
Ashland City Council

MINUTES FOR THE REGULAR SESSION OF COUNCIL February 15, 2005

Council President Greg Gorrell called the meeting to order at 7:00 p.m.

ROLL CALL

Ward 1:	Bob Valentine	Present
Ward 2:	Greg Gorrell	Present
Ward 3:	Ruth Detrow	Present
Ward 4:	Paul Wertz	Present
At-large:	Glen Stewart	Present

PLEDGE OF ALLEGIANCE

PRESENTATION OF MINUTES

February 1, 2005 *Regular session*

Moved by Stewart and seconded by Detrow to accept the minutes as received.

Ayes: Wertz, Stewart, Gorrell, Detrow Abstain: Valentine

COMMENTS OR QUESTIONS FROM THE AUDIENCE

(a) Ashland Public Transit complaint: Steve Poland

Poland commented with reference to Ashland Public Transit and complaints he had about them. He had attended a recent public hearing concerning the service, and he felt he wasn't given honest answers; he also felt his privacy rights were violated by the company (they noted he was a discount rider, which he felt was privacy violation); he felt that for the cost of the program there should be more service; they close at 9:00 p.m. and have fewer evening riders because they have a recording rather than a dispatcher at the phone; they have not encouraged the use of the transit system enough; another fee is tacked on for same-day rides rather than ahead of time scheduling, which is unfair and discouraging to business; the transit is not serving the public the way it should be; on Sundays there is a long wait for service. Poland is a regular user of the service, and he stated Council should review the service contract. He also felt the system should compare business before and after the addition of the surcharge and stated he cannot afford that surcharge. He added that he is totally discouraged.

Gorrell responded that there is a cost of operating the system versus the frequency of use during certain times of the day, and he indicated that problem is being reviewed. He told Poland Council would review his comments and the minutes of the hearing that he presented to them.

Ord. 7-05

Item (a) AN ORDINANCE ESTABLISHING ENTERPRISE FUNDS TO DEPOSIT AND EXPEND MONIES FOR THE CAPITAL PROJECT SCOTT STREET AND CAPITAL PROJECT SANDUSKY STREET WATERLINE; AND DECLARING AN EMERGENCY.

Moved by Wertz and seconded by Stewart to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Comments:

Finance Director Nancy Boyd told Council that these are both Issue 2 projects that have been approved for 2005, and Issue 2 guidelines require setting up separate funds for the management of those projects.

Moved by Gorrell and seconded by Detrow that the Ordinance be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Wertz and seconded by Valentine that the rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Stewart and seconded by Detrow that the Ordinance be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

Item (b AN ORDINANCE TO VACATE A CERTAIN ALLEY SITUATED IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY. (*West 13th and West 14th Streets*)

Moved by Wertz and seconded by Stewart to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Comments:

Gorrell explained that the next five ordinances all deal with the vacating of alleys. For every one of them the owners of contiguous properties have been previously notified, the public hearings have taken place, the Board of Revision of Assessments has reviewed each one and made recommendations for Councilmatic action and approval for each alley. The process is complete subject to Council approval.

Stewart stated that there was objection to the closing of this alley expressed at the public hearing, and he asked the Board of Revision of Assessments if they had assessed the impact there before recommending that it be closed? Law Director Rick Wolfe affirmed that this was considered.

Wertz asked about the fence in the area and if the junkyard could move that fence closer to adjoining properties if the alley is vacated. Wolfe answered that property lines are not being changed; the public right-of-way is just being vacated. Mayor Strine explained the issue for the Board was that there was no public use for that alley anymore.

Wertz argued the point that the junkyard could move their fence further toward the property on the opposite side of the alley, a residential property; that was not good for the resident living there. The Mayor said if it is legal, they may do so, and he asked Wertz then what was his issue with it. Wolfe stated he didn't know from which property the alley was taken; the county auditor would probably determine that.

The discussion ended with the situation being that the alley is not needed for public use; the City no longer wants the responsibility for maintaining it; the property owners have the right to move fences as they see fit on property they own; the City maintains rights of easements for utility lines in the area; and the Board of Revision of Assessments has recommended the vacating of the alley.

Stewart stated one owner wants it vacated, one wants it open, so vacate the half necessary and leave the other half open. Wolfe told him the general interest here is the community interest.

Moved by Gorrell and seconded by Detrow that the Ordinance be passed on the first reading.

Ayes: Detrow, Valentine, Gorrell Nays: Wertz, Stewart

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

Ayes: Detrow, Valentine, Gorrell Nays: Wertz, Stewart

The ordinance passed on the first reading and will be placed on the next regular session of Council for a second reading.

Ord. 8-05

Item (c) AN ORDINANCE TO VACATE A CERTAIN ALLEY SITUATED IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY. (*Highland Boulevard and Banning Avenue*)

Moved by Wertz and seconded by Detrow to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Wertz and seconded by Stewart that the Ordinance be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Gorrell and seconded by Valentine that the rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Detrow and seconded by Valentine that the Ordinance be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

Ord. 9-05

Item (d) AN ORDINANCE TO VACATE A CERTAIN ALLEY SITUATED IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY. (*East Washington Street*)

Moved by Wertz and seconded by Detrow to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Stewart and seconded by Valentine that the Ordinance be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Wertz and seconded by Gorrell that the rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Valentine and seconded by Detrow that the Ordinance be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

Ord. 10-05

Item (e) AN ORDINANCE TO VACATE A CERTAIN ALLEY SITUATED IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY. (*Chestnut Street*)

Moved by Wertz and seconded by Gorrell to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Stewart and seconded by Wertz that the Ordinance be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Wertz and seconded by Valentine that the rules requiring the reading on three separate days be suspended and that the Ordinance be passed on the second and third readings.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Detrow and seconded by Valentine that the Ordinance be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

Ord. 11-05

Item (f) AN ORDINANCE TO VACATE A CERTAIN ALLEY SITUATED IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY. (*Orange Road and Union Street*)

Moved by Wertz and seconded by Stewart to invoke Section 113.01 of the Codified Ordinances as the distribution of this Ordinance has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Stewart and seconded by Valentine that the Ordinance be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

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

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Valentine and seconded by Stewart that the Ordinance be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

Res. 5-05

Item (g) A RESOLUTION EXPRESSING THE CONDITIONAL INTENTION OF THE CITY TO ISSUE SELF-SUPPORTING HOSPITAL REVENUE OBLIGATIONS FOR SAMARITAN REGIONAL HEALTH SYSTEM IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,350,000 FOR THE PURPOSE OF PAYING COSTS OF HOSPITAL FACILITIES; APPROVING AN INDEMNIFICATION AGREEMENT; AND DECLARING AN EMERGENCY.

Moved by Wertz and seconded by Detrow to invoke Section 113.01 of the Codified Ordinances as the distribution of this Resolution has satisfied the requirements of said Section and that a further reading be dispensed with at this time.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Comments:

The public hearing required for this legislation was held previously in this meeting. The minutes for that public hearing can be found toward the end of this document.

Detrow asked if there is any way the City could be on the hook for this money; for example, what if the hospital decided to sell out and leave town? Katherine Petrey of Squire, Sanders and Dempsey, Bond Counsel for the City, responded to the question by saying that under no circumstances is the City going to be liable for this money. Bonds will be bought by financial institutions; it will be clear for the terms of the contract that the obligation of the City with respect to the bonds is payable solely from money that is provided by the hospital. Even if the hospital were to close and leave town, if there was no money coming from the hospital to pay the bonds and the bonds went into default, that would still have no effect on the City's credit rating.

Gorrell added that the indemnification agreement also holds the City harmless in terms of any acts or actions on the part of contractors, hospital personnel, employees, those kinds of issues, so that the City is held harmless not just in terms of financial aspects but in terms of the operational aspect.

Petrey stated further that what the City is doing is giving the hospital access to the tax-exempt borrowing rate; the lender will not have to pay income tax on the interest that is being paid by the hospital, just as though money was being borrowed for your own purposes. They are able to get a lower rate; the lender evaluating this as an investment will be looking only the hospital's credit.

Barry Keefe, also Bond Counsel for the City, stated that this is not the first time the hospital has gone this route; it has done this before.

Moved by Gorrell and seconded by Valentine that the Resolution be passed on the first reading.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Wertz and seconded by Gorrell that the rules requiring the reading on three separate days be suspended and that the Resolution be passed on the second and third readings.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Moved by Detrow and seconded by Valentine that the Resolution be passed.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

Motion carried.

WARD REPORTS: None

OLD BUSINESS

(a) Sunset Drive condition:

Stewart asked about the repair of Sunset Drive following the construction of the Abbie Creek subdivision, as the heavy construction equipment and truck traffic used that street for access. Council members had received a letter from Harold Jones, a resident of that street, complaining about the damage done to the street. Mayor Strine affirmed that the City had said it would repair damage to the street.

(b) Water rate study and draft legislation:

Gorrell explained that as a result of the recent water rate study, Council has received draft legislation pertaining to that. He asked Council members to review the draft and discuss any questions or information with the Finance Director, with the objective being to have legislation presented at the March 1st regular session for a first reading. The consultant will attend a second session for further questions or discussion from Council or the public.

(c) Appropriations 2005:

Gorrell referred to the appropriations "book" for 2005 that Council had received from the Finance Department. Boyd told them that the appropriations should be reviewed; by law the appropriations must be in place by March 31st. She stated she'd like to see legislation for this on the March 1st or 15th regular session of Council. If they have questions, ask them of her or other division directors as appropriate. The "book" incorporates the appropriations plus the debt schedule and the capital plan for the City.

Gorrell stated that it is in line with numerous discussions and work sessions that occurred over the months, and if Council desires, the legislation can be scheduled for March 1st.

(d) Economic Development Department funding:

Valentine asked a question concerning the Economic Development funding as outlined in the 2004 Annual Report from that Department. Director of that Department, Martin Irvine,

outlined the following information as to organization and funding provided to the Department in addition to the City funding:

- County Commissioners: \$10,000 contributed this year.
- Community Improvement Corporation (CIC): purchased a copy machine and contributed other materials for office use.
- Grant money from the Institute (Ashland University).
- Mohican Area Growth Foundation: contributed money for conferences this year.
- Other organizations are pitching in and helping offset some of the costs that have been borne by the City in the past.

NEW BUSINESS

(a) Park and Recreation fees: Tim Clingan, Director of Parks and Recreation

Mayor Strine told Council that many of the rate schedules for the Parks and Recreation Department haven't been adjusted for a long time. In addition, the Park budget has been hit very hard with the budget constraints. He stated he felt the rate increases to be all very reasonable, and he asked that this all be reviewed carefully for placement of legislation on the agenda for the next meeting.

Clingan explained that the Park income tax was reduced from 13% to 10% for 2005, which represents a 26.4% reduction in spendable revenue for the Park Department. This translates to \$244,000 less. He has been able to keep the budget fairly intact due to a very large carry-over balance from 2004, but 2005 carry-over budget will not be as good and allow them to do as much next year as this year. In order to keep the department in fair shape, Clingan has met with the Mayor and they are recommending the increases as presented in the handouts to Council members.

Clingan began going over the increases one by one, stating that most areas have not had increases for at least 10 years. The bottom line as Clingan pointed out is that with the cuts in budget, it is imperative to increase rates for different areas of the budget. For the golf course specifically, he noted that the increases are consistent with other area course rates. Brush chipping rates are up to commercial rates so that the City is not undercutting commercial entities. He asked that Council review his chart listing 2005 estimated revenue, 2004 actual revenue and the additional created by the increases.

Correll requested that, due to time constraints, Clingan wait until Council reviews the materials and brings any questions or discussion to Clingan at that time. The goal is to have legislation for the March 1st meeting, as summer leagues and requests are already being set up, and it is important to have rates established.

(b) Sale of fire truck: Fire Chief Mark Burgess

Burgess explained to Council that in 1995 the department started a vehicle replacement program including all their vehicles. In working through that, they do not increase the number of vehicles but rather dispose of them as they come up. Trade-in value is not a good option; usually they have been able to internally dispose of the vehicles. However, this particular vehicle is not a fire truck but is an emergency squad; enough of these trucks have been given to other departments of the City, and they do not need those trucks any more.

The department would like to sell this vehicle to the Jeromesville department, and to do so, an ordinance must be passed to allow that. The department has tried the sealed bid method but because of the area, not many sealed bids have ever been received. \$3,000 is a fair market value for the truck, and Jeromesville has agreed to that price for purchase. It's a bare vehicle, nothing goes with it inside.

Burgess requested legislation for the sale; Council gave its OK.

MAYOR'S COMMENTS

(a) Work session held after regular session:

A work session was held after the regular session. The purpose was to distribute draft legislation for the Certified Local Government designation for the Center Street Historical District.

PUBLIC HEARING

7:10 p.m.

A public hearing for the purpose of receiving comments with respect to the proposed delivery of tax-exempt bonds or lease obligations for the purpose of improvements to hospital facilities at Samaritan Regional Health System, 1025 Center Street, Ashland, Ohio.

Moved by Stewart and seconded by Wertz to move to public hearing.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

- a. David Boyer, Chief Financial Officer, Samaritan Hospital
- b. Ron Manchester, Director of Facilities, Samaritan Hospital
- c. Mark McIntire, Financial consultant for Samaritan Hospital
- d. Barry Keefe and Katherine Petrey, Bond Counsel for Samaritan Hospital

Boyer introduced the above-listed representatives for this project, and he then presented a slide presentation giving the details for the surgery project the money is to be used for. Some things included are: separate discharge elevator; completion date of June 2005; Mowry Construction, project construction manager; adding two new surgical rooms, second floor, making a total of six; construction manager budget is \$4,000,000; 81% of services and materials are provided locally in Ashland County, 11% out of Richland County; total project is \$5.3 million; adding about 10,000 square feet and renovating existing space of just over 10,000 square feet; most surgeons are local, all but two practice exclusively at Samaritan; capacity utilization rate about 85%; growth of 9% more surgical usage necessitates the additional two rooms.

Ron Manchester outlined the architectural and mechanical changes and arrangements of areas, and he explained the improvements now and for the future growth of the hospital.

At the end of the presentation, Gorrell opened the floor for questions and/or comments from the public. A question was asked concerning the City's liability in this bonding transaction, and Gorrell responded that the issue here is for the hospital to obtain funds at a better rate than what they otherwise would be able to do, and done in such a way that the City's encumbrances for projects is not impacted. In addition to that, there is a hold-harmless, indemnification agreement that is a part of the City's intent to enter into this arrangement that would have no liability impact to the City and would not negatively impact the City's ability to take care of its own financial needs. The agreement does not use City money; it uses the City's bond rating to attract a favorable rate. There is no impact to the City.

Moved by Stewart and seconded by Valentine to close the hearing.

Ayes: Wertz, Stewart, Valentine, Gorrell, Detrow

ADJOURNMENT

Moved by Gorrell and seconded by Stewart to adjourn.

Ayes: Detrow, Wertz, Stewart, Gorrell

Council adjourned at 8:13 p.m.

Submitted by
Elaine C. Bucklew
Clerk of Council