unless you had a financial advisor tell  
25 you what that interest rate would be. And they came up with  
26 that, I believe it was 4.15. So you certified that  
27 information to the County Auditor. The County Auditor came  
28 back and said that that would equate to approximately .83  
29 mills. Again, that's an estimate.

30 So the next step in the process then after you have

1 received that is, obviously, the resolution that you have in  
2 front of you. That resolution takes the information that you  
3 received from the County Auditor, puts it into a form, along  
4 with a suggested ballot, the actual question that would go in  
5 the ballot. And what you have in front of you has that  
6 information that you would then use to, if you saw fit, if you  
7 pass this resolution tonight, that would go to the Board of  
8 Elections, along with the previous resolution which you  
9 adopted and the County Auditor's certificate, and that's what  
10 you would file with the Board of Elections prior to August 7th  
11 in order to get it on the November 5th ballot.

12 So that's kind of the boring part of the procedure  
13 of how you get to this point. It's boring but very important  
14 that, obviously, you follow the Revised Code step by step,  
15 which you have thus far.

16 Once it goes to the voters, if the voters approve it  
17 and if you approve it tonight, then once that election is  
18 certified, then you're, at that point, you have authorization  
19 to issue up to \$10 million worth of bonds for a maximum period  
20 of 28 years. It can be something less than \$10 million and it  
21 can be for a short period. It does not have to be at 28  
22 years. And, obviously, we won't know the interest rate, which  
23 this is -- just about every bond deal that I have worked on in  
24 20 years, you won't know in until you actually go to the  
25 market.

26 This particular issue is of a size that, again, as I  
27 stated previously, you've engaged financial advisors. They  
28 have suggested to you, which I completely agree, that going  
29 out to the public market is going to provide the most  
30 efficient sale of the bond for the township. What that means

1 is we'll actually have a prospectus of the township, an  
2 official statement that we'll prepare. It's a lengthy  
3 document, 50, 60 pages, has all sorts of statistics and  
4 demographics. That will go out to potential investors and you  
5 will have likely hired a capital markets firm to underwrite  
6 those bonds. And it won't be until that date that you  
7 actually sell them will you know the precise interest rate.  
8 At that point, there is normally a two-week period after that  
9 in which we actually close the bonds, the proceeds come in.

10           Some of the questions that I have heard here today  
11 is what the proceeds can be used for. We're very specific in  
12 the resolution I have provided you and I will be very specific  
13 in all of the closing documentation, should the township  
14 actually go forward with issuing the bonds, that those can  
15 only be used for capital needs and only for specifically, I  
16 think, the description was a fire station, constructing,  
17 furnishing, and equipping a fire station building and  
18 improving the site thereof. So we are very much restricted to  
19 that language for what you can use the proceeds for.

20           Most bonds, Mr. Malchesky, you mentioned numerous  
21 times about seven years. There is an normal lockout period  
22 that you cannot prepay, especially if you go out to the public  
23 market. That's part of getting the efficiency and getting the  
24 better interest rate. Seven years is -- Ten years is actually  
25 the most common. Seven years is becoming a little bit more  
26 common for reasons that I'm happy to explain but probably you  
27 don't want to necessarily get into right now, but tax law  
28 changes created a situation in which those, that lockout  
29 period, is decreasing over time. So seven years is probably a  
30 pretty good time period to say that that's your lockout period

1 and that's your ability to prepay.

2           The one thing, just to clarify, if you do prepay,  
3 under Ohio law, you can do that as long as you're not using  
4 these funds necessarily to do that. In other words, you can't  
5 raise the millage way high in order to prepay. You are kind  
6 of stuck within your construct in order to do that. So if you  
7 had those extra JEDD funds coming in, you can use those to,  
8 certainly, to prepay.

9           With that, I know that was a lot of information  
10 thrown at you at once but happy to answer any questions.

11           CHAIRMAN MALCHESKY: The first question is that you  
12 heard there was some discussion that we think, we all think  
13 that the 10 mill, \$10 million amount is high. Why do we have  
14 a \$10 million amount when we know that we're going to get --  
15 we believe we're going to get a lot lower than that  
16 construction cost?

17           MR. CALLENDER: Sure. So it's not uncommon to put a  
18 not-to-exceed amount on the ballot, which is exactly what you  
19 are doing. You are saying to the voters, you're making a deal  
20 with them you absolutely are not going to go beyond  
21 \$10 million. There is absolutely nothing that prevents you,  
22 and it is not uncommon, to actually go out at something less  
23 than \$10 million. And so that's within your -- And you will  
24 decide that once, if the voters -- if you approve tonight, the  
25 voters approve, when you actually -- What will be in front of  
26 the Board of Trustees at that point is a bond resolution,  
27 which I guarantee you will be a lot longer than this one. It  
28 will be about 20, 25 pages, will have all sorts of information  
29 in it. That's where you're going to set a number of what  
30 you're actually going out for, which will not exceed, cannot

1 exceed \$10 million. That's not uncommon.

2 CHAIRMAN MALCHESKY: So if we get, we get a bid and  
3 it's \$8 million, we have an interest rate that's lower than  
4 the 4.15 that we could lock in at, so now we have an  
5 \$8 million, we've got 3 percent interest rate, we haven't  
6 taken any money from the taxpayer yet on that matter, what do  
7 we do? What do we do with those two things to lower that  
8 millage rate to the taxpayer?

9 MR. CALLENDER: Sure. So, you know, first of all,  
10 obviously, if we go back to very beginning of my discussion,  
11 the millage rate is a product of three different variables,  
12 the principal amount, the number of years, and the interest  
13 rate. So you're describing two of those are going down. You  
14 could also reduce the number of years. You can't do it by a  
15 tremendous amount but you could reduce the number of years on  
16 the initial issuance.

17 CHAIRMAN MALCHESKY: Sure.

18 MR. CALLENDER: All three of those things are going  
19 to drive the mileage rate down because all three of those  
20 things are going to drive your annual debt service cost down,  
21 and that's where the millage rate is coming. There is a  
22 calculation that's being made as to principal amount, number  
23 of years, interest rate. What does that equal per year if you  
24 had level debt service throughout the entire 28 years or  
25 whatever the years are, number of years are. So as those  
26 variables come down, so does your millage.

27 CHAIRMAN MALCHESKY: So but as those come down, I  
28 mean, obviously, you inform the general public that, you know,  
29 what you originally approved was .83 mill. We're being able  
30 to work those numbers down. And so now it's, let's just say,



1 January 30th and we still haven't signed a contract yet but we  
2 know those numbers are going to go down, we announce it to the  
3 general public, we sign contracts, we send paperwork, my  
4 assumption is, to the Auditor's Office to give us a lower  
5 millage rate?

6 MR. CALLENDER: That's -- What you are going to do  
7 every year is to provide to the County Auditor what your debt  
8 service is going to be every year. That's where they then  
9 calculate the necessary millage in order to create that debt  
10 service payment. And so that's exactly what happens, Paul, is  
11 that the debt service that you're using or you're estimating  
12 is what is going to create or trigger in the County Auditor's  
13 Office that millage rate. So if it's lower than whatever  
14 they've estimated it at the .83, then that millage rate will  
15 lower. Does that answer your question?

16 CHAIRMAN MALCHESKY: It does. It does.

17 MS. DAWSON: And that's actually something we do  
18 every year anyway, so we provide the County Auditor with debt  
19 service every year. Even though we haven't taken out bonds,  
20 we have taken out truck loans --

21 MR. CALLENDER: Right.

22 MS. DAWSON: -- and we've got the SIB loan with the  
23 state, so I am required by law to do that.

24 MR. CALLENDER: That's right.

25 CHAIRMAN MALCHESKY: Mr. Rose, do you have any  
26 questions?

27 MR. ROSE: No, sir. Thank you.

28 CHAIRMAN MALCHESKY: Mr. Dondorfer?

29 MR. DONDORFER: I have one question, Mr. Callender.  
30 Since I am the new guy on the block here, I want to make sure

1 I understand. I and some of the general public here had some  
2 questions. When you talk about the not-to-exceed \$10 mills,  
3 \$10 million.

4 MR. CALLENDER: Ten million.

5 MR. DONDORFER: That is written like that because,  
6 when the cost estimates come in and the bids come in and we,  
7 as Trustees, look to cut those costs, we're looking at --  
8 we're not going over that but we're driving, we're working to  
9 drive it down, the cost. And that's the standard process  
10 across the board when local government entities, such as  
11 townships, apply for a bond, correct?

12 MR. CALLENDER: Yes, yeah. So, I mean, there is a  
13 wide variety of circumstances when a local sub, political  
14 subdivision goes to the ballot and asks for a bond. There're  
15 in all sorts of different stages of development at that point.  
16 For a township or a municipality, this is pretty common.

17 MR. DONDORFER: Okay.

18 MR. CALLENDER: School districts, because oftentimes  
19 it's a part of the state CFAP program and they're, kind of,  
20 they're set where they are and it's -- they're told how much  
21 everything is going to be, they tend to have a little bit more  
22 of a firm number when they go to the ballot. But for  
23 townships and municipalities, absolutely.

24 MR. DONDORFER: And then after, you said, seven  
25 years, the township has the ability to --

26 MR. CALLENDER: So that will -- That's a great  
27 question. That will all be determined by when you actually  
28 sell the bonds. So the things you are going to negotiate and  
29 the reason you have the financial advisor -- And you will have  
30 him much more on board at that point.

1 MR. DONDORFER: Right.

2 MR. CALLENDER: -- is, okay, what is the going  
3 market right now? Is it seven years? Are bond holders okay  
4 with seven years? Is that going to cost you any kind of  
5 interest rate in order to get the seven years? Probably,  
6 right now, probably not but the financial advisor needs to  
7 tell you that. Maybe you want to lower that. Maybe you want  
8 to say six or five years. How much will it -- or how many  
9 basis points would that cost? Or up it to eight or nine, will  
10 we actually get a little bit of a haircut on the interest rate  
11 by doing that?

12 MR. DONDORFER: Right.

13 MR. CALLENDER: So that's a negotiation that will go  
14 on when you actually sell the bonds but seven is a pretty firm  
15 number right now to, kind of, guess as to where that will be.

16 MR. DONDORFER: Because I think, as I heard and you  
17 heard, a concern is how much interest is the township going to  
18 pay?

19 MR. CALLENDER: Sure.

20 MR. DONDORFER: And I think past practice has been  
21 that I have seen, just as the newly-appointed Trustee, is that  
22 the Fiscal Officer and the township Trustees, Board of  
23 Trustees and the Administrator have worked diligently on past  
24 projects and past practice has shown that they've paid down  
25 loans significantly earlier than --

26 MR. CALLENDER: Sure.

27 MR. DONDORFER: -- the life of the loan.

28 MR. CALLENDER: Again, as long as the township is  
29 using sources other than from this levy in order to pay it  
30 down early --

1 MR. ROSE: Correct.

2 MR. DONDORFER: Right.

3 MR. CALLENDER: -- that's perfectly okay.

4 MR. DONDORFER: Okay. Thank you.

5 CHAIRMAN MALCHESKY: I am just thinking of anything  
6 else. Connie, do you have anything?

7 MS. LUHTA: No.

8 CHAIRMAN MALCHESKY: Mr. Lucas, anything?

9 MR. LUCAS: There is a reason why he is here and I  
10 certainly have no questions.

11 MR. CALLENDER: Thanks, Mr. Lucas.

12 CHAIRMAN MALCHESKY: The not-to-exceed number of  
13 \$10 mill is set now. I guess, if you would just kind of, you  
14 know, illustrate though, there is a requirement that it can't,  
15 if the township wanted to take out \$10 million yet the fire  
16 station only cost \$8 million, we would only be allowed to take  
17 out \$8 million because the legislation says you can only do  
18 that.

19 MR. CALLENDER: That's exactly right. It's not just  
20 the legislation but it's what the -- I also provided you a  
21 proposed ballot language.

22 CHAIRMAN MALCHESKY: Sure.

23 MR. CALLENDER: And that's what the ballot language  
24 says as well. That's your agreement. It's going to be your  
25 handshake with the voters of the township that that's what you  
26 will use the proceeds for and you can't use them -- it would  
27 be a violation of state law for you to use it in anything  
28 beyond that constructing, furnishing, and equipping a fire  
29 station building and improving the site thereof.

30 And, quite frankly, the other -- That's the state

1 law aspect. On the federal law aspect, you're going to sell  
2 these as tax exempt bonds, most likely. And what that means  
3 is the interest that's earned on the bonds by the bond holders  
4 is tax free for most bond holders, for most investors. As you  
5 might imagine, you know, the IRS doesn't give that away for  
6 free. So there is all sorts of rules and regulations you have  
7 to follow in order to take advantage of that tax-free interest  
8 for the bond holders, one of which is you use the proceeds for  
9 capital gains and for the specific project that you said you  
10 were going to use it for. So you've actually got both state  
11 law and federal law that are going to constrict you to those  
12 uses.

13 And, by the way, the reason you would do tax exempt  
14 is, obviously, you should get a slightly lower interest rate  
15 than otherwise, than you would otherwise get.

16 CHAIRMAN MALCHESKY: Okay. Anything additional?

17 MR. DONDORFER: Thank you, Mr. Callender.

18 MR. CALLENDER: Thank you.

19 CHAIRMAN MALCHESKY: Thank you.

20 All right. So we do have Resolution 2019, 2019-19.  
21 It's a resolution determining to proceed with submitting the  
22 question of the issuance of a bond in the aggregate principal  
23 amount of \$10 million to the electors of the township pursuant  
24 to Section 133.18 of the Ohio Revised Code. And the actual  
25 bond language -- I am sorry -- the actual --

26 MS. DAWSON: Ballot language.

27 CHAIRMAN MALCHESKY: -- ballot language, which would  
28 be a proposed bond issue, shall bonds be issued to Concord  
29 Township for the purpose of constructing, furnishing, and  
30 equipping a fire station building and improving the site

1    thereof in the principal amount of \$10 million to be repaid  
2    annually over the maximum period of 28 years, at an annual  
3    levy of property taxes be made outside the \$10 mill  
4    limitations estimated by the County Auditor, to average over a  
5    repayment period of bond issue 0.83 mills for each \$1.00 of  
6    tax valuation, which amounts to 8.3 cents for each \$100 of tax  
7    valuation, commencing in 2019, first due in the calendar year  
8    2020, to pay the annual debt charged on the bonds and pay debt  
9    charges on any notes issued in anticipation of those bonds.

10           That brings up one last question, Mr. Callender.  
11    What happens if there is a delay and we don't reach it till  
12    2020?

13           MR. CALLENDER:   Yeah, so I am glad you brought that  
14    up.  By state statute, we have to have that on the ballot,  
15    your estimate of when you are going to start collecting.  It  
16    is absolutely the township's right to say, "We're not ready  
17    yet.  We're not ready to issue the bonds yet," so we are not  
18    going to start collecting the taxes until 2020 or it is not  
19    going to go on the roll until 2020, collection 2021.

20           CHAIRMAN MALCHESKY:  It goes back six months.  So if  
21    it went on the ballot, let's say we are able to send it to the  
22    Auditor's Office for collection in June of 2020, the taxpayer  
23    would not feel that until the following year?

24           MR. CALLENDER:  That's exactly right.

25           CHAIRMAN MALCHESKY:  Six months behind.

26           MR. CALLENDER:  You assess and -- Well, we can't  
27    really do it on a six-month basis.  We have to do it on an  
28    annual basis.  So what you would be saying there is, if you  
29    weren't ready, you didn't need the money until 2021, in other  
30    words, your first debt service is not until -- and we can

1 arrange it this way -- first debt service is not until the  
2 middle or latter part of 2021, you put it on the rolls in 2020  
3 but you don't collect it until 2021 if that's the case, even  
4 though that's what the ballot language says, but that's a  
5 state statute thing that we've got to comply with.

6 CHAIRMAN MALCHESKY: I understand. I only ask that  
7 question only because we know that the library bond issue that  
8 is there will fall off the rolls in 2020.

9 MR. CALLENDER: Gotcha.

10 CHAIRMAN MALCHESKY: You know, which is a .70. That  
11 was a bond issue that was refinanced, paid off early as well.

12 MR. CALLENDER: Right.

13 CHAIRMAN MALCHESKY: And so that will come off and  
14 it's my intent to get this as close to that as possible so  
15 that we don't bear a tax increase.

16 MR. CALLENDER: Yeah. So the key there would be  
17 just, if you are working with the financial advisors and the  
18 capital markets bank, to structure the debt so that it doesn't  
19 start until -- the first debt service doesn't start until 2021  
20 or until the first time you expect actual collections coming  
21 in.

22 CHAIRMAN MALCHESKY: Sure, I understand.

23 Mr. Rose, anything additional?

24 MR. ROSE: No, sir. Thank you.

25 CHAIRMAN MALCHESKY: Mr. Lucas?

26 MR. LUCAS: No, thank you.

27 CHAIRMAN MALCHESKY: Connie?

28 MS. LUHTA: No.

29 CHAIRMAN MALCHESKY: Mr. Dondorfer?

30 MR. DONDORFER: No.

1 CHAIRMAN MALCHESKY: I will entertain a motion.

2 MR. DONDORFER: I make a motion to approve  
3 Resolution 2019-19.

4 MS. LUHTA: Second.

5 CHAIRMAN MALCHESKY: Any discussion? Not hearing  
6 any discussion, I'd ask for a roll call vote.

7 MS. DAWSON: Mrs. Luhta?

8 MS. LUHTA: Yes.

9 MS. DAWSON: Mr. Malchesky?

10 CHAIRMAN MALCHESKY: Yes.

11 MS. DAWSON: Mr. Dondorfer?

12 MR. DONDORFER: Yes.

13 CHAIRMAN MALCHESKY: Okay. Future meetings and  
14 announcements:

15 We have Community Days coming up, so I will, I will  
16 remind everybody early that that is on August 10th.

17 We have the Summer Concert Series every Thursday  
18 when it's not raining. On July 18th, at 7:00 p.m., we have  
19 Abbey Rodeo, so the place will be packed tomorrow; on  
20 July 25th, we have the Chardon Polka Band. Again, that's at  
21 7:00 p.m. on the following Thursday.

22 August 2nd, we will have the staff meeting at  
23 9:00 a.m. For those of you that are here and you want to  
24 attend that meeting, let us know and we will get into a bigger  
25 room so we can have more thorough discussions than we've had  
26 tonight.

27 On Tuesday, August 6th, at 7:00 p.m., we will have  
28 the Zoning Commission meeting at Town Hall.

29 On Wednesday, August 7th, at 6:30, we have the  
30 Trustees' office hours; at 7:30 we have the Trustees' meeting.



1 Again, that's August 7th, on Wednesday, August 7th.

2 With that, I will close the meeting. Thank you.

3 MR. DONDORFER: Thank you.

4 CHAIRMAN MALCHESKY: Thanks, Mr. Callender, for  
5 being here.

6 MR. DONDORFER: Thanks, Mr. Callender.

7 (Whereupon, the meeting was adjourned at 8:55 p.m.)

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1 STATE OF OHIO )  
2 COUNTY OF CUYAHOGA )

CERTIFICATE

3 I, Melinda A. Melton, Registered Professional  
4 Reporter, a notary public within and for the State of Ohio,  
5 duly commissioned and qualified, do hereby certify that, to  
6 the best of my ability, the foregoing proceeding was  
7 reduced by me to stenotype shorthand, subsequently  
8 transcribed into typewritten manuscript; and that the  
9 foregoing is a true and accurate transcript of said  
10 proceedings so taken as aforesaid.

11 I do further certify that this proceeding took  
12 place at the time and place as specified in the foregoing  
13 caption and was completed without adjournment.

14 I do further certify that I am not a friend,  
15 relative, or counsel for any party or otherwise interested  
16 in the outcome of these proceedings.

17 IN WITNESS WHEREOF, I have hereunto set my hand  
18 and affixed my seal of office this 5th day of August 2019.

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Melinda A. Melton  
Registered Professional Reporter  
Notary Public within and for the  
State of Ohio  
My Commission Expires:  
February 4, 2023