

**MINUTES FOR THE SPECIAL SESSION OF COUNCIL**  
**Thursday, August 13, 2015 at 8:00 a.m.**  
**Council Chambers, Municipal Building**

Council President Stephen Stuart called the meeting to order at 8:00 a.m.

**ROLL CALL**

Ward 1: Duane R. Fishpaw	Present
Ward 2: Robert M. Valentine	Present
Ward 3: Ruth G. Detrow	Present
Ward 4: Sandra Tunnell	Absent
Council-at-Large & President: Stephen L. Stuart	Present

**PLEDGE OF ALLEGIANCE**

**LEGISLATION**

**ORDINANCE No. 59-15**

**Item a)**

**AN ORDINANCE RATIFYING AND APPROVING THE EXPENDITURE OF FUNDS FOR DISPATCH EQUIPMENT FOR THE ASHLAND COUNTY SHERIFF OFFICE TO PROVIDE DISPATCHING SERVICES TO THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY**

The Ordinance was read in full by Interim Clerk of Council, Elizabeth McClurg, as follows:

WHEREAS, the Ashland County Sheriff's office has provided dispatch services for the City of Ashland, Ohio; and

WHEREAS, the Ashland County Sheriff's office has incurred operating and updating expenditures for dispatch equipment so as to continue to provide dispatch services to the City of Ashland, Ohio; and

WHEREAS, this Council desires to approve and pay half the costs associated with said expenditures; and

WHEREAS, in order to provide the necessary authorization for payment for said services, this Ordinance is declared to be an emergency measure immediately necessary for the preservation of the public peace, property, health, safety and welfare of the City of Ashland, Ohio; now therefore,

BE IT ORDAINED by the Council of the City of Ashland, State of Ohio \_ members thereto concurring:

Section 1. That the payment of the invoices attached be, and the same is hereby, ratified and approved. (See attached Exhibit A) The money for said services has been appropriated to be paid from Account No. 101-2211-58191.

Section 2. That the Mayor be, and is hereby, authorized to approve for payment said invoice for the City of Ashland. Likewise, the Director of Finance is authorized to pay such invoices.

Section 3. For the reason that it is necessary to provide authorization for said payments, this Ordinance is declared to be an emergency measure necessary for the preservation of the public peace, property, health, safety and welfare of the City of Ashland, Ohio.

Section 4. That this Ordinance shall take effect and be in force from and after its passage by Council and approval pursuant to Section 12 of the Charter of the City of Ashland, Ohio.

Testimony was provided by Finance Director, Larry Paxton.

Mr. Paxton stated that the City has received multiple invoices from the County for dispatch equipment and services attached to this Ordinance.

Mr. Valentine stated that there seemed to be a lot of paper that we have not received before.

Mr. Paxton stated that the County is providing the City with an itemized bill at our request.

Dr. Stuart stated that there were two bills that he thought were billing for a full year and questioned if the City should be paying the full year rate.

Dr. Stuart specified the Spector Software upgrade and the MT Business Dispatch copier/fax.

Mr. Paxton stated that the MT copier bill was probably for a one month period.

Dr. Stuart stated that the Spector Software invoice was for a period from June 1, 2015 – June 1, 2016.

Dr. Stuart corrected his statement regarding the MT invoice, that is was for a one month period instead of a one year period.

Mr. Paxton questioned if Council would prefer to prorate the Spector Software invoice.

Dr. Stuart confirmed.

Mr. Fishpaw stated to prorate and pay the invoice through December 2015.

Dr. Stuart and Mr. Valentine concurred.

**Moved** by Dr. Stuart and seconded by Mr. Valentine that the Ordinance be passed on the first reading with the amended amount.

Ayes: Dr. Stuart, Mr. Fishpaw, Mr. Valentine, Mrs. Detrow.

**Moved** by Dr. Stuart and seconded by Mr. Fishpaw that rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Mr. Fishpaw, Mr. Valentine, Mrs. Detrow, Dr. Stuart.

**Moved** by Mr. Fishpaw and seconded by Mr. Valentine that the Ordinance be passed.

Ayes: Mr. Valentine, Mrs. Detrow, Dr. Stuart, Mr. Fishpaw.

## **ORDINANCE No. 60-15**

### **Item b)**

**AN ORDINANCE AUTHORIZING THE ISSUING OF A “THEN AND NOW” CERTIFICATE FOR THE FOLLOWING ATTACHED EXPENDITURE FOR THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY.**

The Ordinance was read in full by Interim Clerk of Council, Elizabeth McClurg, as follows:

WHEREAS, the City of Ashland, Ohio has authorized the attached expenditure; and whereas such pur-

chase of equipment has been completed; and

WHEREAS, the Ohio Revised Code Section 5705.41(D) requires a certificate of the fiscal officer of the subdivision be issued before expenditures are incurred; and

WHEREAS, the attached is an invoices for the purchase of equipment and services that was completed before a purchase order with a certificate could be issued for said encumbrance; and

WHEREAS, the attached invoice exceeds the three thousand dollar threshold amount the Director of Finance can issue; and

WHEREAS, this Council desires to affirm, and ratify such expenditure and authorize the issuing of a “Then and Now” certificate for said expenditure; and

WHEREAS, for the above reason, this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, property, health, safety and welfare of said City of Ashland, Ohio; now therefore,

BE IT ORDAINED by the Council of the City of Ashland, State of Ohio \_\_members thereto concurring:

Section 1. That the Director of Finance be, and is hereby, authorized to issue a “Then and Now” certificate on behalf of the City Council of the City of Ashland, Ohio and in doing so pay said invoice attached hereto.

Section 2. That for that reason it is necessary to provide authorization for the issuing of the “Then and Now” certificate and payment of said invoice, this Ordinance is declared to be an emergency measure, immediately necessary for the preservation of the public peace, property, health, safety and welfare of said City of Ashland.

Section 3. That this Ordinance shall take effect and be in force from and after its passage by Council and approval pursuant to Section 12 of the Charter of the City of Ashland, Ohio.

Testimony was provided by Finance Director, Larry Paxton.

Mr. Paxton stated that these invoices are for purchases made without a purchase order in place.

Dr. Stuart questioned if there were a way to reduce the number of “Then & Now” ordinances.

Mr. Paxton stated that there was with better planning.

Mr. Fishpaw questioned what would equate better planning.

Mr. Paxton stated that if the Departments know an expense is coming, the money is already appropriated to them, and they should file a purchase request in anticipation of that expense.

Mr. Paxton stated that when this process is not followed, including a large amount of items that Council does not see under the \$3,000 threshold, “then & now” ordinances must be filed.

Mr. Paxton stated that when you anticipate the department needs and file for blanket purchase orders for vendors you avoid them.

Mr. Paxton stated that some of them cannot be avoided.

Mr. Paxton stated that it is a different process than in the past, but this is the second year, and better planning will help.

**Moved** by Mr. Valentine and seconded by Mrs. Detrow that the Ordinance be passed on the first reading.  
Ayes: Mrs. Detrow, Dr. Stuart, Mr. Fishpaw, Mr. Valentine.

**Moved** by Dr. Stuart and seconded by Mr. Fishpaw that rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Dr. Stuart, Mr. Fishpaw, Mr. Valentine, Mrs. Detrow.

**Moved** by Mr. Fishpaw and seconded by Mr. Valentine that the Ordinance be passed.

Ayes: Mr. Fishpaw, Mr. Valentine, Mrs. Detrow, Dr. Stuart.

**ORDINANCE No. 61-15**

**Item c)**

**AN ORDINANCE APPROVING THE RECOMMENDATION OF THE COMMUNITY REINVESTMENT AREA NEGOTIATING COMMITTEE WITH REGARD TO THE COMMUNITY REINVESTMENT AREA TAX INCENTIVE APPLICATION FOR TARA SPK HOSPITALITY, LLC**

The Ordinance was read in full by Interim Clerk of Council, Elizabeth McClurg, as follows:

WHEREAS, a Community Reinvestment Area Tax Incentive Application has been submitted to the City of Ashland by Tara SPK Hospitality, LLC; and

WHEREAS, the Community Reinvestment Area Negotiating Committee (The Committee) met on June 3, 2015 and reviewed said Application; and

WHEREAS, the Committee felt that the creation of a new hotel in the City was one of the primary objectives of the Community Reinvestment Area and by offering this tax incentive, the economic viability of the project would be enhanced and encourage growth; and

WHEREAS, the Application involves the removal of structures and development of property located at 755 US RT 250, Ashland, Ohio 44805 is called Sec 15 Lot I-1 and is identified as Parcel ID I25-015-0-0018-00 and 753 US RT 250, Ashland, Ohio 44805 is called Sec 15 Lots I-2 & I-3 and is identified as Parcel ID I25-015-0-0017-00. Tara SPK Hospitality purchased a total of 2.66 acres which has been annexed into the City of Ashland. The parcels will be assigned new Parcel IDs as designated by the Auditor's Office as they fall within the third ward of Ashland, Ohio.

WHEREAS, Tara SPK Hospitality, LLC will construct a new 4-story hotel consisting of eighty-one (81) rooms and suites with a small meeting room, a large indoor swimming pool, and an exercise room under the Hilton Brand; and

WHEREAS, Tara SPK Hospitality shall create within a time period not exceeding 12 months after the commencement of the construction of the aforesaid hotel, the equivalent of 20 new full-time permanent job opportunities and 7 part-time permanent job opportunities and 4 seasonal part-time job opportunities at the US RT 250 site.

WHEREAS, these new employees are estimated to result in approximately five hundred ninety-one thousand dollars (\$591,000) in new payroll on an annual basis; and

WHEREAS, based on the application and information provided by Tara SPK Hospitality, LLC the Committee voted 4 to 1 to recommend to Council to provide to Tara SPK Hospitality, LLC reductions in real property tax of sixty percent (60%) for twelve (12) years for the proposed new construction of seven million one hundred twenty-four thousand eight hundred ninety-nine dollars (\$7,124,899) noted in the Application; and

WHEREAS, the City provided the Ashland City Schools Board of Education and the Ashland County-West Holmes Career Center JVSD Board of Education notice of the Application prior to formal action as required within Ohio Revised Code Section 5709.83; and

WHEREAS, the representatives of the Ashland City Schools Board of Education approved said Application by a vote of 4 to 1 at their Board Meeting held on August 10, 2015 based on a 60% tax reduction for 12 years for the new hotel construction; and

WHEREAS, the Ashland County-West Holmes Career Center JVSD Board of Education has also approved said Application at their Board Meeting held on July 16, 2015 based on a 60% tax reduction for 12 years for the new hotel construction; and

WHEREAS, based on the decisions of the Boards of Education and the Committee, it is recommended to provide Tara SPK Hospitality, LLC with a sixty percent (60%) tax reduction for twelve (12) years for the new construction of a 54,000 to 56,000 sq. ft. hotel at 753 & 755 State Route 250 based on the Agreement; and

WHEREAS, time is of the essence and this Council wishes to proceed with approval of the recommendation for the sixty percent (60%) tax reduction for the twelve (12) years for the construction of the real property set forth above; and

WHEREAS, this Council must consider such recommendations and either approve or disapprove them; now therefore,

BE IT ORDAINED by the Council of the City of Ashland, State of Ohio, \_ members thereto concurring:

Section 1. That based upon the recommendations of the Community Reinvestment Area Negotiating Committee duly adopted at the Ashland City School Board of Education meeting of August 10, 2015, the Ashland County-West Holmes Career Center JVSD Board of Education meeting of July 16, 2015, and upon the Community Reinvestment Application of Tara SPK Hospitality, LLC on behalf of the Hampton Inn & Suites Ashland for certain tax incentives is hereby approved.

Section 2. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.

Testimony was provided by Mayor Glen Stewart.

Mayor Stewart stated that the City has been working with Economic Development for months on this project.

Mayor Stewart stated that he fully supports the agreement and complimented all involved for their patience.

Mr. Valentine stated that he supports the agreement, but questioned who verifies the job creation.

Mayor Stewart stated that the Committee reviews the agreements, and asked Mr. Paxton for further information.

Mr. Paxton stated that there are annual reviews of all CRA agreements by the review committee; the agreements in whole are reviewed, along with income tax information to confirm that the business is in compliance.

Mr. Valentine also questioned what happens if the business does not fulfill their requirements.

Mr. Paxton stated that the abatement can be revoked at any time if they do not meet their requirements, and it is enforced immediately.

Mr. Valentine questioned in the past that the past abatements have been 50% for 10 years, and whether this is negotiated.

Mayor Stewart confirmed that it was.

**Moved** by Mr. Valentine and seconded by Mr. Fishpaw that the Ordinance be passed on the first reading.

Ayes: Mr. Valentine, Mrs. Detrow, Dr. Stuart, Mr. Fishpaw.

**Moved** by Dr. Stuart and seconded by Mrs. Detrow that rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Mrs. Detrow, Dr. Stuart, Mr. Fishpaw, Mr. Valentine.

**Moved** by Mrs. Detrow and seconded by Mr. Fishpaw that the Ordinance be passed.

Ayes: Dr. Stuart, Mr. Fishpaw, Mr. Valentine, Mrs. Detrow.

Dr. Stuart stated that he feels this hotel will be an important addition to the City and thanked all involved for their efforts.

Dr. Stuart questioned if there were any comments.

Mr. Patel thanked Council and the City for their support and effort towards the project.

## NEW BUSINESS

- **Motion Authorizing the Mayor Pursuant to Ord. 24-13 to Enter into a Contract over \$25,000 and under \$50,000. (Frontier Communications)**

Mayor Stewart stated that the Municipal building and the Fire Department phone systems are antiquated and through the possible agreement with Frontier, both buildings would receive state of the art phone systems and a rate reduction, including free long distance for the outlying offices.

IT Director, Patty Green, stated that we are proposing the acceptance of a lease in the amount of \$49,570, over a five year period with a one dollar buy out after that period.

Ms. Green stated that the monthly lease cost for the equipment would be \$1029.

Ms. Green stated that the additional cost for service was listed on the spreadsheets distributed to Council, which contained the past actual cost and the projected cost savings.

Ms. Green stated that with just the Police Department ring down lines being eliminated the cost went from \$144 to \$65 per month, a savings of \$103,000 over the next 15 years.

Dr. Stuart questioned the difference between the base cost and the actual cost.

Ms. Green stated that the base cost is the cost for each department before extra charges that we currently have to pay, which would be eliminated with the new system.

Dr. Stuart confirmed the amounts of the projected savings with Ms. Green.

Mayor Stewart questioned Brad from Frontier if he had any comments.

Brad Beal, Frontier Communications, thanked Council for the audience and stated that his job is to make sure the City has the best priced plan that Frontier can offer.

Mr. Beal stated that their goal is to save the City money by setting up an agreement where the City comes out ahead after the five year lease period.

Mr. Beal stated that it works out wonderfully on paper and will work out wonderfully in action.

Mr. Beal stated that the old phone system technology is terribly out of date; no one will want to work on it when it breaks and it will eventually die. This could take extensive time to replace.

Mr. Beal stated that the City will want to avoid this and Frontier wants to be a good partner and provide the best most cost efficient option available.

Dr. Stuart questioned if the long distance savings had been factored in.

Mr. Beal stated that they had not, since long distance charges are based on use and therefore variable.

Mr. Beal stated that the comparison is based on static fees.

Dr. Stuart questioned that there was a statement made that there would be no long distance fees for the Police Department and other offices.

Mr. Beal stated that all of the buildings and offices besides the Municipal Building would receive free long distance.

Mr. Beal stated that the Municipal Building cannot receive the free long distance due to the technology being installed.

Law Director, Richard P. Wolfe, II, stated that he had been through the contract and he felt he had a reasonable concept of it even though it was technical and difficult to understand.

Mr. Wolfe stated that the reason this agreement was before Council was due to a State requirement to change bidding contract amounts.

Mr. Wolfe stated that Council found middle ground by passing Ordinance to not require bids under \$50,000, but require Council approval for amounts between \$25,000 - \$50,000.

Mr. Wolfe stated what first raised his concern was that it was unclear if the \$1out option was correct or if the equipment was returned at the end of the five year lease.

Mr. Wolfe stated that this brought to his attention the question of how any contract for \$1029 per month for 60 months could total under \$50,000.

Mr. Wolfe stated that he doesn't have an answer since both lease options come out over \$60,000.

Mr. Beal stated that the excess was for financing fees, the \$49,570 covers the cost of the equipment.

Mr. Beal stated that with the financing, all maintenance is unlimited for the life of the lease, which basically cancels out the financing costs.

Mr. Wolfe stated that his concern is not how good or bad the contract is, only that it is above the mandatory bidding threshold.

Mr. Wolfe also stated that the third party costs of Tamco for financing also affects the amount.

Mr. Wolfe stated that he didn't see how it could be under \$50,000.

Mr. Beal stated that the prices are already at the state purchase price program.

Mr. Wolfe stated that we are and when we make those decisions it is by Ordinance.

Mr. Wolfe restated that he is not addressing the merits of the contract, that it appeared that the phone systems do need upgraded and this may be a good way to do it, only the amount of the agreement in regards to the bidding threshold.

Mr. Wolfe stated that there is a process we have to follow and where it originally appeared to be just under the line, it was actually considerably over.

Mayor Stewart questioned if that in Mr. Wolfe's opinion, an Ordinance would be required.

Mr. Wolfe stated that yes, if it is the case.

Mr. Wolfe stated that some parts of the agreement fall under bidding exemptions and some do not.

Mr. Wolfe stated that the agreement was confusing and difficult to follow, if not convoluted.

Dr. Stuart questioned Mr. regarding the actual cost of financing.

Mr. Beal stated that it was about \$10,000, but that provided the free maintenances, which would basically cancel the cost out.

Dr. Stuart questioned the cost difference if the City purchased the equipment out right and then paid the maintenance plan.

Mr. Beal stated that it is approximately \$40,000 to buy the equipment.

Dr. Stuart stated that it would be some savings.

Mr. Beal confirmed that it would but that Frontier offers the lease plan to help municipalities avoid the initial \$40,000 up front cost.

Mr. Beal stated that many communities cannot afford the large capital charge, and with the free maintenance it is a benefit of \$2,300 per year.

Mr. Beal stated that with the benefit of free maintenance it's about a wash, with a possible max savings of \$2,000.

Mr. Wolfe stated that if the funds are in place, it is not an issue.

Dr. Stuart stated that we know what we earn on inactive funds.

Dr. Stuart stated that there is not money in the General Fund, but there are Capital Funds for some expenditures.

Dr. Stuart stated that this must be tabled until the next Regular Council Meeting to present an Ordinance to cover the agreement in its full amount.

Mr. Valentine and Mr. Fishpaw concurred.

**Moved** by Dr. Stuart and seconded by Mrs. Detrow to table the motion until the next Regular Council Meeting.  
Ayes: Mr. Fishpaw, Mr. Valentine, Mrs. Detrow, Dr. Stuart.

**ADJOURNMENT FROM SPECIAL SESSION 8:42 a.m.**

**Moved** by Mr. Valentine and seconded by Mr. Fishpaw to adjourn from regular session.  
Ayes: Dr. Stuart, Mr. Fishpaw, Mr. Valentine, Mrs. Detrow.

Respectfully Submitted by  
Elizabeth A. McClurg, Interim Clerk of Council