

MINUTES OF A COUNCIL CAUCUS
Monday, May 4, 2009 at 8:00 p.m.
Mayfield Village Civic Hall

The Council of Mayfield Village met in Caucus Session on Monday, May 4, 2009 at 8:00 p.m. Council President Bill Buckholtz presided.

ROLL CALL: Present: Mr. Buckholtz, Mrs. Cinco, Mr. Marquardt, Mrs. Mills,
Dr. Parker, Mr. Marrie and Mr. Saponaro

Absent: None

Also Present: Mayor Rinker, Mr. Miller, Ms. Calta, Chief Dearden,
Mr. Metzung, Mr. Cappello, Chief Mohr, Mr. Thomas
Mr. Jeff Thomas, Mrs. Kalina, Mr. Esborn and Mrs. Betsa

Council President Buckholtz thanked everyone for being in attendance. We will have an open portion and have invited people to speak tonight and perhaps enter into a little more of a dialogue similar to the open portion that we had at our regular meeting but because it's a less formal meeting and because we will not be voting on anything tonight, it's a little easier to actually have a discussion. Having said that, we generally start with general items, running through some informal committee status information.

IN COMMITTEE (STATUS)

. **Beautification Committee**

Mr. Saponaro reported that regarding the school program that we have regarding the litter program in Civic Hall where we have all of the posters up in the hallway, in the past we have done a program during a Council meeting. This time, the Beautification Committee is going to have a little ceremony for the students on Tuesday, May 26th at 7:00 p.m. We are inviting members of Council and everyone from the Village, the Mayor, we are going to invite the School Board and we will have a little presentation, talk to the kids, have the teacher talk and then have refreshments. We thought it would be a more special way to take the time. The teacher has made that a part of her curriculum now every year. It has been great for us.

Council President Buckholtz asked Mr. Saponaro when it was again. Mr. Saponaro said it is Tuesday, May 26th at 7:00 p.m. here in Civic Hall.

Finance Committee

Mrs. Mills reported that Finance met tonight. We had a very good discussion about the website. Jeff Thomas will be giving the proposed contracts for two of the people we are considering to our law director's office for their opinion. We hope to vote on it at the next Council meeting.

Also, while we have a captive audience, Pancake Breakfast is this Sunday from 8:30-1:00. \$5.00 all you can eat pancakes and sausage. Please come.

Council President Buckholtz asked if there were any other committee reports at this time.

Council President Buckholtz reported that Hillcrest Council of Councils will be having a breakfast meeting on May 30th. Everyone should have gotten a notice in their packet. Council President Buckholtz is not sure he will be there, so he may call around and see if anybody is interested in attending.

Mrs. Mills reported that the Records Committee held their April meeting. Community Shred Day is scheduled for Saturday, May 16th from 9:00-12:00. Everyone can bring all your unwanted documents up here to be shred. It's free to all Mayfield Village residents.

BUILDING DEPARTMENT

Mr. Metzung reported that the Building Department is the midst of moving down to the lower level.

MAYOR

Mayor Rinker stated, first of all, it certainly was not lost on any of us the tragedy at the beginning of the week, very unsettling, the plane that crashed behind St. Bart's. It's important to point out that we had both of our Chiefs, police and fire present, personnel who responded, everybody responded very very professionally. Mayor Rinker understands the folks at St. Bart's were also very helpful. It was a pretty tense situation all the way around. Dave kept Mayor Rinker posted all the way through and what Mayor Rinker has understood is that currently NTSB and FAA take jurisdiction on these things pretty quickly and have done so. Based on some of the collateral input that we got, some anecdotal accounts from residents, what we are doing is at least preliminarily trying to find out a little bit more about some of the flight path tracking. Candidly, this was an unusual event. Mayor Rinker thinks the record is probably going to prove that it will be that way. But from our standpoint, we are going to look into whether and to what extent overall traffic patterns, we have heard much from the past few years about potential expansion of the airport. Dave has initiated some inquiries and Mayor Rinker thinks once this investigation is complete, we should be able to get some more information out of the County just on where they are looking down the road.

Changing the subject, some very good news. Mayor Rinker gave Council a memo about Moody's rating. We were alerted several weeks ago, probably the latter part of February, that Moody's was looking to downgrade us. We have enjoyed an A-1 rating and given our size community, that's pretty unusual. Not long after that, there was an article in *Crain's* that said that in Cuyahoga County especially, they were looking across the board to lower the ratings in municipalities. The long story short is it was really a team effort, but we put together a lot of information to get with Moody's in New York City, the theory being that they probably see a tip of the iceberg, they don't always get a good feel for what's going on at the local level and it was incumbent upon us to get good information to them and so as Mayor Rinker's memo indicated, we were alerted a week ago they were going to go and present to the Committee, she was still trying to prepare me, the contact person, that we had an uphill battle, but the long story short is that we have kept the A-1 rating with certain understandings that the procedures that we have implemented that began last year continuing this year will continue. We have been pretty frugal in that regard, but we got good marks from Moody's. They were very much taken by the assets which we invested. They were taking note of some of the fiber. In fact, Ted will be able to talk about a nice little bit of news that he received just today reflecting the value of that investment as we go forward in Beta. So those are good news on the financial front.

Mayor Rinker continued, Jeff is going to talk about the website. Mayor Rinker knows that the IT Committee was able to look at that last week and from what he can see, Council should be in a position hopefully to be able to vote on engaging a company to help us with improving the website at our next meeting.

Finally, Mayor Rinker asked Chief Dearden to give us a little bit of an update with information we got on the police station, where we are and just our immediate timetable.

Chief Dearden reported that we had the pre-construction informational meeting last week. It was attended by over 40 contractors and architects, many of which will be working in conjunction with each other to put forth a proposal. Those proposals have a deadline to be in to us by May 15th at which time the committee of John Marrelli, Chief Dearden, Doug Metzung, Tom Cappello and the law department will look at the proposals and narrow the scope to provide Council and Administration with a short list of potential candidates and the most desirable candidates would then make presentations to Council as a whole so that Council can make the decision as to what contractor they would be most comfortable going forward with.

Council President Buckholtz asked if we roughly have a timeframe of when we might be hearing some presentations.

Chief Dearden replied, we are thinking the June Caucus. That should give the Committee a couple of weeks to review all of the proposals and to go through the number of issues that we established as being primary criteria for determining which contractors are in a better position to do the project.

COUNCIL PRESIDENT

Council President Buckholtz was just going to mention as part of his report just the comment on the Moody's. He was not sure if everybody understood what the Moody's rating is. He was real impressed and just wanted to thank Dave on the work that he's done in the time that he's been here and the Mayor for compiling this information because, weren't we under the impression that we were going to be downgraded?

Mayor Rinker said yes, we were.

Council Buckholtz added, and not just us, most communities.

Mayor Rinker replied, very much so. One of the things that, and Mayor Rinker guesses we'll never know because we're not the proverbial fly on the wall, but the observation that *Crain's* had made, reporting someone out of New York City, was that in a lot of communities, the basis for financial, the revenue stream, is often short-term revenue and kind of generally talking about retail. We have seen in Cuyahoga County especially how retail has been a very volatile investment strategy for communities. A lot of times retail can hit because you can get a big bang, but then when it leaves, it has a big impact. So, Mayor Rinker would say between hard-core industry base that has been declining over the years and retail, those are probably two of the most vulnerable areas for most communities and we have been very fortunate in that we have had a very stable income tax base. As we have been looking at this for about the last six years, we have tried to diversify the portfolio as well. So, between the asset management, they were very much struck by the extent to which we have invested within our own community, hard assets that the community has and the value of those along with a solid infrastructure, a steady tax base and an overall strategy that is intended to be stable, so it was good news.

Council President Buckholtz asked if the Moody's rating works like the real estate, the property taxes as well.

Mr. Miller replied it's a component, but it's not a big component.

Council President Buckholtz said because he knows in the article that was in the paper last week we fared very well on holding our real estate.

Mayor Rinker stated one of the things that our bond counsel had commented on at the outset when we had gotten the first word was that it was unusual for Moody's to call when we were not in the marketplace going to get money. We did that two years ago. So the fact that they were looking in an off year struck him as very unusual and then we saw that this is something that obviously given the financial state of affairs of the economy, that clearly had to prompt Moody's to look across the board.

ADMINISTRATION

. Website Development

Council President Buckholtz understands we are down to two companies pretty much.

Jeff Thomas replied, yes. 42 Connect and WRIS.

Mrs. Cinco said she is sorry that she did not come to Finance. She just found out some information this weekend. Her daughter is in town. This is what she does out in New York City, not necessarily for the municipalities, but a conglomerate of companies. She looked over all of the information which you had given to Council and from her perspective, the quote was right in line and she said just because a company does not do strictly or relate to municipalities, it's all boilerplate information that they can get from anywhere. It just needs to be fine-tuned to programs to your specific site. So, she said 42 Connect can do the same as somebody that specializes because all of that boilerplate information is out there. She said her biggest thing was whether it included updates and training for the updates. That's something you need to look at. It's very important to get the updates and the training on the updates. But she said it was important also that it be whatever you are comfortable with and your relationship with them. So if that helps Council, that is good.

Jeff stated he will check into that.

Mrs. Mills said that's why we wanted Diane to go over the contracts thoroughly to make sure there wasn't something that was distasteful to us in the future.

Council President Buckholtz asked if the additional sheet Council has was something that was presented in Finance. He was trying to get to Finance and didn't get there, but, he had a few questions. We don't have to go through them right now. Basically, everybody's on the same page for what we need and what we want right now. Council President Buckholtz's concern would be where we are moving in the future and he really hasn't had the time to look through the websites. He wants to look through the specific ones that WRIS has. He will definitely do that in the next week. Jeff came up with a sheet that Council President Buckholtz will share with the IT Committee and then we can have a phone conference or meeting, Council President Buckholtz said, Mr. Marquardt, Council President Buckholtz does not know if he has additional questions but he knows we did at the last meeting. We will finalize this as it is going to Finance before the regular meeting. Just the dollar signs, like what it will cost, when we want to convert it to totally interactive, or whatever and then the term, contractually, like how long we are getting it. Council President Buckholtz does not know if that was in the memo.

Jeff replied, no it wasn't. He will double check all that.

Council President Buckholtz said, okay, those will be the two things. Just that we have got a commitment for a scope of work but we're not tied down to any one company so that when we get to the next phase,

Jeff said with both companies, we own the code.

Council President Buckholtz said he noticed that, perfect. Are there any other questions on that?

There were none.

. **Summer VOV (Heights Offset Printing - not to exceed \$3,200.00)**

Council President Buckholtz said this is a no-brainer. What is the deadline on articles? When is it coming out?

Jeff Thomas replied, it was supposed to go out before Memorial Day.

Council President Buckholtz stated if anyone has anything to submit, they should submit it by tomorrow.

Mr. Saponaro replied, by 8:00 tomorrow morning.

Jeff Thomas said, 8:00 tomorrow morning no later.

Mayor Rinker asked Ted to report on what he learned today.

Ted Esborn reported that he was happy to be able to tell Mayor Rinker before the meeting today about some good news that came out of the Building Department. Walt Balestar, our Building Inspector, informed Ted just this afternoon that a software company contacted him just today and told him that they are moving into the property on Beta Drive that used to be called Versaplex and is now called Hemingway at Beta owned by Geis Company. He has been in regular contact with the property manager for that building. The good news is that they told Walt that they moved to that location specifically because of the fiber ring that we are building. It is significant that the fiber ring project is only about half done right now. We are not looking to complete until the Fall, but we already have a company that has moved in because of the potential for that. So, again, a lot of details to come. We don't know the profile of the company or how many employees, or anything like that, but it's a great move initially.

FINANCE

. **2009A Estate Tax Settlement (Cuyahoga County Treasurer - \$11,324.97)**

Mr. Miller reported that it's unusual that we owe the County money on inheritance tax, but this was a 2006 collection that overpaid. They overpaid \$22,000.00, so we had to refund \$22,000.00, we collected \$11,000.00, so we owe them \$11,324.00.

In 2008, we collected \$158,000.00. Mr. Miller projected \$125,000.00 for 2009 to be conservative. At this point in time, we may not reach it.

Also on finances, Mr. Miller knows what our first collection for income tax is. It's down \$43,000.00 from last year. He doesn't have the finance reports yet because we haven't balanced. It will be out Friday. The good news is that we can't control income tax. We can't control inheritance tax. We can control expenditures and the department heads have done an excellent job on that. Our expenditures for April of 2008 are over \$300,000.00 more than we spent this year. Our fund balance has gone up over \$100,000.00 from last year. We have for the first time exceeded our fund balance so we are doing the right thing. We've got to maintain our expenses and control them and that's exactly what everybody's doing. It's anatta boy to a lot of the department heads and staff.

Dr. Parker said he just wanted to clarify, our cash balance is up.

Mr. Miller replied, \$300,000.00.

Dr. Parker said he believes he said expenditures.

Council President Buckholtz said, well, our expenditures are down from the previous year. We are talking about that and that's what departments are cutting back on.

Council President Buckholtz asked Mr. Miller if he is going to have a regular report out in our packets on Friday.

Mr. Miller said, yes.

POLICE DEPARTMENT

There was no report.

FIRE DEPARTMENT

There was no report.

SERVICE DEPARTMENT

Mr. Metzung said he would like to add what probably should have been brought up during the Administration report, but we also met with the County regarding phone systems. That was passed along to the IT Committee. A report will be updated from the IT Committee.

Council President Buckholtz said he can report on that from IT. Council President Buckholtz does not know if it is a done deal right now, or if we are working it out, converting to Voice Over IP phones that we will be purchasing from the County at a highly-competitive rate and we will be able to access through ultimately the fiber ring but our association with One Community the County has the ability since we are already tied in on data services to the safety forces and so forth and the One Community fiber ring, that gives the County the ability to actually provide phone service or be an

intermediary and we are one of the pilot programs for that so we will get the advantage of Voice Over IP. For people that don't know what that is, that means you can call anywhere in the world and it's just like sending an e-mail message from your computer. There's no additional cost associated with it and it basically runs on the same system as your computer. We don't know exactly, but we are going to probably get it at a third of the cost.

Mr. Metzger said he would hate to say that we are not there, but we are not there yet. They are going to come out and do another inventory and figure out what type of phones and how many. It's too premature to say we are there yet.

Council President Buckholtz said, but it would be greatly less than the quotes that we had on upgrading our phone system.

PARKS & RECREATION

There was no report.

HUMAN SERVICES

Mrs. Kalina reported that the Commission on Aging is meeting tomorrow morning. We are working on our Anniversary Party and trips. We have an AARP Safe Driving Class coming up and our newsletter went out last week.

ENGINEER

There was no report.

LAW DIRECTOR

- . **Oil and Gas Well Drilling Legislation (S.O.M. Center Road)**
- . **Oil and Gas Well Drilling Legislation (Bonnieview/Beech Hill)**

Ms. Calta said in case everyone didn't notice, they have the longest list on the agenda. We will skip over the oil and gas and come back to that. We will get to that after we have covered all the other business.

- . **House Bill 9 Training Sessions for Re-Elected Officials**

Ms. Calta said that Mary Beth has a list of those individuals that need to have their training. Officials can designate a representative to go to training for them. Mary Beth is going to training. So is Ms. Calta. Ms. Calta does not know who else is going to be in attendance but if anyone on the list that needs to do their training is interested, at the next regular Council meeting, Mary Beth will put on a motion for those that are interested to designate a representative to go to training for them.

Council President Buckholtz asked when the training is.

Ms. Calta replied, it's the 21st and it's here.

Mrs. Betsa added, it is being put on by the Auditor of State's office.

Ms. Calta asked what time it is scheduled for.

Mrs. Betsa replied, 12:00-3:00.

Ms. Calta said, so May 21st, here, from 12:00-3:00. Mrs. Betsa has the list and she will put it on the agenda for the next meeting.

Council President Buckholtz asked Mrs. Betsa to e-mail all the officials who need to attend the training session. Mrs. Betsa said she will.

- **Legislation amending Section 1501.13 of the Codified Ordinances**
- **Legislation creating Section 1501.15 of Chapter 1501 entitled Fire Prevention Code**
- **Legislation repealing in its entirety Chapter 931 entitled Electricity**
- **Legislation creating Chapter 1521 of the Codified Ordinances**
- **Legislation amending Section 1519.02(c) of the Codified Ordinances**
- **Legislation amending Section 1501.14(a) of the Codified Ordinances**
- **Legislation repealing in its entirety Chapter 747 entitled Transportation of Radioactive Materials**

Ms. Calta reported that Ordinance Review has been keeping her and her secretary quite busy typing up new legislation amending, creating, repealing and so forth and so on and that's what all the rest of these ordinances are.

1501.13 amends the Fire Code. That's something that we have worked with the Chief and the Lieutenant. There are amendments to the Fire Code for mistaken egress and floor proximity exit signs. Those are items that we are adding. Ms. Calta said, correct me if I'm not describing this correctly, but adding into the Fire Code for our local jurisdiction since those aren't typically detailed in the State Fire Code.

1501.15, there is a Fire Prevention Bureau. We just have not codified it. That's going to be codified in that ordinance

Chapter 931 deals with electricity. John Marrelli has looked at that and said it's completely outdated. It doesn't address the electrical standards that are in place and so we're repealing that because it is outdated.

Chapter 1521 is a chapter that's going to be created. We're trying to do some organizational restructuring and creating a fee schedule where when anybody is looking for a fee in the Code you

can go to a certain Chapter in that part of the Code that will set forth all of the fees. Also that will help in the future if those fees need to be reviewed. There's one comprehensive Chapter where they are set forth. But when you do that, you also have to go back to all of the ordinances that reference the fees and then reference the new fee schedule.

So that's where you will see amending 1519.02(c). Those are references to the fee schedule and 1521. Same with 1501.14(a). Those are references to the new fee schedule in 1521.

Finally, we have Chapter 747 that regulates the transportation of radioactive materials that was enacted in the 70's. It is also outdated. That is something that is purely regulated by State and Federal laws so we are repealing that and referencing the State and Federal regulations that apply to those sort of transportation.

Mr. Saponaro asked that we suspend the meeting for five minutes so that he can have a conversation with the Law Director and the President of Council.

Council President Buckholtz said he does not see why not. Before we move on to the open portion, Council President Buckholtz asked if there was any other matters that any Council members wanted to bring up. There were no other matters.

Council President Buckholtz stated we will take a 5-minute quick break and we will be right back for the open portion.

A break was taken at 8:30 p.m.

Council President Buckholtz called the meeting back to order at 8:35 p.m. Mr. Saponaro left for the open portion of the meeting.

Council President Buckholtz stated that this is an open portion of the meeting. He knows there are several people that have either prepared statements or would like to address Council. We did this at the last regular meeting of Council which was more of addressing Council directly, leaving little room for discussion. Here it is less formal. We can have discussion. Council President Buckholtz will still keep an eye on the timeframe so that everybody can be heard or make sure that their ideas are expressed here and if Council has comments, they can make them as well.

Council President Buckholtz asked that everyone come up to the podium and speak into the microphone. Let's hear your name and address. Council President asked Mrs. Betsa who we would be starting off with.

Mrs. Betsa replied she knew Jean Triner and Elena Gordon would be addressing Council. She does not know if there was any particular order.

Elena stated she would like to make conclusions. She would rather wait until after everybody else if possible. Council President Buckholtz replied, okay, but if nobody else speaks up, that would be the conclusion.

Richard Green
6548 Hunt Circle

Mr. Green has lived on Hunt Circle for over 20 years. He has a degree in City Planning from MIT. He had been the Community Development Director for the City of Cleveland for four years under Carl Stokes. That ages him, but nevertheless. As he gets older, he discovers that sometimes our own error strokes common sense. What we are looking it seems to him is a Trojan horse on which we are going to allow if it passes, the City to negotiate drilling leases and leases with oil companies that are drilling. It seems to him that all of the things that occur in a residential community, the last thing that a Village body would want would be to see its residents' insurance rates go up, its property values go down and the potential of real danger; witness: Bainbridge, witness: the number of fire calls in Gates Mills that have occurred because of drilling; and he just wants to add the thought that this Council should protect its residents not the drillers. Thank you.

The audience applauded.

Council President Buckholtz asked Mr. Green how long he has lived in the Village.

Mr. Green replied that he lived on Hunt Circle for over 20 years.

Council President Buckholtz asked Mr. Green where he has been. We have several committees, one of which is the Planning and Development Committee and he would love to extend the offer that we may like you to be involved. Council President Buckholtz told Mr. Green he has never met him and we don't know who lives in our community sometimes or what their hobbies or vocations are, so Planning and Development, MIT, we would love to talk to you endlessly on a lot of other things in addition to this. Thank you for your comments.

Linda Butler
817 Hanover Road

Ms. Butler said the Mayor sent out a questionnaire to people. She went into the office of the city and got the results on Friday afternoon. Some more recent things may have come in since then, but over the weekend, she did the total of what the vote of the Villagers was.

Ms. Butler wants to deal with just question 2 and question 5 which have to do with the Mayor negotiating. Question 2 was on the 10-acre parcel and question 5 is on other Village property. The total line which is here, 71% of people in the Village who filled out questionnaires were against the Mayor negotiating on the 10-acre property. Even a higher percentage, 86%, were opposed to the Mayor negotiating on any other Village property.

Ms. Butler looked at the figures quite carefully. One of the things that was interesting, Ms. Butler would like to go through the Kenwood/Robley area data. They voted evenly for and against on whether the Mayor should be allowed to negotiate on the 10-acre property. When you look down here, they were 6-24 against the Mayor negotiating on other city property. Ms. Butler has the feeling that this relates to “not my backyard”. That the Bonnieview property, that acreage is a long way from Kenwood and Robley Lane and they are not very engaged with that issue while there is a lot of other Village property that’s close to Kenwood and when they thought about it coming to their backyard, they voted against it.

Ms. Butler would like to point out the two lines of Hanover Woods residents. The vote was 22-0. It was unanimous that people in Hanover Woods did not want the Mayor to negotiate with the drillers in any case.

The Beech Hill/Bonnieview region was a little bit more mixed. Ms. Butler actually found it rather surprising herself to see how many people in that area where the drill, Bonnieview itself, she looked at the figures, that was the only street that had one more person voting for the Mayor to negotiate than against. It was 4-3 for the Mayor to negotiate.

On all the other streets, Beech Hill was 10-0 against the Mayor negotiating. Beech Hill of course was very close to Bonnieview. Very strong sentiment. The other people on the other streets, it was mixed, but definitely tilted against the Mayor negotiating.

Ms. Butler would like everyone to look at the difference between the top number about whether he should negotiate on the 10-acre site versus whether he should negotiate in the Village as a whole. Many more people said they were against him negotiating in the Village as a whole. Some of those vote differences were people who live very close to the Bonnieview property and they don’t obviously want drilling.

Ms. Butler would like to ask Council what they think of this. How do you interpret it?

Council President Buckholtz replied it would look like more people are against the Mayor negotiating the drilling than are for it.

Ms. Butler asked, why is that?

Council President Buckholtz stated he certainly can’t speak for the people that voted on it. You have done an excellent job of breaking it down in terms of different neighborhoods. Several years ago, the Worton Park neighborhood faced a large corporation building a huge building in its backyard and we were very much concerned with the buffer zone. There were a lot of people in Worton Park that were very adamant, showing up at a lot of meetings. It was kind of a low priority among the rest of the Village, so your example of what happens from one neighborhood to another is really a product of human nature. He is not dispelling that, he’s just saying that summed up real easily, that we feel out of that. If you are going to close the road over here for something to fix it, it inconveniences those people, they will all show up at a Council meeting and nobody else will care if they have another way to go.

Ms. Butler asked Council President Buckholtz if he is surprised at the huge percentage, 86% total.

Mrs. Cinco asked Ms. Butler what the percentage of people that actually filled out the questionnaire was. That could fill it out. How many people actually percentage-wise answered it out of all of the people you gave the survey to.

Jean Triner responded, 22%.

Ms. Butler said, you gave the survey out.

Mrs. Cinco said, that's based on 22%. That makes a difference too.

Dr. Parker said which is probably pretty good for a survey that gets sent out actually. That's actually pretty good. That's what they probably expect back from surveys.

Mayor Rinker asked, who's they?

Council President Buckholtz said what you are saying is none of us here really are, he does not know anyone that is an expert on surveys, at least he's not, but what you can conclude is that it's a sampling and it's maybe a fair sampling, but it's not everyone.

Ms. Butler said a lot of the people who were against and a lot of the people who were for, didn't vote.

Council President Buckholtz stated he had a lot of e-mails back and forth with Jean Triner. He will be honest, he is trying to look at the big picture, he really is and less at the voting numbers, but he is really glad that somebody is. He like hearing all this the way you are encapsulating it, like it's interesting to note those differences. But he still thinks that often in votes in general elections, just general elections and voting and surveys for sure, you don't hear from some of the people you really want to. They are too busy or they are too private with their views or whatever there is.

Council President Buckholtz said he has said it before, and again, this is more of a discussion, so at least, and Council President Buckholtz is going to move on to other people to, but he is going to stick with this. He does not think any of us invited drilling here. The basic overall aura or colorization that we are the guys that want to drill here and you're the folks that want to stop the drilling, that's never been the case. Nobody here has ever really invited drilling. We've been looking for ways to control it, slow it down, move it, that's what we've been looking for ways to do, searching for ways to do it, not profit from it, try to take something that's been put upon us where our control has been taken away. We have all these commissions, Planning Commissions and legislation and ordinances that the police enforce and the state comes along and says, well you can do this and just kind of trounces us.

We may have come up with something. We will talk about it later. Or at least a start. Council President Buckholtz is just trying to say, it's like when there's a big general election and somebody says, I'm for education. How many people here are for education? Who's not going to

raise their hand, everybody's here for education? Who's against tearing up the greenspace? Everybody's against tearing up the greenspace, but that wasn't the subtlety or the original intent of the legislation. Where we're at now is somewhere totally different.

Ms. Butler stated that she does feel that one of the things that is shown here is a sense that the government is not coming through for people. It's not just the local government and probably the local government is a small part. But the fact that the state has these rules that are unfair and the local government is acquiescing is really hurting people.

Council President Buckholtz said, don't make up your mind on that yet because we will be discussing this.

Ms. Butler asked to make one other statement about the group as a whole. We have reached out to the people from Bonnieview and from Stonecreek. We have someone here today from Stonecreek and we are planning to stand shoulder to shoulder with them about not drilling on Bonnieview too.

Council President Buckholtz thanked Ms. Butler.

Jean Triner
829 Hanover

Mrs. Triner asked to note for the record that in addition to the numbers that Linda presented and Bill, this is the e-mail you referenced, that we have now 69 people on a petition that we haven't even been really working hard at and could work harder at, saying no to negotiations and to the Mayor on both aspects of the Village property as well as the 10 acres so there are 69 people and at some point we can give you those records we are still gathering and then in addition to that, we had the 54 people that were at the Kenwood Association and Hanover Woods Association meetings that again said no.

What Mrs. Triner would ask is what she asked in the e-mail, if you would also look at those numbers very carefully. There may be some overlap. She knows there's overlap, but still it really makes those numbers even more powerful if you ask her. Some people here, including herself, do have some expertise on surveys and 10% is usually what you would expect.

Ray Koren
822 Hanover

Mr. Koren's wife is here with him.

First of all, he wants to say that he's in agreement with the Hanover Woods Association to all of the various things that they presented to you. He just wants to narrow his comments down to what he talked about last time which is concern about ground contamination and what recourse he would have in case there would be a failure. He does not want to repeat everything, but he does have a low area. He has a stream and so on and so forth.

Mr. Koren asked Dr. Parker to advise him in writing what kind of help he could expect from the Village in case there would be this kind of a problem. He has not responded. Mr. Koren is not trying to hurry him. There's no problem there. He would like to expand and make sure we get in the two areas. What happens if they drill in Bonnieview? What kind of help would we expect if there would be a problem? And secondly, if we drill on Village property, then if there is a problem, what kind of help could we expect?

Again, Mr. Koren mentioned that he has had some experience years ago when he owned property in the Village with the Northeast Ohio Sewer District dumping on his property and believe him, it is a helpless feeling when you are there by yourself and you need to face this kind of thing.

The other thing is, Mr. Koren checked with his insurance company and found that there is no coverage in the homeowner's policies in case there's a spill. Mr. Koren thinks people that sign up to have drilling on their property should be very concerned about their possible liability in case there would be a problem. Mr. Koren must look to the driller for relief and the property owner that allowed drilling in the property.

Mr. Koren's concern then is first of all, will the drilling company go bankrupt? In case there's a problem, they're gone. That's very possible that they're not going to be here.

Do they have insurance? Do they have a bond? Do they have insurance to cover these kinds of problems?

The last point Mr. Koren has is, he's a retired general manager for a large insurance company so he has some experience with contracts and so on and he would simply say that he would expect that the Village, if we're going to get involved in this thing, which is what we are talking about tonight, is that they would review very carefully every single document presented to them in terms of what exactly the coverages are and so on and so forth.

As the last thing, as a resident of Mayfield Village, Mr. Koren wants to be sure that his Council and Mayor have thoroughly considered all of these questions before we expose ourselves to some serious financial responsibilities.

Dr. Parker said our Village attorney is anxious to address your questions. Dr. Parker did speak with the Village attorney and she will be addressing those issues that you brought up. Dr. Parker wanted to note that he did follow up.

Mr. Koren said he was not criticizing, he just wanted to clarify, and talk about it in the two areas, if the drilling is on Bonnieview or if the drilling is on Village property, what kind of help can I expect from the Village in case there is any kind of an environmental problem.

Ms. Calta stated that she did talk with Dr. Parker. Ms. Calta advised Mr. Koren that she was here at the last meeting so she took notes from the last meeting and also looked at the minutes. Not to be repetitive, but the first line of defense that the Village is strapped with is state law. We have to look to the state law. We have to look to the state regulations. Those are the first line of defense. The state has said we are going to regulate; we are going to make sure you don't have those problems.

What Ms. Calta can tell you is that if wells are located on Village property, the Village would require that the driller maintain general liability insurance up to the maximum amount that they would be able to maintain. Ms. Calta has talked with the Village's insurance carrier and they have said that should be a minimum of at least \$6 million at this point. That was the conversation she had just a week or so ago.

Also, the Village would require that the driller maintain pollution liability coverage. The Village would be named as an additional insured on the driller's policy and then insurance would need to be maintained the entire life of that well, so not just when the well is being constructed, but during the entire time.

The important thing to note those is this would be something that the Village would require, but that's not necessarily what a private property owner might require. You probably are all familiar with looking at various leases and you'll see some leases that have insurance requirements and you will see some leases that don't have insurance requirements. From the Village's standpoint, that's what we would be requiring. We can do that through a negotiated contract with the driller. We would hope that private property owners would consider similar requirements in their leases but again, we can't require a private property owner to do that if they go and enter into their own lease.

As far as if there are any problems, the Village would take all action that we could possibly take to remedy the situation. We just looked at it as analytically as we could. If there's a problem with a well, the first thing we are going to do is have that thing shut down. It's going to be any problems that occur, we will require the driller to take care of them and pursue all legal action necessary that it is taken care of.

Ms. Calta said that's a pretty general answer, but that's really the best that she can address at this point.

Mr. Koran asked about contamination caused by run-off.

Ms. Calta said we would require that insurance be maintained. Not just general liability but the pollution liability coverage which again, each policy is different, but we would require that it cover those sort of situations which would be run-off from a drill location on to another property. Keep in mind that House Bill 278, the General Assembly said, the State is in control of all of this, anything that would happen.

Dr. Parker asked that any insurance or legal remedies would involve only those properties the Village was directly involved with. Ms. Calta replied, right.

Dr. Parker added, any person who, and correct him if he's wrong, any person who would on their own enter into an agreement that eventually spilled over to someone else's property, that someone else would have to take it up with that homeowner's insurance policy and if that homeowner was not appropriately covered, obviously there may not be coverage to remedy the situation. Correct?

Ms. Calta said if you are looking at a private property owner's own insurance, there may not be coverage, no. But if there's a situation, if you are going to talk about a hypothetical situation where there's run-off in a location, if a private property owner can prove that the run-off came from a certain location, then that is covered under a policy of insurance and is going to go back under that. If you can prove it. That's the question.

Council President Buckholtz asked if we know yet what kinds of discussions are going on in Bainbridge where the actual water aquifer, the water table was contaminated. Do we know who's pointing fingers or who's liable?

Ms. Calta replied it is her understand that is all being sorted out. There's a lot of fingers pointing in a lot of different directions.

Council President Buckholtz stated he did not think it was going to be easily solved. There's one thing he wants to point out right at this point if he can and then we will move on. Again, he does not want to be the one beating a dead horse so to speak, but again, please do not misinterpret this that Council President is in favor of this legislation or have made up his mind or anything. But, do you hear what the law director just said? The State controls these remedies that Ray brought up. They impose certain restrictions or responsibilities on the driller. They don't impose it on the individual property owners. All you guys are welcome to sign any leases you want or not sign any leases you want. We as a Village entering into that, Diane mentioned that we could enforce our \$6 million blanket of insurance. We don't want to do this. Council President Buckholtz does not want the site and the contamination, but he is saying we could force drillers to take out the extra drilling pollution insurance that the average homeowner might not think of. That's what we were thinking about when we were thinking about negotiations with drillers. We weren't thinking about like, oh, happy partners, we were thinking about control. So, Council President Buckholtz is just trying to make that point at every turn, that we might be a little more powerful entity than the average citizen.

Jim Triner
829 Hanover

Mr. Triner had one more hypothetical question. He realizes insurance is required and good. What happens if one of the drilling companies goes bankrupt during this phase?

Council President Buckholtz stated that's always a possibility.

John Denning
Seagull Development

Mr. Denning can address a few of the items. First of all, the State of Ohio, when we apply for a permit and get permission to drill, the State of Ohio is ultimately who's responsible at the end of the day if our company were to go bankrupt or any other company goes bankrupt like Ohio Valley Energy or any other company that, Ohio Valley was involved with the Bainbridge situation. It's come out in *The Plain Dealer* who was at fault and the State of Ohio has that on their website. You

can see that they didn't follow standard operating procedure for a minor cement job, but the landowner also allegedly had a water well that they built an addition over the house. It was a comedy of errors, but the point being is, we put up a bond and a bond is different than insurance policies. For example, the point you are saying is as long as we're in business, we're paying insurance premiums right? What happens if we're not there to pay the premiums, correct? A bond as you all know is a pre-paid insurance agency in favor of the State of Ohio. It goes on ad infinite and in perpetuity for the life of the well to ensure that. Also, we have to ensure that if we ever abandon the well that there are financial monies put aside with the State in the State's coffers to plug and abandon that well.

There are 65,000 producing wells right now in the State of Ohio.

Council President Buckholtz asked if there is a typical amount of money.

Mr. Denning replied that they are one of the few companies that includes the dollar amount in their lease. He thinks it's \$1 million per occurrence; \$4 million per property. \$4 million/\$1 million, cumulative of \$5 million. She had said \$6 million.

Council President Buckholtz asked \$1 million is what and \$4 million is what?

Mr. Denning replied that he would have to get the language. It's a \$4 million total \$1 million per occurrence per house. As far as the statistics go in terms of, Mr. Denning has actually been up in Gates Mills in what's called the Mayfield Quadrangle, Gates Mills, Mayfield, Mayfield Heights. Our company drilled St. Francis of Assisi's well, we drilled three or four right around in there.

Mr. Denning also brought pictures in. Last time he was in here he saw the picture show of our fence that was down. He just wanted to show that it has been repatriated. It's a State mandate. It looks very good. Bill and Carol Drough's backyard. Mr. Drough said that you are welcome to come over any time and take a look at it.

Mr. Denning continued, the point is that there were some other questions about statistics and what have you and the old pearl of wisdom of, so, we're glad to hear you stop. How do you feel about this elected person stop beating his wife? Those are leading questions and Mr. Denning would like to see some of those questions that were put out about drilling wells. Mr. Denning has actually been in many hundreds of households in this area, in the general area. In Mayfield in general the folks that Mr. Denning has talked with have been pretty positive about this.

Clearly, we are not going to drill anywhere near Hanover Woods nor do we have any desire to. Mr. Denning has a few other items.

A member of the audience stated, in backyards. Mr. Denning replied he has a well in his backyard.

Council President Buckholtz said to Mr. Denning, you can have another opportunity to speak, but you answered the specific questions on insurance and Council President Buckholtz knows he has a lot.

Mr. Denning said it doesn't matter. The point is to sum up.

Council President Buckholtz said this gentleman right here wanted to speak. If we keep it moving it's more of a dialogue. Council President Buckholtz knows we try to use the microphone and he knows Mr. Denning has more to say and he can come back and say more.

Mr. Denning said he appreciates that.

Council President Buckholtz asked if everyone understands the difference between a bond and an insurance. The bond will outlast the company.

Jim Triner
829 Hanover

Mr. Triner had one comment to make. Mr. Denning said that every lease contains insurance coverage in the lease specifically.

Mr. Denning stated, he said our leases.

Mr. Triner said he has a lease here that stipulates nothing about insurance. This is from, oh this happens to be from Ohio Valley.

Mr. Denning said, yes, that's correct, Seagull Development, thank you. Tip your waiters.

Richard Green
6548 Hunt Circle

Mr. Green stated that would like to ask one question to the drillers. It seems to him that we all get involved in discussions and round and round and round and round. This is a very simple question. Why in the world does the Village of Mayfield wish to get involved in oil drilling on its public land when there are substantial questions to be asked. When there are potential damages that may occur and when the dollar volume of production is limited by one-twelfth and who knows how much you're going to get. Why would the Village want to open up the door and create like the Trojan horse, let them in and when they're sleeping, boom. And that's his question. Why would the Council want to vote for such a situation and it's not casting aspersions on anyone. It's just a simple logical question. Why?

Council President Buckholtz stated he can't help but respond to that. He is getting the feeling that a lot of people that have been coming to these meetings a lot, we are starting to see eye to eye on a lot of this stuff. We only even came up with that because you understand House Bill 278, the wells are coming. They are coming to people's homes. These guys, these gentlemen, these entrepreneurs, are knocking on people's doors and offering them money and people are saying, yes, come on in. They are coming to private property, you do understand that?

Mr. Green said, he does. What he does not understand is why the Village would not at least look at both sides.

Council President said we thought at one point if we offered some land far away from the residential, this all started way up at the north end before this. That's where that started. Council President Buckholtz does not know if Mr. Green knows that because your comment doesn't indicate that.

Marge Eisenberg
6783 Seneca

Mrs. Eisenberg has been here since the very beginning. She has. Mayor Rinker said we know. Mrs. Eisenberg said, and all of you know it. She has sat in the back there and she has listened. She does not understand why you want to commit public land. You can't do anything about private land. It is owned privately. But, Mrs. Eisenberg does not understand why you want to open up a Pandora's box and commit public land to this. When people sit and talk about insurance, yes. Richard and she talked to several insurance agents and it is not just her policy that will have to have a gas and oil rider, it is all of yours too. So it's going to be in everybody's backyard. Nobody is going to escape it. Me first and you next. Thank you.

Council President Buckholtz thanked Mrs. Eisenberg.

Adam Kahn
825 Hanover

One question in Mr. Kahn's mind is, how many contracts do you think people sign in the course of their life? Probably enough to count on both their hands. How many of those do you think are actually related to something other than their house or a car? Oil drilling is a lot different than those two things. To go in against information disparities? It's not a fair negotiation. Contracts are being negotiated on a page for oil rights? Texas lawyers would just love to be able to do that to people in Texas, wouldn't they. But no, everyone knows gas drilling in Texas. They consult an attorney as soon as they come. It's just a different story. No one in Ohio is informed. Mr. Kahn guesses it is his challenge to Council to inform people on their rights, what liabilities are out there. Law Director, please, if you can take a look at what we prepared as far as possible concerns that homeowners might run into, and give your sign off on whether you think it's legitimate, we would love to disseminate that to every resident in the City just so that they can be informed when they go into negotiations. That's all he has to say.

Council President Buckholtz thanked Mr. Kahn.

Jim Farmer
956 Aintree Park Drive

Mr. Farmer just wanted to clarify this thing about the Village property being involved. He is the Chairman of Planning and Zoning. That was a topic that we have addressed for quite a while. The idea that came out of Planning and Zoning was not that the Village is supposed to go out there and start putting wells on Village property. It was an option. It was a tool. Something for them to use. In a case like on Bonnieview where they are trying to shoehorn a well into a very small lot, the Village has some property that is much larger than that and maybe want to direct it away from the smaller lot where it has more impact on people than in the Village's 10-acres which frankly that's probably one of the better sites in the Village if you are trying to put a well someplace and not have it obtrusive and out in front of everybody.

Mr. Farmer said there seem to be a lot of scare tactics that are being thrown out here at people and Mr. Farmer is supportive of much of what the Hanover group is trying to do. He did not see his neighborhood up in that survey, but he resents when people tells him things that he knows are wrong and he thinks there needs to be more balance to their efforts.

He talked to some insurance people about homeowner's insurance. They said, we never ask about gas wells. They don't care about that. They said the oil companies, they have insurance coverage. We never even ask if somebody's going to have a gas well on their property or if they do, they don't care. That's what he is hearing.

They have been saying that you lose money. Gas wells lose money. Well they have been drilling wells over a hundred years and Mr. Farmer doubts if people would be entering into these leases if they are losing money. They get bonuses. They get a percentage. Maybe some of the amounts that the gas companies say you are going to get, it's not close to that amount, but you can't tell Mr. Farmer that people aren't making money off these wells. One of the reasons we were trying to, wells are going to be drilled whether you want it or not. Everybody can say no and then no wells are going to go in. But everybody's not saying no and there's going to be a well put up two houses from Mr. Farmer on a cul de sac up here. He's pretty sure there's going to be another well in the middle of Aintree Park Drive and there's nothing we can do about it. People sign leases and they are going to go in. If there was Village property there and the Village was so inclined, maybe they could have steered a well out of those immediate areas.

It's just a tool. Mr. Farmer does not think the Village is looking to turn all their property into gas well areas.

There's something too you have got to kind of remember too that's in the back of our minds. Is there a responsibility to try and make money from Village property for the Village. There's money out there to be had with these gas wells. If we get money from gas wells, maybe our taxes aren't so high.

Mr. Farmer explained, it might sound like he is pro-gas well. He's not. A few comments were inaudible in the audience. Mr. Farmer continued, he is trying to add more balance to it. You are coming up with scare tactics. "Not in my backyard" was your feeling from the start. Mr. Farmer

never heard anything until they were talking about that 10-acre lot. He does not think wells should be in the smaller neighborhoods. He thinks the State should change the law and make the lot sizes bigger where you can put these wells. The fact of the matter is they haven't yet. If your efforts get the State to do that, that's great. But it's not at that point yet and gas wells are going to start popping up, so, get ready.

Council President Buckholtz thanked Mr. Farmer.

Gloria Donnelly
144 Stonecreek Drive
Mayfield Heights

Ms. Donnelly stated that in the back row are some of her neighbors. She has been a resident of Mayfield Heights for three and a half years. Ms. Donnelly would like to commend everyone on an open dialogue on this subject because when the subject came up at Stonecreek, there wasn't much of a dialogue. The whole focus was on the potential rewards and any attempted discussion on the risks were squelched. They were expected to vote within a very short amount of time. Some of her elderly neighbors felt that they were manipulated, coerced and intimidated by the builder and the driller. They were told that all of the residents of Bonnieview had voted for the gas well which now she understands that may not be true. They were told that their Association fees would increase if they did not vote for the gas well. They were told that if they voted against the gas well that they would not receive the benefits if the gas well were drilled anyway, so we would have the disadvantage of having the gas well and none of the advantages.

Ms. Donnelly was also told that the gas drill would be drilled down the street and across the street away from her house and her neighbor who lives down the street and across the street was told that it would be drilled directly across from her street. They were given a map with a hand-drawn place where the drill was going to be. Ms. Donnelly has a copy of it with her if you would like to see it.

Ms. Donnelly stated the vote was counted by the builder who wanted the gas well and who also had 20 of the votes because 20 of the lots had not been sold. It was not exactly a reflection of the community. They were never provided a copy of the lease. They were asked to vote without reading the lease because it was private information that the driller didn't want to share.

Stonecreek actually voted on something where they never read the fine print. As recently as today, Ms. Donnelly's husband was told by a representative of the builder that the gas well is going to be drilled on Bonnieview and the west side of S.O.M. for certain. That was today.

This is all really troubling to Ms. Donnelly and to her neighbors. She commended everyone on having this dialogue because it did not occur at Stonecreek. She really wishes that the outcome for the residents of Mayfield Village and Mayfield Heights is a healthy and safe one. Thank you.

Council President Buckholtz asked the other people from Stonecreek to stand up. Do you have any idea how we can make that healthier, you commended the dialogue and we try to do this all the time on a variety of issues, but do you have any ideas on how things could turn out better or how

they could turn out better for Mayfield Village than they turned out for Stonecreek? Council President Buckholtz is not trying to put Ms. Donnelly on the spot, he's just, there was a compelling statement.

Ms. Donnelly thinks there was a portion of the people who live in Stonecreek that thought we won the lottery, like yeah, rah, we're going to get \$50,000.00. There's no guarantee that we will get anything. Ms. Donnelly thinks there is a portion of people that were against it. It's really hard to know how many people since the builder did the counting and there was no list of pros and cons because the builder said he didn't want people intimidated. The intimidation was only done in one direction.

Ms. Donnelly thinks there were people that just were afraid not to vote for it because it was a financial risk or some other kind of risk. Ms. Donnelly does not think it was due process. She does not think that people at Stonecreek are happy about the vote. She thinks our trust in the builder is gone and most of us built there because we did trust him. We don't now.

Council President Buckholtz asked, would you say you were not represented?

Ms. Donnelly replied, oh, absolutely. We were not. The builder clearly wanted, in fact he started out by saying that he didn't even have to ask us, that he could have voted for it on his own. It was through the gratuity, his graciousness, that he was even bringing it up. It was all one-sided. The only people who spoke were the builder and the driller and there was a short amount of time for the residents to ask questions and the people who objected were cut off. It was very well dialogued.

In the short time between the first and the second meeting, Ms. Donnelly went on-line and she got as much information as she could and she copied it and she went from mailbox to mailbox and put it in. The vote came very quickly. Ms. Donnelly does not think people had time to process it.

Ms. Donnelly said someone mentioned about reading contracts. We were never given a contract to bring to our attorney or even ask about it.

Council President Buckholtz thanked Ms. Donnelly for coming to another community to speak. We really appreciate it.

Ms. Donnelly said actually when you see this map here, there was a day when her arms were stronger, she could have thrown a ball from her house to where the drill is going to be. Ms. Donnelly understands it is supposed to be 100 feet or something from there? There's no way this is 100 feet from her house. There's 20 feet in front of her house. There's the street. There's a very short green area which is enough for a car to park, maybe another 20 feet, and then there's the drill. Ms. Donnelly really thinks somebody needs to look at the measurements on that because there's another house that's even closer to hers.

Council President Buckholtz asked Ms. Donnelly if she has spoken to Mayfield Heights' Building Department.

Ms. Donnelly said she has not personally.

Council President Buckholtz said, just a suggestion. Thank you again for coming.

Elena Gomer
6910 Wilson Mills Road

Ms. Gomer said she is a little nervous. Public speaking is not an everyday situation.

During the last meeting, Ms. Gomer realized that our community is in desperate need of information and she intends to give you as much information as she has.

Ms. Gomer is not speaking from the many perspectives seeing as she has a very credible 10 years' experience in the real estate mortgaging. She has been accredited for public speaking by Chopra Center for Well Being as a health and wellness teacher. She is a big supporter for environmentally friendly practices. No doubt previously you might have seen her as a foreign and innocent homeowner who was brutally seduced by the bad guys into signing a deceiving contract.

Let's touch upon the first concern, your property value. Your land has a value. Your mineral rights are essentially a part of these values. When you enter into an agreement with someone and lease, not sell, lease, your mineral rights, this agreement becomes an asset. So you, with this agreement, have just created a new asset yielding profit. It is like investment with no pricetag. This separate asset has a separate value and your portfolio expands to two separate values, your home and your new lease agreement.

You can potentially sell your home on its own. Though your home without mineral rights will lose some value. You can sell your mineral rights since it is a source of profit. The gain from these actions will match the worth of the property value, often even paying much more. As soon as your lease agreement is over, the value of your home returns to the appraised value. At that time, when the lease is over, because the appraised value is not a number, it changes every month.

Let's touch upon the second concern, the environmental impact. We all live in a consumer society. We are not members of Amish community nor do we desire to move into caves. Have we ever compared the impact of drywall demolitions, the impact of the plastic bottles? The impact of our gasoline powered cars or impact of our chemical lawn treatments to the impact of these simple gas wells? What do you think you will find in your wellwater after consistent lawn treatments? How about your neighbor's lawn treatments?

Gas wells only impact negatively upon the surrounding area if they are to spring a leak. What is the probability of this new gas well having a leak in comparison to the probability of your neighbors using lawn treatments? What about the gas distribution already in place? What is the probability of the pipes from the Ohio Gas Company to have a leak? Do you think the probability of that event is any smaller?

Let's consider our own situations. Last time we reviewed some pictures. Ms. Gomer wants to tell her own story. After they had their sewer system changed, it took them more than one season,

more than one season, to level the land and make their lawn look pretty again. Is there a specific reason that you took pictures from a brand new development rather than taken pictures of older and more established wells? And, by the way, who is responsible for my lawn looking good? Is it the company running the gas development or didn't I get some money from these contractors? Wasn't the contract signed on certain promises? If they are too slow and the owner has to take care of the situation, can we establish legal justification and get reimbursement for cleaning up? Every company who works closely with you, depends on your evaluation of their performance. They will always do their best to make you love them better in order to avoid complications. Why wouldn't they?

The legal observation is very reasonable and has to be addressed. There was other types of concerns that she does not specifically remember, but those concerns were more along the lines of the "give me" mindset.

Ms. Gomer would rather talk to you about the meaning of the powerful speech, the phrase, which is, to those of us who ran away from Socialism, the symbol of America, the phrase which makes her proud to be American. That phrase is: Ask not what your country can do for you; ask what you can do for your country. This phrase has a huge meaning for us today. Through our economical crisis, one way to improve the situation is to raise our production. If we can create, develop and provide gas here on a local level, we would be putting a product on the market for consumers and providing jobs for the community.

Also, with more domestically sourced goods, we would be buying less from other countries. Our country is our home. Where would we want to go with it? We either choose to contribute to pay our debts and put our next generation in a bankruptcy situation or take initiative and realize it is up to us. There is something within our reasonable reach that will make a difference for our city, for our county, for our country. There is something Ms. Gomer can do to significantly reduce our federal debt. It always starts small such as here in our community. But it always grows. People get confidence from the examples of others. It's not always the about personal comfort. It is about the future.

Have some consideration for your children's generation. When Ms. Gomer son went to look for a Marines recruiter and decided to join the Marine Corps, she could not believe what she heard. Why Willie? The National Scholar Semi-Finalist. First place in the Future Business Leaders of Ohio competition for public speaker and entrepreneurship for two years in a row. Honors high school graduate. Successfully completed eight advanced placement courses among many many other credentials. Why Willie? His answer was, that was during the war time. Mom, if not I, who will go? Or do you want only dumb people with no other future to fight for you? His decision was not about the personal comfort. It was about taking responsibility. Ms. Gomer is proud of her son and she is proud of her country. She sees her community as a very wise and patriotic power very much capable of thinking outside of their comfort zone. Whether you are in it for personal gain or you realize your contribution to the greater economy, your participation in that decision is a profitable investment and consider this: if not us, then our neighbors will take the use of these minerals that are underneath our property and you will end up with nothing to fight about. That's it. Ms. Gomer is sorry that she took more than six minutes.

Council President Buckholtz thanked Ms. Gomer.

Council President Buckholtz said that would be a reason that somebody might give just as much thought; he wants to point out one thing about Gloria's situation, you guys weren't even allowed to read the lease and were forced into a quick vote. Again, this woman has obviously given some thought and spoken her mind here, so thanks for coming.

Jim Triner
829 Hanover Road

Mr. Triner knows there's a lot that's said about property values and people can argue back and forth, but there are about 50 of us in this room right now and Mr. Triner would like to have all people stand that would buy a house that's next to a gas well. 3 out of 50 not bad.

Council President Buckholtz asked that everyone that would not buy a house that they like because it was next to a gas well to stand.

Mary Ackley
Wilson Mills

Mrs. Ackley is a realtor for 37 years. She does not know of anyone who would buy a house because it had mineral rights. We have never sold mineral rights. What we sell is safety and wells don't produce that. The people whom she has spoken to who are buying houses, when this well issue came up, all of them are against it. Nobody wants a well next to their home. Nobody wants an eruption like they had in Bainbridge. Nobody wants the danger. Mrs. Ackley begged, don't get this. We don't want it here. There's a minority who wants wells. This crowd is not part of it. This crowds speaks for itself.

Jim Triner
829 Hanover Road

Mr. Triner said he knows some people have talked about that we are trying to create all kind of scare tactics and things in the neighborhood. What he would like to address now and he really needs the Village Engineer or other people to look at what he has done here. If you refer to this map, this is also, if you look at the map Gloria showed, this is the lies that people tell the community before they sell them a gas lease. If you look at their property, this is shown over here on Gloria's map, not where it actually is. This is a google earth picture, so this is pretty close to where 6776 Bonnieview is.

What Mr. Triner has done here is this is the property boundaries shown here for the lot. This is the only lot that's part of the drilling unit that is adjoining Stonecreek. Because Stonecreek has a non-drilling lease, the operating company has elected to put the well on this property at 6776 Bonnieview. We saw a shot of this earlier that there is a thin strip of land that you can actually drill the well on. The reason for that is that the well has to be 75 feet in from the property that is not part

of the drilling unit. It also has to be 50 feet back from the road. That's this green line here and these two red lines. So, basically the well can fit on this strip if you just take those two ordinances. This is off of the ODNR website, 91-05 to 91-11.

Now, if we add in where the properties are, the well can't be closer than 100 foot to a house, so here's the property next door, he believes this is 6784. This is where the burned out property is, so if this lot is to become buildable you would have to honor that and this is the resident's next door. So the closest the well could actually go in would be back here. From here to back here and this is in Stonecreek property.

Now, there's another part of the ordinance that says that the separators and tanks have to be located 50 feet away from the well. So, the tanks can either go in here or if we flip this down, in the purplish area, or the well can go down here and you can install in this 8 by 50 foot strip here. In talking with some people on the regulation, they said, well yes, but the property owner can override the ODNR ordinances and put it anywhere along this 8 foot strip. Let's look at what that does again getting back to property value. Off the website, this property is currently valued at \$132,000.00. Mr. Triner is not privy to what the lease company offered, but let's say they offered this person a \$30,000 signing bonus which is typical for a drillsite. If you look at the 10 year royalties on this, about \$6-7,000.00, that's based on a 10 year average for natural gas at \$5.31. Currently natural gas is selling at \$3.33 and if you look back in August of 2008, gas was selling at \$14.00. Now the person would have to pay \$11,000.00 in taxes on that which would net them over the 10-year life of this well \$25,400.00. If they elect to put that well closer than 100 feet, you cannot build on that lot so you take their gain of \$25,400.00 less the \$132,000.00 and they will have lost \$106,000.00 on that lot if they don't put a house on it. That's what makes the case for actually putting the well toward the back of the lot.

The other thing that is impacted, and Mr. Triner talked with Garry Regan on this and he says, well, they can put the equipment back here at Stonecreek. Again there is a 75-foot setback because these properties on each side of this lot are not part of the drillsite so they have to put the property over here, nope can't do it there, there's houses, and the same thing over here. So they would have to put it back here. The other thing is there's a 50 foot road easement and this is the road coming by Stonecreek so they can't put it back here. Now on the Stonecreek map that the people have, the driller told them the well was going to go in here and the other equipment and the tanks were going to go over here. Well you can't do that because that's closer than 75 feet to the property line.

The other thing to look at too is that where is this access road going to be? He knows people have talked about a lot of traffic going up and down Bonnieview. If he were a driller putting this in, he would put the access road back here coming off of Stonecreek because it's only 75 feet versus a 350 foot driveway that you would have to put back here. Again, Mr. Triner is just interpreting the codes and this is what the site looks like.

Mr. Triner thinks as the zoning gentleman here from MIT said, you can see that the driller is shoehorning this operation into this lot.

Mayor Rinker clarified that Mr. Farmer said that.

Mr. Triner said, okay.

Mr. Triner continued, all of these trees will have to be taken down because they will completely clear this lot when they come in to drill. All of the trees are going to be gone. The well is going to be back there. Realize that this drilling company told the Stonecreek people, hey you won't even see the well. No problem, it's not going to be close to houses, which of course was stretching it a little bit. Again, if again the Village Engineer and other people that could look at these and see if Mr. Triner is on target here or not, that would be very helpful.

The other thing, when they actually drill a well, they are going to have to put a pit in here. So they are going to have to dig a pit in this yard in order to collect the mud that comes off the well. In the State of Ohio, the drillers are not required to haul off that hazardous waste to an EPA hazardous waste site. They can leave it right on the property and they may mix it with flyash and dump it right back on the property and they do not have to have it tested by the EPA. That's another hazard that we possibly could have on that particular lot.

You be the judge. Is property value affected? It could have a big impact? Would you want to build a house with sludge buried on your lot and with all this peripheral equipment in your backyard? Again, if the Village could recheck Mr. Triner's calculations and see if he made a mistake, that would be great.

Council President Buckholtz asked Mr. Triner what he would suggest. How would you solve this problem if you just could move all those things around?

Mr. Triner said he thinks the driller is going to have to stage here to come in with this because this is 1.2 acres on this lot. It will be very tough to drill on this. If they want to drill on it, Mr. Triner would say, have at it.

Mr. Schiemann stated he thinks what we are suggesting is, we are not too far away from bringing, this lot's non-drillable and he thinks we really need to do some legwork to determine whether that is drillable or not. We, sitting here looking at it as novices, we don't have the knowledge. We need some help. That's what we are asking for.

Mr. Triner said he knows that Council is also looking at the 10 acre site, but the problem there is if you open that up to the drillers. They can only put one well on this site, because to put another well you would have to be a certain distance with the spud and all that stuff. So it would be difficult to put another well on the site. If you open up the Village property, they could put four, five, six wells and directionally drill off of that property.

Mayor Rinker asked which property are you talking about?

Mr. Triner replied this would be the 10-acre site.

Mayor Rinker asked who said anything about doing that?

Mr. Triner replied, he's just saying.

Mayor Rinker said, seriously, who ever said anything about that?

Mr. Triner said he does not know.

Mayor Rinker said we certainly didn't. He wants to disabuse anyone of that notion. That's rank speculation. In fact, that's not true.

Mr. Triner said he understands Council's position. He is saying once the driller has the lease.

Mayor Rinker said what you are stating makes absolutely no sense. Not on the 10-acre site. Mayor Rinker thinks the question is. This is what Mayor Rinker is trying to grapple with in discussing this as we have been discussing it over time. Mr. Green's question was why would we do this and Linda Butler's comment was how can you acquiescing and Mr. Schiemann says you need to help us out. Mayor Rinker thinks, if he can speak for all of us here, from the very beginning we have been wrestling with how best to handle a very difficult situation. The only reason we ever even got into any discussion about the 10-acre site was for all the things that you are pointing out now. You have done a lot of homework and you provided a lot more detail. But in Mayor Rinker's estimation, it's cumulative information. It's all the more reason why this Bonnieview site is awful and we were at a meeting with another group of residents last summer and Mayor Rinker knows many of you have attended these meetings, Marge Eisenberg, Mayor Rinker knows you were there at that Caucus. It was pretty hot and heavy from those residents who were absolutely insisting that the Village help them out. That's our conundrum. We have tried to figure out what we can do in the face of the State law that we are all required to follow that nobody who wants to try to manage it likes.

We hear it loud and clear from you. Mayor Rinker appreciates. Part of the questionnaire was to get as good of an understanding across the board. When you did it in the Hanover Woods' neighborhood, we thought it was a good idea to take it elsewhere. But a theme that we have tried to at least articulate since last summer is that maybe we can have better control than we do today under the existing State law and with bonding and insurance coverage and all of the other engineering constraints that go in to the actual site development, those all assume that the permit is issued. Our bid problem has always been we are handed that *feta accompli*, that the permit is issued.

It's been killing us to think that we can only sit back and do nothing. We felt if we were to listen to Hanover Woods' ardent expressions of concern over this, it would be, let the State law run its course. If we listen to a lot of the residents who were at the meetings last summer, it was, you got to do something. We found out that as much as we have tried and we really have tried to disseminate a lot of information. Mayor Rinker can't say that we're perfect. He can't say that we always do it in a most scientific way. It's fair to state that we have tried to encourage very meaningful dialogue on the issue but we all come back to the same fundamental conundrum we face, that is the State has determined that these permits can be issued and they set the standards for it.

We have an ordinance on the books that pretty well mirrors what Orange Village has and a few other communities again that assumes the permit. What Mayor Rinker has asked Council to consider and candidly, Mayor Rinker does not know if we have got the proverbial ice cubes chance in you know where to look at whether we can insert local control because the fundamental problem

that all communities face that we have started out telling everyone, we have literally zero zoning control. Jim Famer who is on the Planning and Zoning Commission, these Council members, we have people who have been involved in all kinds of zoning issues. That's a large function of what we do as government. To be told by the State that local zoning power is pre-empted by the state statutes is very very difficult to deal with. All of us in this room would agree this is fundamentally a commercial operation and when you come into neighborhoods with half acre lots and one acre lots, this is what we've seen.

As your elected officials, we are not elected by one neighborhood or another neighborhood. We are elected by all of them. What we have seen is, we can't come to consensus except that nobody likes it. Everybody hates it. We can have the most impassioned speeches about how much we don't like it. Mayor Rinker thinks the best answer he can come up with is the response to Linda Butler's question, are you going to acquiesce? We have tried not to acquiesce but we have seen that the one avenue we felt we had some effective control which was looked at very carefully by our Planning and Zoning Commission, the power to negotiate not great, but we felt it was better than nothing. That clearly has met with opposition. Mayor Rinker thinks that message has come through loud and clear. Even before tonight.

So, what Mayor Rinker is asking Council to look at and his recommendation, his request would be that this be something that would be put in a draft form. Our Ordinance Review Committee can look at it. But ultimately Council would actually look to whether and to what extent we may describe in probably a very narrow way a mechanism that we can insert some local control. But Mayor Rinker can tell you that. We are going to try to do it. Mayor Rinker can pretty well guarantee because we have had these discussions in the past with legal counsel.

Diane Calta on Friday was at a symposium of all the law directors at a regular seminar. The question was posed by John Gotherman who literally writes the text in Ohio on municipal law. When the question was asked, what can you do? It was ab-ba-ba-ba. One law director said, well maybe you can make nicer fences. That's not a very satisfying answer for any of us. But that is the law.

We have talked to our state representatives. It wasn't just a phone conversation with Senator Grendell. We have written letters about it. We have looked at it. You've talked about it to Garry Regan. We have tried to look at it in a pretty intelligent way and an analytical way how we might be able to tackle this thing. Mayor Rinker just comes back to the same problem that we have. We have no real zoning function.

If we had something in the nature of a conditional use permit where someone would be able to come in and demonstrate some type of composition of a drilling unit. Can we better define a drilling unit in an urban area such as ours because we don't think that the state when they passed this legislation really, this is like the law of unintended consequences. We have mentioned that before.

Mayor Rinker does not know what else we can do. All he can tell you is it seems to him that the most logical path for the Council to take is to try to fashion something that meets what its constituency wants and the constituency in a lot of places which is some measure of rational zoning

control. Not prohibition, but some measure of control. Mayor Rinker can tell you even at that he would suspect that we will face some pretty substantial opposition.

Mayor Rinker does not know what else we can do. Mayor Rinker does not know what we can do to stop this. We can solicit votes from every neighborhood. But what we have tried to is not to get neighbors fighting against neighbors. Mayor Rinker appreciates the fact that we heard from people from Stonecreek. Last summer we were told that the vote was pending. Whether its across political boundaries, whether its across property lines, it's a very very volatile situation that we have tried to manage in as objective a fashion as possible. Mayor Rinker thinks that from a functional standpoint, looking at some type of legislation, it may end up being symbolic, but it probably is the most logical direction in which we can go. In the meantime, and Mayor Rinker thinks when he talked to Jim and Jean Triner the other day, the other thing we can try to do is to disseminate information, try to be more of a clearinghouse. But again, Mayor Rinker thinks we have to try to be as objective as we can. We tried to look at information fairly. The other day you had a drawing there and you were talking about a flaring mechanism. Mayor Rinker assumes you talked to Garry Regan about it and recognize that flaring is not something relevant to this.

This helps us all if we can continue to understand it better. Mayor Rinker can tell you from the fire department, from our building department, from our engineer, these are things that we handle in terms of looking at site development in a pretty professional way. But it doesn't change the equation. We are going to see if maybe we can influence the equation. That's his request.

Mr. Triner said maybe his fire chief would be helpful, but he thinks the Gates Mills fire chief is asking for more setbacks from inhabited houses.

Mayor Rinker said we pointed out on more than one occasion that we were looking for the 10-acre site for setback purposes to see if we could negotiate separation from neighborhoods. One gentleman has pointed out and one of your neighbors that yeah, we may be able to work out certain understandings through a lease with a particular driller. That doesn't preclude another driller who's following the State law from knocking on someone else's door. It is a very real problem. We happen to be in an area that is very highly densely populated and it's oil and water. They don't mix.

Mr. Triner was asked by an audience member what kind of production he was assuming, what kind of mcf. Mr. Triner said again he had talked with Garry Regan on this. Garry Regan said an outstanding well will produce 150,000 mcf over 10-year period. That's the number he used. That's 150,000 times a 10-year average for gas \$5.31 times 12 1/2 % times 1.27 acres divided by 20. That's where that number came from.

Mayor Rinker remembers at the first meeting we had we were talking about, he thinks it was Wes Marrotte who said, what is the property owner going to do, is it going to be a buildable lot? These are big questions. People have to make these decisions.

Richard Green
6548 Hunt Circle

Mr. Green said to Mayor Rinker that he thinks his statement was very clear and articulate and rational. Has the law director or other law directors in various municipalities determined whether or not they have the right to sue in the courts of Ohio to get this law overturned or to find that maybe it is an aggregation of the rights of the local entities?

Ms. Calta replied from what we've seen there haven't been any lawsuits to overturn House Bill 278. It's a very significant trend with the General Assembly and the Ohio Supreme Court that home rule has slowly been eroded. Ms. Calta does not want to say it doesn't exist, but if you look at the case law, it's hanging on by a thread. That was part of the conversation on Friday at the seminar and if there's a way to attack the ordinance from the standpoint that a local ordinance does not conflict with House Bill 278 has promulgated, then you may be able to withstand a challenge and keep your ordinance in and be able to enforce it. Ms. Calta does not really see anyone coming up and challenging 278 at this point. Ms. Calta thinks Senator Grendell has talked about challenging the mandatory pooling requirements and that's where if you have 80-90% of the acreage you can submit an application to ODNR to have the rest of the area pooled in a sense included within the 20 acres. Ms. Calta's understanding is that he is looking to challenge that aspect of it but other than that, Ms. Calta does not know of any challenges to it.

Mr. Farmer stated, the issue was raised that the problem is this is peculiar to Northeast Ohio. Most of the State wants gas wells. Most of the State's rural people want gas wells drilled on their property. It's an asset. It produces more money for the farm. People advertise their houses that they have a gas well, that they have free gas. It's peculiar to our area because it's residential and they are starting to push wells in here. So most of the State, when you talk about challenging the law, they don't care. It's just our area.

Mayor Rinker said typically when you look at a case, bad facts, bad law, good case, typically the unique qualities of a case can often decide that issue. To challenge legislation across the board, that's not a case that's really going to go anywhere because the legislative intent has already been established and to show that it's unconstitutional is going to be impossible on its face. On the other hand, if we can demonstrate the unique peculiar qualities, and that's really going to be the challenge to us.

What Mayor Rinker is looking at is a process that would invite more of this kind of dialogue but hopefully to establish a body of evidence that at least undergirds what we would see as an exception to what the State statutes currently provide. We have to show that we can be compatible with, not contrary to. Mayor Rinker can say that and it can sound awfully nice, but he thinks in practice that's going to be tough to do simply because it is State policy, it's a matter of commerce. Most of the cases in home rule have either involved commerce issues, the City of Cleveland for example, the residency requirement, handguns, there are a number of different safety issues, different commerce issues, those tend to be elevated at the State level. What we are going to try to do is isolate what makes us special in a measurable fashion. If we can do something rational, that's what we are going to try to do.

John Denning
Seagull Development

Mr. Denning just wanted to let everyone know that Seagull Development is officially rescinding their request to drill on any properties owned by the Village of Mayfield. We thank you very much for your consideration. We apologize for any, all of this hubbub that we have caused. We were just trying, we are going to go ahead and drill at our other locations. We duly respectfully rescind our offer and we thank you very much. Thank you.

Marge Eisenberg
6783 Seneca

Mrs. Eisenberg said her Dad had a farm and grew corn for the State of Ohio and the southern part. He did it for a long time. Different kinds of corn. And the man next door in the next area, it was over 100 acres, had a well on his property and the run-off contaminated that land and her Dad could not grow corn in that land and the State came in and said that he could not grow corn for a very long period of time. So anyone who says that the land is not contaminated, Mrs. Eisenberg tests.

Gloria Donnelly
144 Stonecreek Drive
Mayfield Heights

Ms. Donnelly asked when he said that Seagull is rescinding, what is he talking about? Is that one Bonnieview they are not going to drill, or just the Village?

Council President Buckholtz replied, the Village-owned property.

Mayor Rinker reiterated, we only proposed discussing what to do with the 10-acres because the predicament with the lot that's on Bonnieview. You are part of a drilling unit that has this little one-acre bump up into our Village.

Ms. Donnelly asked who actually goes out and measures to see if he's legal and too close to these homes? Because if you actually walk the property –

Mr. Cappello replied the Ohio Department of Natural Resources, they need to submit a certified survey from a registered surveyor showing where the well head is supposed to be, where the equipment is going to go, the whole unit boundary, and also locations and buildings. They have to submit that drawing. The inspector comes out and looks.

Ms. Donnelly said, but none of that's been done yet.

Mr. Cappello said he does not know if that has been done.

Mayor Rinker added and that's part of where we're trying to go with if we look to some measure of local control trying to improve our ability to respond in some real time to just that type of situation but there are two aspects to it. One is whether you just refine or improve the existing procedure or are you actually looking at a way that you can intervene in the process other than as it is set up today. The process is much like a liquor permit. It's very limited due process in Columbus.

Council President Buckholtz said another way to answer your question is that he is going to go ahead and drill on Bonnieview. That's what he's saying.

Mayor Rinker said that's what it sounds like.

Council President Buckholtz said that's taken that option of the 10-acre site out of the mix which is why Council President Buckholtz asked Jim Triner when he said, with that close configuration and that impossibility of where to put the tanks and where to put this, that was just kind of like a logical thing where without considering, that's why Council President Buckholtz thinks your situation is way different than Hanover's situation. That's where you get this because we were looking at the 10-acre site, hadn't heard from Hanover, wasn't thinking of that, just looking over that close configuration as Jim Farmer from planning said they were shoehorning it in there. We didn't do all those graphics but we knew that that didn't feel right or look right, so we were thinking maybe we could move it over there with a little more control.

Jean Triner
829 Hanover

To follow up on that, Jean Triner is very empathetic to Stonecreek and she really appreciates, she knows Gloria has done a lot of work and there are other people here who are very distraught about this and she can empathize.

The first question Ms Triner has is is there some quick way to find out, is it truly drillable? If it's not, that puts everything to rest.

Council President Buckholtz asked, is what drillable?

Ms. Triner continued, if they find that it is drillable, can, what Gloria said earlier, they were intimidated, they were misled, they weren't giving the information. Is there any clause and maybe our law department can answer this, is there a clause where if those conditions where you are not given proper information, not given correct information, can it be challenged? Can people testify in Columbus? Can the permit not be given given how these folks have been treated? There's been so much effort going into this, we hate to have our neighbors from Stonecreek get the brunt of this as well. It just seems like it's totally unfair. Ms. Triner appreciates what the Mayor said about trying to get rational zoning control. If we can do something in the meantime to help our neighbors, that would be great.

Ms. Calta replied, the answer to your question is yes. The problem that she has encountered with ODNR is that getting real-time information from them is pretty difficult. Ms. Calta thinks Tom,

between his survey ability and working with ODNR. This week Ms. Calta was in contact with ODNR asking for copies of all applications and permits for wells in the Village. Some of the information they gave noted three wells along Beta that had been permitted but not drilled. If anybody's been on Beta, you know that those three wells have been drilled. Obviously, they have been notified that their information is a little outdated.

Linda Butler
817 Hanover Road

Ms. Butler just wanted to ask a few quick questions about possible ways around this.

We really feel that we want to stand shoulder to shoulder with Bonnieview, with Stonecreek and Bonnieview. One of the thoughts that we had in terms of depriving them if they want to pool some other property, there are people who have not signed leases as Jim mentioned over there. They could be automatically pooled under State law. What happens if those people shift their leases to another property, for instance a relative or a non-profit organization, they just transfer those leases. Would that be a solution to keep them from being pooled.

Mayor Rinker said that's assuming they can transfer them. How do they do that?

Ms. Butler said she doesn't really know. She's not a lawyer.

Mayor Rinker provided an example. We have Highland Heights right now that's in litigation because it tried to rescind a lease, whether a transfer or not, it tried to alter the fundamental operability of the lease and so they are in Court. He does not know what the status is of that. They just rescinded the lease. They unilaterally reneged on the lease. He does not know the detail of it, but they had, because of popular antagonism, people didn't want it, the City backed out of the lease and then they got sued. They thought they had something resolved. He heard they were going to go on to the pet cemetery and then the pet cemetery owner said no way, no how. But it's not a simple, oh, well we can just change our mind. If you have entered into a contract, that's why,

Mrs. Butler said, no, these people here have not entered into contracts.

Mayor Rinker said you really have to consult with an attorney as to what the homeowner's documents read. This was raised by the Triners recently. We can try to find out more, but it's, Mayfield Village walks a very thin line when it starts intruding into the rights of private property owners.

Mrs. Butler asked, couldn't you have your surveying team, or whoever does –

Mayor Rinker said surveying has nothing to do with the leases.

Mrs. Butler said one of the things Jim is trying to raise is whether this is actually drillable. If you could –

Mayor Rinker said, yes, we will check that. We can do that. Tom, that's what Diane just – let's take it a step at a time. We can measure it and anticipate, we can pretty well vector where this thing is going to go. Jim's graphic is pretty close to what Tom put together when we did our presentation a few weeks back, without a few circles. But the basic idea is it's a very narrow slot on to which you could place that. As was pointed out, depending on what you want to do with that property in the future, if you are the property owner, there are going to be limitations on what allows it to be buildable much less marketable. We can double-check all of that. We can shoot those measurements, but other than that, we are still pretty passive waiting for the other shoe to drop. Then the right of intervention is there. We don't think it's a very, it's a pretty cumbersome mechanism, but there is a basic due process mechanism that allows us to intervene if we think that what they're doing is not following the rules as they are currently set.

Mayor Rinker continued, what I have been talking about though is trying to see if there is a way that we can change or modify, amend some of those rules directly because we are not getting anywhere with our State representatives. They are talking nicely to us, but they are basically saying the facts of life are, we are not going to make fundamental changes in this.

As far as the homeowner's association, all we understand is that there is a common ownership that, and he doesn't know what the documents show, they are probably filed with the City of Mayfield Heights, but those are generally the contractual relationships amongst all those homeowners, not too different from what Hanover Woods has. You have certain homeowner's documents. Beyond that, Mayor Rinker is not sure what power, what has been given up, who has been the agent for all of these individual owners on these leases. That, he is not sure.

Jim Triner
829 Hanover Road

Mr. Triner said, what Linda is asking, and again, he's not an expert on this, but in that particular condo, those condo owners own the property underneath their condo, so if we have 10 condo owners who have the land and mineral rights underneath their condo, to put that well in they still have to meet the 300 foot radius from the edge and so if there's maybe 10 people there that don't, that kind of breaks up where that circle can go, that can also limit where that well can be drilled.

Mayor Rinker said he appreciates that. What we are trying to do is get from what if and maybe and whether or not. That's also speculative. That's what's made it very difficult for us. We are debating over speculation. If we can debate over fact, it makes it a lot easier to understand how to decide some of these things. These are facts to which we are not privy.

Mr. Triner said, right. The only thing he is saying is that there may be something we could look into that could give us a more definitive thing on that.

Mayor Rinker said he thinks the owners themselves can do that. Then they can share information if they so choose.

Mr. Cappello said, Diane knows about this. These leases, you check the County's website. There's a lease filed for 6776 with Seagull and he also believes there is also a lease filed with Stonecreek. He's not sure how that works legally, but they have actually filed leases that were already paid.

Ms. Calta added, for Stonecreek, if you look on the Cuyahoga County Recorder's Office, in January of '09, Stonecreek Homeowners Association, there's a lease filed and it covers 13 acres and it's with Seagull. It was signed by Stonecreek Homeowners Association, it's hard to read the name, but looks to be a Mario, that's who signed off on that lease. It says agent for Stonecreek Homeowner's Association.

Council President Buckholtz asked, the builder?

Ms. Calta replied, no, she thinks that's the homeowner's association. There's a separate lease recorded on the same date, Stonecreek Homes, LLC. That is for 3.1 acres and that looks to be possibly a bunch of sublots that had not been sold yet. That's 3.1 acres and it's signed by the developer.

Council President Buckholtz asked, is there a name?

Ms. Calta replied, Norman Millstein. Both of those leases were recorded. They have provisions which deal with the timing and termination of the lease. For example, if it wasn't drilled in 6 months, what happens? It doesn't automatically terminate. According to the way that they are written, these are still valid leases from a time perspective.

Dr. Parker asked what the total acreage is?

Ms. Calta replied, 16.1 acres.

Dr. Parker said, that's what they have from Stonecreek. What do we know that they have on Bonnieview?

Mayor Rinker replied, 1.2 he thinks.

Dr. Parker asked, does that mean they don't have enough?

Ms. Calta replied, there are some other lots that they have. They have some that are recorded and some that are not recorded. They would need another 3 acres or so. If you add up all the leases they have, they do have -

Wes Marrotte
Glenview

Mr. Marrotte said this question is probably a little bit after the fact. Did Seagull ever offer anything in the way of what they would negotiate in order to drill on the 10 acres? Did they ever say anything, what they would give to the Village if the Village would agree to drill on the 10 acres?

Mayor Rinker said, Wes, you were at the meeting. Yes, last July. They put a number out there. Mayor Rinker thought it was \$15,000.00. They were wide open with it. Then they were talking about royalties, 12.5.

Mr. Marrotte said he was thinking about the fact we were trying to get them not to drill anywhere else in the neighborhood. Did we ever get that far?

Mayor Rinker said we have never gotten that far.

Mr. Marrotte said, they never made an offer. They never said we –

Mayor Rinker said, they didn't bid against themselves, no.

Mr. Farmer said, you have to understand. What these guys do when they get these leases, they hold them close to their vest. They don't run down to the Recorder's office. That tips their hand to the competition.

Mr. Marrotte said the only part he is trying to make is they realize all of this opposition and it seems to him that they never came to the table and said, we will make you this offer if you'll go on the 10 acres.

Ms. Calta said to Wes, she did ask him that question because at one point there was the discussion about radius restriction on other wells. Ms. Calta asked if they would be in agreement with some sort of radius restriction because at some point Seth Beal at one of the meetings said that they would entertain something along those lines. Again he wasn't specific. When Ms. Calta asked the question, the response came back, it was not a one-mile radius restriction, it was more along the lines of a few hundred feet. She does not recall exactly, but it wasn't anything like a mile radius restriction.

Council President Buckholtz stated we were all in that conversation, but they didn't commit. Council President Buckholtz thinks the answer you are looking for is these were the informal negotiations that were being thrown out, like, if we do this, would you do that? Everybody considered it and then we needed to form legislation to enter into those negotiations. So that's just a historical fact.

Mr. Marrotte said it just seems strange to him if they wanted the 10 acres that badly, they would have put a little bit something to sweeten the deal ahead of time.

Council President Buckholtz said they didn't get that far.

Jeff Schiemann

Regarding the leases we just talked about, Mr. Schiemann tripped over this the other day and that's why we're working. You've got a 13-acre parcel which is the common area in Stonecreek. You've got the builder that has pledged 3.1 acres and that's the property he owns. You've got another lease coming and that would be all of the properties that are sold. There's another chunk of land that makes up the 20 acres. You have got another unseen lease right now. And the point is, the point that we've been working on and went to Stonecreek and have been listening to people from Stonecreek, is that lease comprises a bunch of people, but there are a number of holdouts. There are a bunch of people that didn't sign on that other lease. We are working it. We are trying to get who those holdouts are.

If you take every one of those holdouts and you draw a 300 foot circle around their property, there's a very good likelihood that the spud that is 3,500 foot down the bottom of the well can't be 300 feet if they are spread out throughout that property. You can't get the spud on the bottom to be 300 foot away from any one of those people. We don't know enough about this stuff. We started talking about it.

The issue that Linda brought up was if those people that are spread throughout he could go to Columbus. He could mandatory pool those people and he could all of a sudden have an issue. Linda's question was, if we took those five, six, ten people, how ever many it is, and pledged their drilling rights to someone else –

Linda clarified, they pledged them.

Mr. Schiemann continued, they pledged them, they signed their lease, they leased their mineral rights to somebody else, can they still be pooled?

Mayor Rinker said that's a very good question. Mayor Rinker appreciates the clarification because there's a difference between that which has not yet been signed. One of the things in fact that we looked at early on was whether or not the Village could sort of solicit from all residents lease rights so that we would be able to control the pooling functionality of this all the way around. We just thought that that was way too monumental a task and we did not have time to do it. What you are talking about, is if the willingness of those people is to do it, what do you want us to do? Do you want us to be supportive of it or –

Mr. Schiemann said, we don't know the answer to the question. The question, and part of the answer maybe is that even if they pledge their rights to somebody else, if they're not part of another 20 acres, they can be mandatory pooled.

Mayor Rinker said the mandatory pooling issue, if you steered into that harbor his hunch is there you are going to find there's a lot more political will because that's right on target with what Senator Grendell has talked about is trying to eliminate altogether any mandatory pooling component.

Mr. Schieman said if there was a mandatory pooling here and the Village went down there and was against it and you had 5 or 6 people –

Mayor Rinker said he does not think that would be hard to do.

Mr. Schiemann continued if you have 5 or 6 people appear at that hearing and they were against it, could you beat the mandatory pooling?

Mayor Rinker said you could make a good argument.

Mr. Schiemann said the survey, broader view, clarity, you got your broader view, if it was clarity you are after, you needed 8 or 9 questions instead of 4 questions. You got your clarity. If it was to counter the 100% Hanover Woods and find out what else was out there –

Mayor Rinker asked Mr. Schiemann if he liked his questionnaire.

Mr. Schiemann said it started a good portion of this stuff. You've got your answer to the survey. The survey speaks for itself. You've got 70 or 80% of the Village. You've got double the response that you thought you would get. You've got 70 or 80% against it. Get this darn thing off your agenda. Let's put our efforts together and let's move forward and inform the residents.

Mayor Rinker said he wishes he said that before a petition had gone around quite frankly because Mayor Rinker thinks we have been trying to do just that because what we have been concerned about that's been glossed over in this way too many times is that we didn't get into this discussion until we were urged by residents who are right in front of this one lot to try to do something. We have tried to do that. What you are talking about, we have never opposed some constructive way for us to be able to work in a collaborative fashion legally and based on good information so if this is a way that, these are people that voluntarily want to do it and there's something we can facilitate, we will do it. But we are very careful that where we use our powers we don't intrude upon something because of the fact that we have that power. We have been trying to use them pretty judiciously.

Mr. Schiemann said, number two, you heard the guy say he's got \$4 million coverage, \$1 million per incident, \$4 million total. The last he read in the paper and he's only getting it from the paper is the Bainbridge incident has cost \$5,000.00 a month to supply water to those people right now. He's been ordered to do a million and a half dollar extension of the water main that will only reach 15 of the 26 people who have been affected and that doesn't cover the damages on their property, the damages to their house, the decline in value, anything else. It's a million dollars per incident and he's already been ordered to do a million and a half dollar extension of the water main. A million bucks worth of insurance is pittance for what's going on out there.

Number three, hindsight is 20/20, okay? The driller just said to you, he's not coming anywhere close to Hanover Woods, right? He stood at the microphone and he said, he's not coming anywhere close to Hanover Woods, why is that? It's because we got off our butts. We informed and went door to door informing every single resident of what was coming to our neighborhood and what

the possibilities are and the issue is, how does the Village help? We don't sit back and do nothing. We get off our butts. We get everybody in here and you did a great job starting it with those three things you did in the Fall. But we didn't follow through. If you only had 5% of the residents there, we should have been at that point, and Mr. Schiemann is guilty too, he sat at that meeting and he walked out the door and did nothing. But we ought to start right now and go door to door and make sure every single person in the Village knows what's coming their way and we ought to get there before these landmen who are nothing better than aluminum siding salesmen get there before us. Get this thing off of your agenda. Let's put our efforts together. Let's quit wasting time doing this and let's move forward and inform the Village.

Jean Triner
829 Hanover Road

Mrs. Triner would just like to build on Jeff's point. We are not just looking at Seagull. Ohio Valley's knocking on the doors. Bass is going to be there. Grubb and Ellis is out. Mrs. Triner couldn't believe it. She talked to the manager of the local office at Grubb and Ellis. She said she can't believe they are being this irresponsible. So, Mrs. Triner thinks that we need to continue Jeff's point to educate.

She did want to enter into the records a letter that she got back from the ODNR. She does not know if it will be helpful. It might help Bonnieview. It might help Stonecreek about this mandatory pooling. There has to be a 30-day hearing for mandatory pooling and people could get down there and appeal this.

Mrs. Triner would also ask about the options to drilling when there's health and safety issues. They said if health, safety and environmental issues cannot be addressed by the Revised Code rules and or permit conditions, the Division will not issue the permit. If we can get some additional information of our how our health and safety will be impacted, there's a possibility that maybe we can do something to help Bonnieview and Stonecreek. So, here's the letter for what it's worth and maybe Diane, this would be helpful to you.

Council President Buckholtz thanked Mrs. Triner

Adam Kahn
825 Hanover

Mr. Kahn stated he would like to make one quick strategic suggestion. If this pooling is what we are afraid of, why don't we turn the gammer on and make him afraid of it? Why can't we collectively get off our butts, go out and sign the leases in that area and leave those couple properties that he plans on drilling and pool those into our reserve. Sign a 50-year or something lease, say, we'll drill in 50 years and completely eliminate the situation. He does not know if that's feasible.

Another question was raised to the Law Director. Given that property is a bundle of rights including mineral rights, is mandatory pooling by the State forcing unwilling landowners to do

something that that landowner doesn't wish to do, is that constitutional? Number two, if it is constitutional, without compensation from the State, is it not a violation of due process?

Mayor Rinker said, two different questions.

A member of the audience stated, the mandatory pooling is like eminent domain.

Ms. Calta said, right, that's the easiest way to explain it.

Mayor Rinker said eminent domain requires compensation. It's not so much due process as it is compensation. The due process is probably met because the statutory scheme but if you force pooling because they provide a hearing process or they provide both procedural and substantive due process, it's a modicum amount. The question's going to be whether or not this constitutes compensable taking. That issue has been addressed.

A member of the audience stated, his understanding on that one is they are not actually taking away your mineral rights, they are just saying we are going to include you in the pool and you are going to get a check every month.

Mayor Rinker said, then that's your compensation.

So, they are not taking something from you, they are just saying –

Mayor Rinker said, well they are. They are taking, but you are getting compensated for it. In a regulatory sense it is a taking.

Mr. Green asked how to determine whether or not you are getting a fair amount for what they are taking from you. There's always a court proceeding in terms of getting an appraisal on your mineral rights value, what's worth to the person seeking the pooling, why they are taking it away and getting an appraiser to make it expensive enough that they are going to start thinking, maybe I don't want to do that.

Richard Davis
801 Hanover Road

Mr. Davis said he has been a resident of Mayfield Village for the past 22 years. He wanted to begin by expressing his thanks to the Mayor and Village Council for their willingness to listen to concerns and the informative documents on oil and gas well drilling that have been distributed to residents. That's been very applaudable.

This evening, however, he does want to touch briefly on three topics that relate to this issue and ask the Village to address that in future communications to residents about gas well drilling. He has some visual aids down here if you would like to follow along.

Topics are homeowner mortgage restrictions and potential liability issues which he thinks he is sharing with you some information that you may want to then validate and distribute around to the community. The second question is on Village liability issues and third, questions on Village legislation.

These points on the homeowner mortgage restrictions and potential liability issues are based on a review of an FHA mortgage agreement and a Third Federal mortgage agreement, both of which are pretty common in this community and specifically on the homeowner mortgage clauses related to hazardous substances. Mr. Davis has summarized the document wording for clarity in this discussion. He is also providing a copy of the specific wording of these mortgage sections to Council separately for their review so that they can review the exact wording.

The issue here is that mortgageholders in our Village may be violating the terms of their mortgages without knowing it due to gas well drilling activities. This is an area where the Village can further educate our residents so that they can protect themselves. Many of the materials used to drill and maintain a gas well are considered hazardous. Present use for storage of those materials on a mortgaged homesite may violate a mortgage agreement. Also, most mortgages put all responsibility for any environmental clean up on the homeowner, not on the mortgagor. 100% of the risk goes to the homeowner. Those are points that, as he said, he has the specifics available to you and hopefully that will be beneficial in your communications to the Village.

Mr. Davis would appreciate if the Village would respond either in writing or on the official record to the following questions related to the potential liability of the Village in the event of a problem with a drilling site on Village property. He understands that that may have changed somewhat because of Seagull's comment tonight but there are more drilling companies proposing to do drilling in this area and there are more sites that might be potentially involved.

Mayor Rinker said he if can just interject real quickly on that. The only place that we have really focused has been on Bonnieview. Early on, the Hejcl property was targeted as another site and there were questions about assemblage there but our understanding is that that assemblage is not happening and from our standpoint, we have never looked to Village property as being a situs there. The only other time we had looked at it, early on we were looking at north of Highland, exploring whether or not in a much larger undeveloped area there might be some feasibility to it and there wasn't. This really has been the only place where we have considered whether or not it would be viable. It's still a relevant question. Go ahead.

Mr. Davis agreed that it is still relevant. When he gets to the following slide, you will see why. The first issue is, what's the Village's potential liability for any hazardous substances or environmental issues. The second is, does the Village have insurance to protect it from such claims or is it self-insured? Obviously if it's self-insured, that has a potential impact on the revenues that the city is intending to use for other purposes. If there is an environmental hazardous substance problem that occurs on Village property that results in property damage and/or injury to Village residents, how will the injured residents' issues be addressed? Again, Mr. Davis is not expecting an answer tonight. He's asking that these issues be responded to in due course after you have had a chance to research them. Fourth, can the Village be sued in cases such as those noted above? It's not

something Mr. Davis wants to look at, but it's a reality in today's world that people sue at the drop of a hat for just about anything.

Those are Village liability questions that Mr. Davis would like to see the city address.

Ms. Calta said, if she could just briefly touch on them because she has talked with the Village's insurance carrier. From what he explained, the Village does not maintain environmental pollution coverage. That's why earlier this evening when Ms. Calta was talking about answering Mr. Koren's question about insurance and the requirements that we would impose upon a driller, it would require separate pollution insurance. As far as the second question, that answers the second question, we would require a driller to maintain that insurance because the Village does not have environmental pollution insurance. As far as 3 and 4, you answered 4 about anybody can sue anybody, the question would be, is there any sort of sovereign immunity that would apply. Ms. Calta would like to look at cases to give you support for that, but she would tend to say that sovereign immunity would apply, but if there's an environmental issue that has to be cleaned up, municipalities deal with those sort of issues all of the time, but there's no self-insurance for something like that.

Mr. Davis stated he appreciates the insight. He would appreciate getting a more formal response at a later point.

The last question is captioned as Mayfield Village legislation questions. It goes a little bit hand in hand with the potential liability issues as well. Has the Village enacted any legislation relative to the use of Village streets and roadways being used as part of the drilling or non-drilling plan as defined by the ODNR regulations for contiguous land area for a drilling permit? The question is has the Village enabled either through legislation or easements or other agreements, drillers to cross and include streets that belong to the city as a part of contiguous area. When we were here at the last meeting, there was a question as to whether the lots in certain developments went to the center of the street and therefore the street really was a part of the lot or the streets were separate deeded entities and not a part of the city lots so that when an individual signs a mineral lease for their lot, in some communities they might be including a portion of the street area, in other communities they are not. His understanding based on the research we have done is in most of Mayfield Village, the streets are separately deeded entities that belong to the city.

Mayor Rinker stated to his knowledge that's true.

Mr. Davis continued, therefore a drilling lease cannot cross the street unless the city permits it to cross the street. The issue here becomes one that can limit the collection of the 20-acre contiguous site if the streets are not permitted to be a part of this. Therefore, Mr. Davis' question is, in what cases have we already by legislation or by easements or other agreements, allowed for the driller to cross streets?

Mayor Rinker replied, first of all we have not done that. We have not affirmatively done anything to allow a driller to utilize the streets. His understanding was when we were looking at the Hejcl property because the Village had parcels on both the east and west side of S.O.M. in certain locations that in that for calculation purposes, that would logically be calculated, the right of way would be included because it's contiguous on right and left, only in that very limited sense. Candidly,

Mayor Rinker does not know what the answer is on Bonnieview, if part of the drilling unit is comprised of a lot that would be separated by a public right of way.

Mr. Davis said he believes it is.

Mayor Rinker said he thinks he is right on Bonnieview, it is. If that's part of the drilling unit there, this would be a legitimate issue.

Mr. Davis said that is question, whether we have, as a Council, or in any manner mitigated our right to keep that street separate from being treated as a contiguous area.

Mayor Rinker said, we have not done this.

Mr. Schiemann verified that the whole reason this question even came up again is because somebody by e-mail sent him something down in Broadview Heights or someplace else where there was like 8 acres up here and then the City actually gave them the street, granted them the street, of about –

Mayor Rinker said we have not done that.

Mr. Schiemann said, he's just saying, the reason this came up, are the streets include or are the streets not, if you got a house here and a house there, but the City owns the street, are they contiguous. The reason that even came up is because somebody sent him an e-mail of a drilling parcel where it was 8 acres up here and 2000 foot of city street and 12 acres down there and they called it a drilling parcel because the City participated.

Mayor Rinker said he appreciates that. He understands. We tried to demonstrate we are aware that there's some pretty goofy fractal arrangements here where they establish contiguity. Mayor Rinker would agree with Mr. Davis if in fact the drilling unit depends upon a segment that is intercepted by public right of way, then the answer would be that right of way would intercept it, it would isolate it, it would not be contiguous. We have not done that.

Mr. Davis said that is his concern that inadvertently as a part of some prior legislation, we mitigated that.

Mayor Rinker said to his knowledge, we have absolutely never had to deal with this issue. Certainly, we have never affirmatively deeded away any public right of way.

Mr. Davis said he remembered the discussion about the city property on both side of S.O.M.

Mayor Rinker said, right.

Mr. Davis said if that was done in some formal action a Council, you may have already set a precedent that you would have to work around.

Mayor Rinker said part of the problem is these are perceptions that are illegitimate concerns where we have tried to demonstrate that as this has developed, as it has evolved, we have tried to demonstrate what it is we are faced with as well. Typically, we haven't gone through all of the chapter and verse of any particular arrangement. As it turned out, the whole discussion regarding the Hejcl property and the collection of Village lands up there pretty much just dissipated on its own. When we found out that Miller and Krenzler were not prepared, what had been told to us was that they had understood that their property was going to be included, they came to a meeting and informed us, well no, we're waiting to see what the Village is going to do. To Mayor Rinker's knowledge, that never got any further traction.

Out of deference to everyone, we want to at least demonstrate in the last meeting that we had that there had been some discussion, the potential that this might come back to the table in some way if other properties had signed on. But to Mayor Rinker's knowledge, that was the only circumstance where the Village straddled a public right of way where this calculation could have come in to play.

Council President Buckholtz said to Mr. Davis, you are also asking if we could or have or would consider enacting legislation that prohibits streets –

Mayor Rinker said we don't have to enact it. Either you sign or not.

Council President Buckholtz asked, we can't be pooled or anything like that.

Mayor Rinker said he does not know.

Ms. Calta said she does not think there have been any examples of mandatory pooling of streets as of yet. But the question she did ask ODNR about the streets. What you can't find in the statute is the word contiguous. But ODNR interprets that your unit has to be contiguous. When it comes to streets, they are saying that all properties have to touch. They said that streets do not necessarily make a drilling unit non-contiguous because some streets are deeded to the center of the street. This response was by e-mail. But that's where we are saying most streets in the Village are deeded to the Village. They are not deeded to a property owner to the center. Ms. Calta confirmed that ODNR is on the same page as you are with the way you are reading this.

Mr. Davis said it would be nice to see them on the same page as him on more things. Mr. Davis appreciates Council's consideration. Who should he provide the materials to?

Mayor Rinker replied, provide it to Mrs. Betsa.

Mr. Davis took the liberty of making a copy of his slides as well. Thank you very much.

Council President Buckholtz thanked everyone for coming tonight. Comments were certainly well received. It looks like the legislation is off our agenda as the deal has been pulled. You did a good thing. We will reconvene as a regular Council meeting in two weeks and continue to communicate. Thank you.

ANY OTHER MATTER BEFORE COUNCIL

There being no further business, the meeting adjourned at 10:50 p.m.

Respectfully submitted,

Mary E. Betsa, Clerk of Council