

**Minutes of the City Council**  
Sheffield Lake, Ohio  
August 24, 2010

The regular meeting of the City Council was held Tuesday, August 24, 2010. President Edward R Podmanik called the meeting to order at 7:03 PM.

**THE INVOCATION WAS GIVEN BY: Council Chaplin, Kay Fantauzzi**, who, then led in the Pledge of Allegiance.

\*\*\*\*\***ROLL CALL OF MEMBERS**\*\*\*\*\*

Present: Podmanik, Rosso, Smith, Kovach, Bring, Elliott, Stark, Mayor Piskura, Treasurer E Hoenig, Finance Director, Service Director Smith  
Absent: Huska, Law Director Graves, Safety Director Arendt (excused)  
Attending: Concerned Citizens, Members of the Media

\*Motion by Bring/Second by Elliott to accept the minutes of the City Council for July 27, 2010 with any corrections. Yeas All.

**CORRESPONDENCE/COMMUNICATIONS:**

A – Monthly report of court receipts for month of July, 2010 - \$6785.85.

**PRESENTATIONS:None.**

\*\*\*\*\***CITY COUNCIL REPORTS**\*\*\*\*\*

**Roads, Drains, Water, Sewer, Refuse:None./Stormwater Utility:** Representative Bring reviewed the minutes of the August 12, 2010 meeting. \*Motion by Elliott/Second by Kovach to accept the report. Yeas All./**Safety:None./Buildings, Lands, Vehicles & Equipment:None./Ordinance:None./Finance & Claims:None./Investment: None./Council Representative to the Community Center:** Representative Stark advised we had a brief meeting this month and discussed pretty much the bookings at the current Community Center and how well that is going right now. Also they will be getting me a costs of changing the name to the building which I will present to Council when I get it at our next meeting on September 20./**Council Representative to the Zoning Board of Appeals:None./Council Representative to the Planning Commission:None./Council Representative to the Park Board:None.**

\*\*\*\*\***ADMINISTRATIVE REPORTS**\*\*\*\*\*

**MAYORS REPORT:** Mayor Piskura advised I have 2 things; the first is that when we did the hiring for seasonal employees at the beginning of the summer, we purposely did not fill the seasonal employee that we would use as a mechanic helping John McCallie. We do have that money in our budget, we have found somebody and we are ready to put them to work. Even though it is not going to be a summer time seasonal, the season that we are going to employ this person is not going to be summer time, we are going to employ this fall. He still wants the job,

is going to take it at the pay scale that we want to pay him that we pay other seasonal employees and I would like to hire him. I put it up for your confirmation, his name is Theodore Allen Farley. Again he will be helping John McCallie in the mechanics bays. The second thing I have, actually it is on behalf of the Law Director so I will stop there and wait until we get to that. Councilman Rosso asked how long will be able to keep him, 3 or 4 months – the temporary guy? Mayor Piskura answered I am not sure exactly. Service Director Smith answered about 3 or 4. Councilman Rosso stated good. Service Director Smith advised we have already lost our 3 employees due to college starting. Councilman Rosso advised I was just hoping we had enough money to go 3 or 4 months and not just a month or something. Mayor Piskura explained no, we were going to hire this position, we just elected not to. President Podmanik asked is he considered a mechanic or a mechanics helper, certifications of any kind or formal training. Service Director Smith answered he is a wrench by trade. \*Motion by Bring/Second by Kovach to accept the report. Yeas All./**FINANCE DIRECTOR REPORT: None.**

**/TREASURER REPORT:**Treasurer Hoenig advised the report is attached. President Podmanik asked when we get the NSF checks, do we get the money back – do we get the checks paid eventually or is that a loss. Finance Director Smith answered there is a time frame that we try to go after current NSF's and we have got a new little system that the Service Director and I have put together for the clerks to follow. We have cleared up a couple of thousand in the last 3 weeks and we should be clearing up as many as we can as quickly as we can. Councilman Bring stated if they are local, it is easier to get. Finance Director Smith concurred. Councilman Bring added if they are out of town it makes it a little bit more difficult but if they are local. Finance Director Smith explained there are some that will pay their last bill – skip and those we may not be able to get back but we are working on all those./**SAFETY DIRECTOR: None.**/

**SERVICE DIRECTOR:** Service Director Smith reported I have a few things tonight. The first is the driveway pipe installation that we are looking at starting around the first week of September. We had some people take some vacation time so it kind of put us back a little bit but the drought has helped a lot so the longer it dries up the better it is for us at this point and time for digging and stuff like that. The road list went on to Cook Paving to get the work on the road list. Very minimal difference from what we said as we went ahead from the previous list. One of the things that I have been doing since I became Service Director was evaluating each department for efficiency, tooling and concerns. Things that maybe we need to do, we need to look at and try to do with the Mayors help. We have had an active program going in each department and evaluating the Road Department is one of the things that I am currently doing and looking forward to winter and next spring and in doing so I would like to have a public auction either the first or second week in November to get rid of a lot of the stuff that is basically ineffective; just doesn't work for us

here. It is not that it is great shape working, it is like some of it doesn't even work but it is sitting over there in the Service Department area which you all are familiar with. In that process I was able to come up with a great purchase for the City of Sheffield Lake which is a 2004 Sterling L7501 plow truck with stainless steel bed, salt spreader and plow. It is a great truck, it came out of Geauga County, it is low miles for a truck of that size and what it does. It is all set up to go; winter turn-key operation and I have it sitting out here for everyone to go over and check out after the meeting if they would like to see what we got. The costs was very, very, very good on it. It is going to be a great asset to our Street Department come winter time here. \*Motion by Elliott/Second by Bring to accept the report. Yeas All./**LAW DIRECTORSREPORT:** Mayor Piskura advised I wanted to give you the opportunity to have some fore-warning on an issue that is going to probably be coming across Council floor in the near future. Recently about the end of this spring/beginning of this summer in Ohio there have been these internet sweepstakes cafes popping up and what they basically are is – they are designed to look like a casino, they are designed to look like video slot machines/video poker – all that but there was a prosecution/court proceeding and an actual judge in Toledo that ruled on the case and found them to be legal for several reasons. You go into this café and they sell phone cards, that is their primary business is selling phone cards and then you can just take these phone cards and use them at computer stations that they have set up in their business and if you are using the computer stations you can win if you are playing those games – prices that are predetermined and it is a closed system and when you win one of those prices this judge in Toledo paralleled to like McDonald's monopoly sweepstakes or the Publishers Clearing House – that kind of thing. When you win these prices sitting in this internet café it feels very much like gambling. With that said, the Attorney General refuses to rule on it because lots of things but primarily because it is a misdemeanor crime if it was against the law. The County Prosecutor won't rule on it because it is a misdemeanor crime and all of the direction that we could get as a local city – they are refusing to give us because they are misdemeanor crimes and David is the one that is going to be prosecuting misdemeanor crimes. So what they have all said is that it is up to your local jurisdiction, get the information and let your Prosecutor or Law Director look at it and he can determine whether or not it is legal or illegal. David has done a considerable amount of research and still it is kind of up in the air. It could probably go either way, it is a grey area and a lot of it depends on the software they are using. There are cities in Lorain County that already allowed them and if you allow them City Council can regulate them very heavily and get fee money and terminal money and all kinds of things from them – if you want them. There are cities that have decided to deem them illegal. A lot of smaller communities that have not pursued a prosecution where these have popped up are primarily because it takes a lot of resources to prosecute these. If this pops up you

have to go through the entire court proceeding and you have to get an expert witness and the cheapest expert witness that you are going to get is \$5000 to \$6000 dollars and what that expert witness is going to do is evaluate the software and if they are using the correct software there is already case law that says it is legal. Being that it is a grey area and could probably go either way it is most likely going to be an issue that is most appropriately decided by Council and what Council wants and if you want to allow it or not allow it and regulate it. Much bigger discussion then we have time for today, I just wanted to put you on notice that this issue is coming and it is coming fast and hard and there is plenty about it on the internet. I encourage you to give David a call and talk to him about it, talk to your neighbors; your constituents and see how they feel about it because like I said in the end I think it is going to be more up to you and what your desires are then anything else. We have already had 4 different either individuals or companies contact the city wanting us to let them know either one way or the other whether or not we are going to allow it in our city. We haven't done anything other than research the issue and kind of look at what everybody else is doing and we wanted to bring it to your attention. Now if you are looking for an example to investigate, one of the first ones to open is in Garfield Heights. They have been open I think since May. Their Law Director and Prosecutor have been in there and looked at it and they didn't find anything illegal. David has already had several conversations with their Prosecutor and Law Director. Actually he and I and Len were supposed to go out to it and actually look at it but it fell through. If you get on the internet, there is all kinds of stories already about these things and yes you walk in, there is anywhere from 20 to 100 computer terminals. You buy your phone card/you can buy your phone card and leave or you can buy your phone card and decide to spend the minutes on it sitting down at one of these terminals and playing games and while you are sitting down playing a game you have the possibility of winning this sweepstakes. Please, please, please do a little bit of homework because it is probably going to be put to you on whether or not you want to allow it in our city. Councilman Elliott asked is that all they do, are they serving alcohol or anything else? Mayor Piskura answered it varies, most of them do not serve alcohol – they don't do anything but the cards and the computers. Some of them sell little snacks and of the people that have contacted us – every single one has told us that is all they want to do. No alcohol, maybe a little snack here and there – a bag of potato chips, that kind of thing but primarily you sell the phone card and either sit down at a terminal or go away. Councilman Kovach stated this thing sounds like a high tech Dave and Busters. There was a brief discussion on what these establishments do. Mayor Piskura stated from what I understand the best most accurate way to determine whether or not it is legal is an examination of the software. The judge in Toledo that ruled on this that said it is legal, the argument that he used was largely that it was a predetermined outcome. Meaning it is not technically a game of

chance because there is going to be 100 people playing and we know that there is going to be X amount of prizes. If you go to a casino and you are playing a true game of chance, theoretically nobody has to win or everybody could win. So there is a predetermined outcome and there is no purchase and that it is a closed loop system. Those are the things that in this guy's opinion make it legal but it feels very much like gambling. When you walk in there, you buy this card and you sit down to gamble. Councilman Kovach stated well it feels like that because the computers are set up like slot machines. Mayor Piskura advised they design the thing to look like a casino and the games are casino kind of games and they do that purposely but like I said the key is in the software. If you have the correct legal software, now with that said there is authority to go ahead and say we are going to call this illegal and prosecute it if anybody does it but then we have to actually pursue the case and spend all the money and prosecute these people and maybe win and maybe not. Without a doubt Council can pass an ordinance that either allows it or doesn't allow it or allows it and regulates it. President Podmanik stated this sounds so much similar to things that I have seen in Arizona and Nevada. To go to the gas station and fill up your tank – you park and go pay for your gas then you walk behind the gas station and they got the same thing. It sounds like the only difference is in those states you are using cash in the machines where as here you are using a card purchased as a credit card. Mayor Piskura stated everybody realizes that the owners of these places along with the legal people; the Prosecutors and Law Directors and people that are looking at this and examining this – they all realize that it is kind of gray and it could go either way but because it is all misdemeanor stuff and there is a lack of direction at the state and county level, everybody is making their own decisions and it is kind of a free for all. If the state ever comes out or the county Prosecutor ever comes out and rules it illegal then that is the end of the party for everybody. You know whoever has one of these shops and whatever cities are allowing this, it will just be overruled by the statute or the ruling. But like I said nobody is providing any direction. President Podmanik asked do we have any idea what the financial gain is to the city or taxes this will generate; a guesstimate? Mayor Piskura answered well there are several different arrangements; if you wanted to regulate it what the City of Garfield Heights has done is there is a one-time license fee of \$4000.00 and in a monthly operating fee of I think \$50.00 per terminal. I think they are raking in over \$100,000.00 a year off of a 40 terminal place. Now people that have talked to us have talked 80 terminal shops and there are actually 2 separate issues here. I really didn't want to go into this but the first issue that you need to think to yourself about is do you want this in our city and the second issue you need to think about is do you want this at the shopping center. Now I don't even want to talk about the shopping center because we have some things out there that need to resolve themselves first but there are several vacant businesses in the city that this could go into if you

allowed it and if you regulated it would be a substantial revenue stream for us either way because you could create the license fees for it or down the road if everything worked out and you wanted to allow it at the shopping center we would just go with a percentage rent or something like that. But like I said I don't even want to talk about the shopping center until some of that stuff works itself out and you know you figure out whether or not you want it in the city. Yes substantial amount of revenue to the city and that is the tack that a lot of communities are taking, they are like you know what the judge already ruled on it; it is a gray area. If we are not going to get any direction from the state, you know what we are going to allow it and let them until it is over-turned we need some money. President Podmanik stated if I am not mistaken the voters of the State of Ohio said yes to a casino down near Columbus. Mayor Piskura advised they said yes to one company to put in casinos in specific cities but they overall agreed to yes for it. President Podmanik stated they are leaving the state to gamble; they are going to Detroit, they are going to Pennsylvania, they are going to West Virginia. That is money from the people of Ohio spent outside this state and I am just saying it is something to be thought about to keep them here. However the flip side of that coin and I am serious about this is the criminal element so we have got a lot to think about in the next couple of weeks don't we? Mayor Piskura stated that is what I say, I wanted to give you some fore-warning because this issue is going to come down fast, hot and heavy and it is going to be very controversial. The more fore-warning that I thought you had I thought the better. Councilman Elliott asked is this something that you want Ordinance to start ironing out now or is this something that you just want to work out as Council as a whole. President Podmanik answered you may want to get with the Law Director first. You are the Chairman of Ordinance so you can take anything you want, if you get with the Law Director he can give you some guidance you may to go ahead and start looking into it. The Mayor has brought it forward so we can all be aware of it so we don't get hit with it. Mayor Piskura stated let me add just one more thing, in the absence of any formal regulation or ordinance right now it boils down to the Law Director saying. Well right now somebody could just come in and rent some place, put it in and the onus would be on us or you to either prosecute them or pass the ordinance regulating them. If you pass an ordinance regulating them it probably wouldn't apply to any businesses that are already established and running. Some of the businesses are waiting for kind of a head-nod or a yea or nay as to whether or not we are going to allow them or not allow them. I believe that the Law Director is kind of waiting for direction from you because he could say you know what we are not going to prosecute this and then all these people would bum-rush any place they could that had the proper zoning that they could open this establishment up in. My only point is that if this is something that you don't feel strongly about either prohibiting or allowing and regulating, if you feel strongly one way or the other –

the sooner the better for you to debate it and consider it. If you don't care then you could take all the time you need. Councilman Smith stated if you are going to allow it then you better get it regulation form before anybody comes in because if somebody comes in then we can't regulate it and we just missed out on some revenue. Mayor Piskura stated they don't need our permission, they could come in right now and say put it in and say we are putting it in and if you want to prosecute then prosecute then we would have to spend all this money. Well first we would have to decide whether or not we want to go after and then we would have to spend all the money trying to prosecute them with no guaranteeing of winning.

Councilman Smith stated if you are looking for an opinion then I would say to allow it and regulate it. Mayor Piskura stated I am not looking for an opinion, the only reason that I brought that comment up was to give you a sense of urgency on the issue – that's all. Councilman Kovach stated what you are suggesting then is that we should send it to Ordinance and get started. Councilman Smith stated what I am saying is we need to move quickly if we are going to allow it because if not technically maybe we have a chance at losing revenue. So if we are really serious about it I would send it to Ordinance to start working or at least looking at it.

Councilman Elliott stated we personally I am leaning just to regulating, I think that if that is the direction that you want to go you should probably tell us and we can start working regulating it. Councilman Rosso stated let David, we are going to have to go to Ordinance and then tell you what he wants to you and then go from there. Service Director Smith stated well John touched on earlier that he doesn't really want to go into Shoreway because of future stuff pending but one thing is making sure that a place looks good and isn't a run down place that it would go into. So being able to regulate also would give the city an opportunity to make that property held to a lot higher standard appearance and functionality. President Podmanik asked do we have any background on the companies? Mayor Piskura answered this is a new thing, the first company to open up and do this in Ohio I think started in May. So we don't have a lot of background company on the local operators but the business itself has been around for a while so there is volumes of information on the internet. Like I said it really depends more on software, the reason that it has been deemed legal elsewhere in Ohio is because the software kind of fits the bill of this close-looped system predetermined outcome – blah, blah, blah.

***CITIZENS COMMENTARY:***

**Mark J Erdei, 4015 Tennyson** stated I just wanted to know the update on the Civic Center, are we going to put the solar panels on that/is it ready to go? Mayor Piskura stated it is all moving forward, I mean nothing is going to happen for another couple of months. Right now the stall is me, they are waiting on me to sign solar agreements with the company which is Lake Erie Electric that is going to install it. So yes it is all going to happen.

**John Edwards, Avon Lake Press** asked do we have a CHIP grant meeting on September 2<sup>nd</sup>? President Podmanik answered September 2<sup>nd</sup>, CHIP grant meeting at 6 pm – that is correct. Mayor Piskura stated I apologize I neglected to report on that, John wrote on it. You know that we were not awarded this year for the CHIPS grant but we redid our application and we won it back starting next year re-establishing the program. So it was another \$525,000.00 or something like that.

**UNFINISHED BUSINESS:None./NEW BUSINESS:\***Motion by Bring/Second by Kovach to approve the Mayors appointment for Theodore Allen Farley for seasonal mechanical help. ROLL CALL FOR APPROVAL: Yeas All – Bring, Smith, Kovach, Rosso, Stark, Elliott.

**ORDINANCES AND RESOLUTIONS:None.**

**COUNCIL PRESIDENT:None.**

**MEETING ADJOURNED:** With no further business before this council, Motion by Kovach/Second by Bringto adjourn at 8:22 pm. Yeas All.

**CLERK OF COUNCIL AFFIRMATION:** This Meeting Of The City Council Of The City Of Sheffield Lake, Ohio Was Held And Conducted Under All Rules And Regulations Governing The Sunshine Laws Of The State Of Ohio As They May Apply. All meetings are recorded and available in council offices.

---

CLERK OF COUNCIL

*Kay Fantauzzi*

---

PRESIDENT OF COUNCIL

*Edward R Podmanik*

*and/or*

I, Kay Fantauzzi, duly appointed Clerk of Council of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of the Minutes of Council of August 24, 2010.

---

COUNCIL PRO TEM

*Richard Rosso*

---

MAYOR

*John J Piskura*