

**John Hamilton called the meeting to order** at 5 p.m. after the **Invocation**, given by Jeff Smith, and the **Pledge of Allegiance**.

The clerk called **the roll** and the following Commissioners responded: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole & Wesley Poole. Also present: Commissioners-Elect Dick Brady, Dennis Murray, Jr. and Naomi Twine.

**City staff present:** Paul Ricci – Fire Chief, John Orzech – Police Chief, Aaron Klein – City Engineer, Don Rumbutis – IT, Don Icsman - Law Director, Hank Solowiej - Finance Director, Nicole Ard – City Manager and Kelly Kresser - Commission Clerk.

**Upon motion of Pervis Brown and second of Diedre Cole, the commission voted to excuse Keith Grohe. The President declared the motion passed.**

**Upon motion of Diedre Cole and second of Pervis Brown, the commission voted to approve the minutes of the November 25 city commission meeting and suspend the oral reading. The President declared the motion passed.**

#### **AUDIENCE PARTICIPATION** (*agenda items only*)

Tim Schwanger, 362 Sheffield Way, said he understands a business in this area is requesting to surface Ferndale Drive (Item #6) to help cut down on dust in the area and wonders if this is still agreeable by the developer.

#### **PRESENTATIONS**

John Hamilton introduced **Jerry Arkebauer, Executive Director of the Erie County Port Authority**. Jerry Arkebauer provided a fact sheet explaining what a Port Authority is. The Port Authority was created to help with economic development projects through action of the Erie County Commissioners and the Port Authority is separate from the local government. Jerry Arkebauer started the Toledo Port Authority and was employed there for twenty years; there are now 53 Port Authorities in the State of Ohio, most of which do not know how to do economic development. It is easy to create a Port Authority but difficult to have one which can function and add value to Erie County projects. Jerry Arkebauer met with the city manager who suggested it would be a good idea to make this presentation with the city commission and introduce himself and offer help, meet with folks and add value. Port Authorities can own assets, finance assets and lease them while most governments cannot. Port authorities have a great resource with the State of Ohio and he has been involved in projects such as Crocker Park which is partly owned by a Port Authority. He has also been involved with retaining a large number of jobs through the Port Authority in Toledo, Ohio and general manufacturing facilities for Chrysler. The Port Authority can be very helpful on certain projects; it is not a panacea for all kinds of projects. The Erie County Port Authority is here, it is functional and they are willing and able to help. One of the ways already suggested is to approve an agreement between the Port Authority and the City of Sandusky. The function of this idea is the Port Authority issues different kinds of bonds; bonds issued by cities are typically general obligation bonds which are well recognized in the marketplace. The types of transactions/bonds brought through the city to a Port Authority are different and they are tailored to each individual project whether not-for-profit, or for a business or hospital asking the city to issue tax exempt bonds and these are well recognized in the marketplace and will relieve the city of having to deal with them. The city's law director would not have to review pages and pages of legal documentation typically involved in bond issues as the Port Authority would do this for the city. The commissioners received a draft proposal with a sample cooperative agreement and asked if there were any questions. Julie Farrar asked who the five members of the Port Authority Board are and Jerry Arkebauer said they are Jim Miller - Chairman, Martin Tursky from Firelands Regional Medical Center, Mary Jane Hill from the Sandusky-Erie County Community Foundation and Tim Mayles – Treasurer, but did not recall the fifth person. Dennis Murray said the proposed agreement will be submitted to the city commission at some point and speaks in terms of transferring certain authority to the Port Authority; he asked what types of agreements these will be. Jerry Arkebauer said they will not be in competition with anyone and the Port Authority will do things differently; tax exempt bonds are set up so interest earned by the bondholder is not subject to federal or state taxation (in Ohio). Tax exempt bonds must be done by a governmental entity and these can be issued by the city (Sandusky, Huron, Vermilion), Erie County or the Port Authority. Jerry Arkebauer is asking all of these governmental entities to refer these types of requests, when received, to the Port Authority so they can take the responsibility and relieve the city of dealing with this. Dennis Murray asked if the city retains final signoff and Jerry Arkebauer said the Port Authority will have the final authority on this. He said bond issues can be done for non-profits such as

the YMCA, Firelands Regional Medical Center, for a nursing home or for a small manufacturing company wishing to buy or build a plant or purchase equipment under \$10 million; these are all eligible for tax exempt financing. Dennis Murray asked what would happen if a business such as the Green Door wanted to go back into its original business which the commission may not approve of; he asked if they can approach the Port Authority for funding or if they have to be referred for funding and Jerry Arkebauer said they can assist only if a business is referred. Diedre Cole asked about the sentence in the paperwork which states: "there is no Port Authority requirement that construction workers be paid minimum wages". Diedre Cole asked how the Port Authority is able to access federal dollars in the funding mechanism for construction projects and how the Davis Bacon Act may affect this if it is true. Jerry Arkebauer said if a Port Authority accepts federal dollars, they are accepting responsibility for paying prevailing wages. Two years ago, the requirement from a budget bill in Ohio law requiring companies to pay prevailing wages on construction projects was eliminated for Port Authorities. This does not mean if a project was done for the City of Sandusky that Port Authorities can own the asset and lease it to the city. Bond counsel tells them they need to look at the end use of an asset and if used for a municipality required to pay prevailing wages, these must be paid as well unless it is a stand-alone project not required through Ohio law to pay prevailing wages. Diedre Cole said it seems she heard Jerry Arkebauer say the city can already issue general obligation bonds and asked why the city would need a Port Authority. Jerry Arkebauer said the idea is to relieve the city of having to deal with this type of a transaction which most city officials are not familiar with. It would relieve the city's law director from having to review documents which he may not be familiar with (bond issues and how they function). Every word would have to be read and understood by the law director. The board of the Port Authority has enacted legislation to accept a modest fee for the issuance of bonds and this is one way they can be self-sustaining and earn revenue. This relieves the city and its law director of having to do all of these things. Diedre Cole said she finds it a bit presumptuous to assume the city's legal counsel or finance department are not willing to deal with this obligation and the city utilizes the firm of Squire Sanders who have done an excellent job throughout the years. Jerry Arkebauer said these things are not hired by Squire Sanders; bond counsel typically represents the company in the transaction and he is not trying to be presumptuous about anything, he is just saying that the Port Authority cannot assist if the city does not want them to. John Hamilton said when there is a project, the city can cross this bridge. Dick Brady said this is an idea he embraces and to be perfectly clear, the city is not turfing off any responsibility to the Port Authority. The Port Authority should be utilized as a vehicle and if they can do things more efficiently, the city can use them to get things like this done. The city suffers from shortages of manpower and economic development is the key going forward to attract business and revenue streams. Dick Brady said Jerry Arkebauer is here to explain how to partner and thanked him for making this presentation. Wesley Poole asked if the city could address another Port Authority to do what is being proposed and Jerry Arkebauer said according to Ohio Revised Code Section 4582, Port Authorities may enter into cooperative agreements with any other unit of government provided that unit of government chooses to do so. With the Erie County Port Authority, there is local control, local persons serving on the board, and a local entity to assist the City of Sandusky with economic development projects. Wesley Poole said he supports the idea of a Port Authority and asked if there is anything to bar the city's relationship on a project by project basis. If there is a developer that wants to do something here, they may or may not wish to be anonymous and go to the Port Authority directly. Wesley Poole asked if there is any reason the city would not do what it normally does with a developer and contact the Port Authority before any other entity. Jerry Arkebauer said a developer may be more comfortable dealing with a Port Authority because another section of this contract deals with confidentiality on economic development projects. Not everything a business tells the Port Authority is subject to disclosure until they sign off and the project is ready to go; developers are more willing to deal with Port Authorities as cities have no confidentiality protection. Wesley Poole said the confidentiality part has been established and it still sounds as if this does not need to be done with every project, across the board. Jerry Arkebauer said this is for projects requiring tax exempt bonds and this is a little different.

#### **CURRENT BUSINESS**

**Upon motion of Diedre Cole and second of Pervis Brown, the commission voted to accept all communications. The President declared the motion passed.**

#### **ITEM #1 – Submitted by Amanda Meyers, Paralegal**

##### **SALE OF PARCEL #57-04255.000 LOCATED AT 808 HANCOCK STREET**

**Budgetary Information:** The cost associated with these purchase agreements is the total amount of the title examination, survey, deed preparation and recording fees. Any such costs shall be recouped by the city from the nonrefundable earnest money deposits required to be paid by purchasers upon sale. The purchasers shall pay the real estate transfer tax and recording fees upon purchase. By returning this

nonproductive land to tax producing status, the taxing districts will immediately begin collecting real property taxes and assessments once again.

**ORDINANCE NO. 13-128:** It is requested an ordinance be passed **declaring that certain real property owned by the city as part of the land reutilization program identified as Parcel #57-04255.000, located at 808 Hancock Street, Sandusky, is no longer needed for any municipal purpose and authorizing the execution of purchase and sale agreements with respect to that real property;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton and Wesley Poole, 5. Abstain: Diedre Cole, 1. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, and Wesley Poole, 5. Abstain: Diedre Cole, 1. The President declared the ordinance passed.

**ITEM #2 – Submitted by Aaron Klein, P.E.**

**PURCHASE OF BULK ROCK SALT FOR CY 2014**

**Budgetary Information:** Funds for the purchase of bulk rock salt are routinely included in the traffic services operating budget each year.

**ORDINANCE NO. 13-129:** It is requested an ordinance be passed **authorizing and directing the city manager to purchase bulk highway deicing rock salt for the division of traffic services to be used in the CY 2014 from Morton Salt, Inc. of Chicago, Illinois;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Jeff Smith and second of Julie Farrar, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

**ITEM #3 – Submitted by Aaron Klein, P.E.**

**PURCHASE OF CHEMICALS FOR THE WATER AND WPC PLANTS FOR CY 2014**

**Budgetary Information:** Funds for the purchase of these items are routinely included in the operating budgets of the water and sewer plants.

- A. **ORDINANCE NO. 13-130:** It is requested an ordinance be passed **authorizing and directing the city manager to purchase 13,500 gallons, more or less, of liquid sodium permanganate from Bonded Chemicals of Columbus, Ohio, for use at the Big Island Water Works plant during the CY 2014;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

- B. **ORDINANCE NO. 13-131:** It is requested an ordinance be passed **authorizing and directing the city manager to purchase 18,000 gallons, more or less, of hydrofluosilicic acid from Bonded Chemicals of Columbus, Ohio, for use at the Big Island Water Works plant during CY 2014;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Wesley Poole and second of Jeff Smith, the commission voted to approve this ordinance.

*Discussion:* Julie Farrar said it may seem like the commission is going through these quickly, but these kind of purchases come through every year for the plants.

Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

- C. **ORDINANCE NO. 13-132:** It is requested an ordinance be passed **authorizing and directing the city manager to purchase 57,000 gallons, more or less, of sodium hydroxide liquid from JCI Jones Chemicals of Barberton, Ohio, for use at the Big Island Water Works plant during CY 2014;** and

declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

- D. **ORDINANCE NO. 13-133**: It is requested an ordinance be passed **authorizing and directing the city manager to purchase 90,000 gallons, more or less, of sodium hypochlorite from Bonded Chemicals of Columbus, Ohio for use at the Big Island Water Works plant during the CY 2014**; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Jeff Smith and second of Wesley Poole, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

- E. **ORDINANCE NO. 13-134**: It is requested an ordinance be passed **authorizing and directing the city manager to purchase 667 tons, more or less, of aluminum sulfate polymer blend liquid from Applied Specialties of Avon Lake, Ohio, for use at the Big Island Water Works plant during the CY 2014**; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Pervis Brown and second of Julie Farrar, the commission voted to approve this ordinance.**

*Discussion:* John Hamilton said all of these items have been bid out and that is why there are different companies supplying them.

**Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

- F. **ORDINANCE NO. 13-135**: It is requested an ordinance be passed **authorizing and directing the city manager to purchase 44,000 pounds, more or less, of powdered activated carbon from Bonded Chemicals of Columbus, Ohio, for use at the Big Island Water Works plant during the CY 2014**; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Wesley Poole and second of Jeff Smith, the commission voted to approve this ordinance.**

*Discussion:* Pervis Brown said most of these purchases are within the State of Ohio and are purchased locally, where possible.

**Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

- G. **ORDINANCE NO. 13-136**: It is requested an ordinance be passed **authorizing and directing the city manager to purchase 240,000 pounds, more or less, of ferrous chloride solution from Kemira Water Solution of Lawrence, Kansas, for use at the Waste Water Treatment plant during the CY 2014**; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Jeff Smith and second of Pervis Brown, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

- H. **ORDINANCE NO. 13-137:** It is requested an ordinance be passed authorizing and directing the city manager to purchase 70,000 pounds, more or less, of polymer liquid from Polydyne, Inc., of Riceboro, Georgia, for use at the Waste Water Treatment plant during the CY 2014; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

- I. **ORDINANCE NO. 13-138:** It is requested an ordinance be passed authorizing and directing the city manager to purchase 2,530 gallons, more or less, of cationic liquid polymer from Polydyne, Inc., of Riceboro, Georgia, for use at the Big Island Water Works plant during the CY 2014; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Diedre Cole and second of Wesley Poole, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

**ITEM #4 – Submitted by Douglas A. Keller, Water Services Superintendent**

**PAYMENT FOR ANNUAL LICENSING FEE FOR PUBLIC WATER SYSTEM FOR CY 2014**

**Budgetary Information:** Funds for this licensing fee are routinely included in the Big Island Water Works operating budget each year.

**ORDINANCE NO: 13-139:** It is requested an ordinance be passed authorizing and directing the finance director to make payment to the State of Ohio Environmental Protection Agency for the renewal of the license to operate a public water system for the CY 2014; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Julie Farrar and second of Pervis Brown, the commission voted to approve this ordinance.

*Discussion:* Julie Farrar said the cost of this license is \$12,180.

Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

**ITEM #5 – Submitted by Jeff Meinert, WWTP Superintendent**

**PAYMENT FOR ANNUAL DISCHARGE FEE FOR CY 2013 FOR NPDES PERMIT**

**Budgetary Information:** Funds for this discharge fee are routinely included in the Waste Water Treatment plant operating budget each year.

**ORDINANCE NO. 13-140:** It is requested an ordinance be passed authorizing and directing the finance director to make payment to the State of Ohio Environmental Protection Agency for the annual discharge fee for NPDES permit number 2PF00001 for the Waste Water Treatment plant for the CY 2013; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Jeff Smith and second of Pervis Brown, the commission voted to approve this ordinance.

*Discussion:* Julie Farrar said the cost of this fee is \$15,550.

Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.

**ITEM #6 – Submitted by Jane E. Cullen, P.E.****RESOLUTION OF NECESSITY FOR FERNDALE DRIVE IMPROVEMENT PROJECT**

**Budgetary Information:** The engineer's estimate for the total project cost including engineering, inspection, advertising and miscellaneous expenses is \$262,221.52. The Jobs & Commerce Economic Development program funds through ODOT will fund 33.68% of eligible costs up to \$80,000. The sanitary sewer costs in the amount of \$13,805 are 100% the city's responsibility and will be funded with the sewer fund. The community development block grant revolving loan fund monies will cover the remaining \$166,416.52. Once the construction bids have been received, the city may decrease the amount of the revolving loan funding required and use more sewer funds to address the sewer and storm water activities.

**PASSED FIRST READING:** It is requested a resolution be passed **declaring the necessity for the city to proceed with the proposed Ferndale Drive improvement project; approving the specifications and engineer's estimate of cost thereof; and directing the city manager to advertise for and receive bids in relation thereto;** and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to approve this resolution.**

*Discussion:* Aaron Klein said he has not had conversations with this business about resurfacing their parking lot, but he has no reason to believe they will not do this. The issue about dust is with the Department of Agriculture. Wesley Poole said this conversation is not being pushed by the business; a request was made to improve the road in front of their building and the reason was explained. Dennis Murray said he would like to understand how much money is coming out of the Revolving Loan Fund (RLF) as the communication states there is \$150,000 left in the fund. There may be \$550,000 with almost \$350,000 which came from the housing debacle a few years ago. John Hamilton said he is not sure what dollar amount is left in the RLF but the committee met and approved this and there is about \$300,000 or so. Dennis Murray said he understands the fund has about \$50,000. Nicole Ard said she understood from Hank Solowiej the amount quoted as to what is available in the RLF, and some expenditures were made for the CHIP program from the RLF and the funds which were the main category or source were split out and she will allow him to explain this.

Aaron Klein has provided an estimate of what this project could cost, but we will not actually know until we receive the bids and he would prefer to use a small amount of CDBG or other funding (perhaps sewer). Hopefully they will come in a lot less than the RLF balance and to approve a set amount for CDBG funding. This is the best answer she can provide according to the RLF minutes. This will not be the entire amount, but a maximum amount. Dennis Murray said he researched the last time funds were approved through the RLF and he believes it was close to \$157,000. Dennis Murray asked if it is anticipated the city will use close to this amount assuming the city spends the \$150,000 or so left in the RLF. Hank Solowiej said the way the RLF is set up, it is a sub account and is a state grant fund. The housing corrections from several years ago were in a sub fund to cover these costs for repairs. The city still has open insurance claims and has been paying these monies with the hope they will be restored, but what has happened in the last several months is the city has finished several loans and the total balance in the fund has started to run low; these are the concerns he passed along to the city manager. The city has to be cautious about the amount of loans given out going forward because this may make the entire fund go below zero. The specific question about the amount leaves us with a balance \$50,000 and there is an anticipated loan presentation coming soon to the city commissioners (of about \$100,000) which means this money is not there. Hank Solowiej said his concern about the total amount of funds available and that this particular project concerns the retention of approximately 48 jobs. Dennis Murray said he understands this, but no one is paying attention to the amount of money available and we are having conversations about loaning out dollars we do not have. Dick Brady said imagine, for just a moment, the surprise people coming to the city for a RLF are going to have once they hear the minutes of this meeting and the city may not have the dollars they were anticipating and all of a sudden their idea goes out the window. This does not serve the public well and puts this person in a precarious position. Wesley Poole said the RLF money was put aside for a particular purpose and the amount of money the city has is finite and it would appear it is all out there working for us; if the city will be receiving an insurance check between now and when this proposal is complete, at some point, the city will have loaned all of this money out. If there is \$200,000 available now, it does not seem to make sense to just let it sit. If there is someone next week who is talking about utilizing \$100,000, this fund may be down to this amount anyway. This is a problem, but it is not; the object is to loan out the money so that there is economic development. Dick Brady said this certainly is a problem if the city is counting on receiving some fund money back from an insurance claim to fund our RLF obligation. He served on this commission in 2011 and we are still talking about insurance claims but we are no closer to resolving

this issue than Dick Brady walking on the moon and it is disingenuous to think we are going to fund our RLF out of future insurance claims. Wesley Poole suggested the point is if we had not taken the money out to cover the housing problems, it would still be there. We would still have the problem and we would still have the obligation to take the money from somewhere else. The money is there to be loaned out for appropriate projects and the fact we are running out. It is not as big of an issue. Keeping track of it and the impression of what the balance was is something that we should have been on top of, but the fact is, which project were we going to deny? Dennis Murray said the answer is with the item coming at the next commission meeting. Wesley Poole said coming here at the ninth hour to find out we have \$50,000 left is something that would have happened anyway. Due diligence was performed each time with each of the loans presented and it was decided this was a good idea if the city was going to benefit from them. The commission should be more aware of this as a body than they were. Diedre Cole asked if we have a ballpark idea of the anticipated amount of money we will need to spend with storm water activities since we will utilize the RLF; we are going to need \$168,000. Aaron Klein said the cost estimate for the sanitary piece is about \$12,000; the cost estimate for the storm piece is about \$110,000 from the RLF. Diedre Cole asked if this can come out of the sewer fund and Aaron Klein said the sanitary portion can come out of this. This is \$123,000 and the original estimate includes a bit of contingency (10%) and this is what we had for sanitary and sewer. Diedre Cole said if another source of funding can be located, this will still leave a balance of \$45,416.52 to be used from the RLF. Aaron Klein said 3.68% is the number he came up with from the ODOT Jobs & Commerce or approximately \$80,000. This is for the entire project – up to \$80,000 of funds from this source and whatever is remaining, 66% or 67% would be split. Wesley Poole asked if we are discussing the possibility in the future to utilize RLF money for the sanitary storm sewer and Dennis Murray said he certainly hopes so and we will have to also find some other monies. Dennis Murray said there is nothing more important than economic development and there is no question this is a great project, it is just a matter of keeping better track of what is available.

**Roll call on the motion: Yeas: Jeff Smith, Pervis Brown, John Hamilton and Wesley Poole, 4. Nays: Julie Farrar and Diedre Cole, 2. Roll call on the resolution: Yeas: Jeff Smith, Pervis Brown, John Hamilton and Wesley Poole, 4. Nays: Julie Farrar and Diedre Cole, 2. The President declared the resolution passed at first reading.**

**ITEM #7 – Submitted by Paul E. Ricci, Fire Chief**

**PAYMENT FOR DISPATCHING SERVICES TO THE ERIE COUNTY SHERIFF'S DEPARTMENT FOR CY 2014**

**Budgetary Information:** The city agrees to reimburse the Erie County Sheriff's Department for the actual cost of wages and benefits for the employment of five (5) dispatchers at a cost not to exceed \$319,219.45 of which \$159,609.73 (50%) will be taken from the 2014 fire department proposed budget (110 1310) and \$159,609.72 (50%) will be taken from the 2014 police department proposed budget (110 1020).

**ORDINANCE NO. 13-141:** It is requested an ordinance be passed **authorizing and directing the city manager to enter into an agreement with the Erie County Sheriff for the provision of public safety dispatching services for the City of Sandusky police, fire and service departments commencing on January 1, 2014, through December 31, 2014;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Pervis Brown and second of Julie Farrar, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

**ITEM #8 – Submitted by Paul E. Ricci, Fire Chief**

**APPROVING AND RATIFYING A GRANT APPLICATION FOR FY 2013 ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM**

**Budgetary Information:** The total amount of this expenditure is \$550,000 to purchase a triple combination fire engine, complete with required equipment and fire hose. The matching \$55,000 (10%) funds for this purchase will be provided from the fire department equipment replacement fund.

**RESOLUTION NO. 048-13R:** It is requested a resolution be passed **approving and ratifying a grant application submitted to the U.S. Department of Homeland Security Federal Emergency Management Agency, grant programs directorate for the FY 2013 Assistance to Fire Fighters Grant program and, if awarded, authorizing the city manager to execute any required agreements;** and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Jeff Smith and second of Julie Farrar, the commission voted to approve this resolution. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre**

**Cole and Wesley Poole, 6. Roll call on the resolution: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the resolution passed.**

**ITEM #9 – Submitted by Paul E. Ricci**

**CONSULTING CONTRACT FOR CY 2014 WITH SCOTT MULARONI AND WITH JOHN FEICK FOR ALTERNATE BUILDING OFFICIAL & ALTERNATE PLAN REVIEWER SERVICES**

**Budgetary Information:** Mr. Mularoni and Mr. Feick will be paid at the rate of \$55 per hour for work performed up to a maximum of \$5,000 for Mr. Feick and up to a maximum of \$10,000 for Mr. Mularoni. The cost of these contracts will be paid with the building division operating budget. A portion of the plan review expense will be paid by the collection of plan review fees by the department of planning, engineering and development.

- A. **ORDINANCE NO. 13-142:** It is requested an ordinance be passed **authorizing and directing the city manager to enter into a consulting contract with Scott J. Mularoni for CY 2014;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to approve this ordinance. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

- B. **ORDINANCE NO. 13-143:** It is requested an ordinance be passed **authorizing and directing the city manager to enter into a consulting contract with John A. Feick for CY 2014;** and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to approve this ordinance.**

*Discussion:* Pervis Brown asked how much the city paid for this service in 2012 and Julie Farrar said she believes it was \$10,000 each and there was one additional person who provided this service. Hank Solowiej said he believes there were two separate contracts, each for approximately \$5,000. They went a little over this year and this is the reason the amounts have been adjusted for next year. Paul Ricci said George Poulos is the primary plans reviewer for the city and if he has a conflict, Scott Mularoni is a backup (for George) while John Feick is a backup (for Scott). Previously the amounts were \$5,000 each, but additional work was provided this year which took us to the \$10,000 amount.

**Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. Roll call on the ordinance: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole and Wesley Poole, 6. The President declared the ordinance passed.**

**ITEM #10 – Submitted by Kelly L. Kresser, CMC & Commission Clerk**

**A request has been received from the Ohio Division of Liquor Control for a new C2 (Wine and mixed beverages in sealed containers for carry out) for North Coast Oasis Cleaning Service, LLC dba Variety Village, 332 East Market Street. It is requested the commission clerk be authorized to notify the Ohio Division of Liquor Control the city has no objection to this request.**

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted for the commission clerk to notify the Ohio Division of Liquor Control the city has no objection to this request. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton and Wesley Poole, 5. Abstain: Diedre Cole, 1. The President declared the motion passed.**

**CITY MANAGER'S REPORT**

Nicole Ard said the city received notification from the **Ohio Public Works Commission (OPWC) it will not be eligible for funding to make repairs to Caldwell Street.** The city requested \$147,000 in funding and OPWC indicated they would consider a zero percent loan over the life of the asphalt roadway (20 years). Nicole Ard said she is awaiting information from the State of Ohio to confirm whether the city would be limited to \$147,000 or if we could request a loan for the entire amount of the estimate from our engineer (\$295,000). Unfortunately, the city will need to know by Friday of this week and Nicole Ard asked for some direction. The roadway does get quite a bit of traffic because of the U.S. Post Office. Nicole Ard apologized for the late notification but said the city just learned it was unsuccessful with their

grant application. This is a situation where we may need to turn down funding, but it does require an allocation of resources and a 20-year period to pay back the loan. Nicole Ard said the city submits applications for different road and/or infrastructure projects and works cooperatively with other governmental entities in Erie County and must fall in line in terms of state guidelines. Caldwell Street and some other neighboring streets do not get consideration as main thoroughfares compared to roads that are more heavily traveled. Nicole Ard asked if the commission would like to consider a term loan. Diedre Cole said personally, she suggests making this part of the 2014 budget process as the loan will have to be paid back. It is unfortunate the city did not receive the aid requested and she finds this odd as Caldwell Street is extensively traveled because of the U.S. Post Office and she is amazed the state does not agree with this. Dennis Murray asked if this will be a general obligation bond and Nicole Ard said this would be a zero percent interest loan; Dennis Murray noted the documentation indicated a zero-percent to three-percent loan and Nicole Ard said she has confirmed it would be at zero percent. Nicole Ard said this is another option at some point in terms of having this critical mass of roadways. Dennis Murray asked if this would then be paid out of the general fund and Nicole Ard said the city can decide how to structure it. Jeff Smith said the city should look into the total cost of the project with a zero percent loan as this roadway is in bad shape and is used by most residents in Erie County. Nicole Ard said to think in terms of all of the other communities in our state and in our district which submitted projects which are then ranked by the state. Wesley Poole said if the city is unable to spend money allotted for Ferndale Drive using RLF or sewer funding, he cannot see borrowing money to do Caldwell Street. Caldwell Street is not in good condition, but Ferndale Drive has no pavement at all. There is a business in trouble with the Department of Agriculture because of dust, and they have put up with this for some time; this is a trade-off he will not support at all. It has not been justified why the city should spend money or give preference for Caldwell Street over Ferndale Drive.

Pervis Brown said he is struggling with this and how these streets will be funded. This is an opportunity to get a zero-percent interest loan for a project and the city should take this opportunity and move forward. This will be one less street the city must take care of and we should take the opportunity as it comes. Wesley Poole said it seems to him the city could apply for a zero percent interest loan for Ferndale Drive which is a priority project. As far as the priorities in dealing with things and how they come in, Caldwell Street is passable, Ferndale Drive is not. Repairing Caldwell Street will only make for a smooth ride to the post office while repairing Ferndale Drive will improve and open up an area for economic development for the community. This is a shell game where you cannot find a pea. The RLF will be reduced, but this money is supposed to be spent for these types of expenditures. Nicole Ard clarified the vote recorded by the commission clerk for Ferndale Drive (Item #6) was 4-2 which means it passed at first reading. The city will have to let the State of Ohio know about this application by Friday. The typical procedure with OPWC projects is each is voted on and ranked by the county. Funds are then allocated and when the maximum amount of funds has been reached, the process is complete. The final vote is this Thursday to make recommendation to the State of Ohio. Aaron Klein said he is not certain if they are ready to accept the funds, if offered. There will probably be a formal offer made on Friday for the city to accept. A certain amount of loan funds are offered each year and projects further down on the list may have eligibility requirements based upon funds above the threshold level. The opportunity to do Caldwell Street at this time would be by accepting these dollars.

**Upon motion of Pervis Brown and second of Wesley Poole, the commission voted to accept the offer of a loan from this agency to move the city forward.**

*Discussion:* Julie Farrar asked Hank Solowiej to weigh in on this and he stated his only concern is if the project moves forward, to understand what the city's obligation is regarding the debt and terms. Zero percent loans are great, but it is important to know the term and the timing for the project. Aaron Klein said the OPWC funding is not available until July 1 and the city cannot enter into an agreement until after this time. Jeff Smith asked if this something the city could apply for next year and Aaron Klein said there is no guarantee for the amount of money which will be available, but the city can wait. Julie Farrar said the budget allocation must be made, but decisions will be made about where the money will come from to pay it back. Wesley Poole asked if the city is considering to borrow the money and Nicole Ard indicated this is what she is asking. Nicole Ard suggested following through on the application and request Revolving Loan Fund monies in the amount of \$147,000; the engineer's estimate is \$295,000. Dick Brady said we need to look to our finance director and ask if the city can spend and/or finance this and Hank Solowiej said this is possible; if the commission is looking to finance \$300,000 over 20 years, this would be manageable. Hank Solowiej said he does not know what else will come up for road repair and/or how roads are chosen. Dick Brady asked if the commission has set priorities for road repairs and said a plan needs to be made rather than having a Chinese fire drill. The city is talking about spending \$300,000 with a \$1.2 - \$1.3 million deficit and does not even know what street is affordable. Diedre Cole said this needs to be budgeted and a plan needs to be developed. It is impossible to figure out where we

will get the money to pay this back and it is not fair to tie the hands of the next commission by making a hasty decision with missing pieces. Wesley Poole said he wished to address the comment it does not appear the commission has set priorities. Priorities have been set and there is a list of road projects which have been gone over diligently by engineering and this would have been moved along just fine. It just came to the commission now and they should have had more time to look at it, but they are trying to find options to save the project. There was thought put into this and the discussion, as disjointed as it seems, was to try and find a way to make this project work.

**ROLL CALL ON THE MOTION: Yeas: Pervis Brown and Wesley Poole, 2. Nays: Jeff Smith, Julie Farrar, John Hamilton and Diedre Cole, 4. The President declared the motion failed.**

Nicole Ard said at the last commission meeting, she requested **acceptance of the donation of a Christmas tree from Barnes Nursery for Schade Mylander Plaza. Nicole Ard clarified Barnes Nursery donated the labor and equipment to place the tree, but it was actually paid for by the 333 East Water Street Condominium Association.**

**Upon motion of Jeff Smith and second of Julie Farrar, the commission voted to accept the in-kind donation of labor and equipment from Barnes Nursery. The President declared the motion passed.**

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to accept the donation of a Christmas tree from the 333 East Water Street Condominium Association. The President declared the motion passed.**

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to accept a donation of Christmas lights (\$378 value) from Bill Waldock, Sr. The President declared the motion passed.**

Nicole Ard **thanked KeyBank, Value City Furniture and the Sandusky Community Celebrations Council for their work with the downtown lighting ceremony. Nicole Ard thanked staff members in the departments of general services, police and fire who helped set up for this event.**

**Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to accept a donation in the amount of \$100 from Leo Brown for the police department. The President declared the motion passed.**

**Upon motion of Jeff Smith and second of Julie Farrar, the commission voted to accept a donation from the Marine Corps League in the amount of \$40 for the police department for their recent celebration honoring veterans of the U.S. Marine Corps. The President declared the motion passed.**

Nicole Ard asked Paul Ricci provide **information about the fire department for the upcoming year.** Nicole Ard said she requested the fire chief to provide an update regarding the Staffing for Adequate Fire and Emergency Response (SAFER) grant and to clarify what has been recommended so everyone is on the same page as far as services. Paul Ricci said the mission of the Sandusky Fire Department is to provide excellent public service to the citizens and visitors of Sandusky with pride, purpose and professionalism. Even though there will be considerable debate on how best to do that, it is his responsibility, as the Chief Fire Officer, to provide a recommendation for the 2014 budget which provides the best possible service for the available resources. It is a recommendation, based on experience, historical data and the ability to deliver service safely and effectively. The undeniable focus of the 2014 fire department budget has been the expiration of the SAFER grant on December 6, 2013, and the disposition of six fire fighter positions previously funded by federal money. From a program approach, simply stated, the fire department provides fire prevention, fire suppression, rescue and EMS program services to the citizens and visitors of Sandusky. The fire department is, however, much more than that. It is a service delivery system that depends on each program component to be effective. The program elements of administration, fire prevention and fire suppression are designed to reduce risk and to respond to emergencies. Paul Ricci then showed a video about the Sandusky Fire Department.

Paul Ricci said the value added to this city is not about fire fighting or running ambulance calls, it is about teaching children in the Explorer program and fire prevention and education programs which touches each and every heart in this city. It is about the commitment each firefighter makes every single day. The department is short-shifted and only eleven officers were on duty the day of a recent fire. One of the photos shown was of a shift commander on a hose line. One of the fire fighters who was not in turnout gear was one of six fire fighters who responded to that location while off-duty. They did not respond for money because each of them came to him (Paul) and asked not to be put on the payroll.

They came because their brothers, their city, needed help and this is what they do each and every day. Over the last several months, our citizens have heard terms such as zero-based budgeting, modified zero-based budgeting, management by objectives, line item budgeting approach and program-based budgeting. They ask many questions, and what they want to know is if they will get an ambulance or a fire truck if needed. In 2014, providing safety services in any community is about managing risk and Paul Ricci asked how much risk we are willing to assume and how much are we willing to pay for managing this risk.

Paul Ricci provided a memorandum formally requesting the reallocation of \$500,000 from the Emergency Medical Services (EMS) fund. He stated the purpose of the reallocation is to provide the funding necessary to maintain the current level of staffing and service and asked what would happen if the city does not reallocate this money. If the money is not reallocated from the EMS fund, Paul Ricci said he will be forced to reduce the fire department budget in the personnel line item. This will mean a reduction of six fire fighting personnel. This will affect current levels of service by reducing daily staffing immediately from an average of 12.5 per day to 10.5 per day. Daily staffing below 11 will result in the closure of fire station #7; daily staffing below 10 will result in the additional closure of fire station #3. Closures of stations will result in an immediate increase in response time by two to four minutes. In addition to increased response time, we can expect the following:

1. Availability of personnel and equipment for multiple calls will be reduced.
2. Property loss due to fire will increase exponentially with response time.
3. Time required to place advanced life support resources on scene for critical care will increase depending on the availability of resources. It will take longer for us to get critical care to those in need.
4. Operational changes will be made to transition from "first call model" to "priority response model".
5. Prioritize our community risk reduction efforts, availability to attend non-emergency fire prevention, safety and education functions will be reduced.

#### **Response Data**

No Transport	19%	803
Basic Life Support	45%	1,918
Advanced Life Support	36%	1,547

EMS Average Response Time	2:52 (4,268)
Fire Average Response Time	3:44 (847)

Paul Ricci said these are not scare tactics, they are facts. These are not aberrations in someone's mind, they are based on fact and he has eleven years of data to prove it. Paul Ricci said he is asking for a reallocation of \$500,000 from his EMS budget to keep his staff for the next two years. He would be remiss if he did not give credit for the images shown in the video from Bill Thiesen Photography, Northern Ohio Fire Photos, the [Sandusky Register](#) and Lt. Pete Zimmermann from the SFD.

Dennis Murray said when he was in the General Assembly, the argument made was the General Assembly and the Governor were wrong to balance their \$8 million deficit on the backs of local governments, but that is exactly what they did (Dennis Murray said he voted against this). They were warned, at the time, this would result in a degradation of police and fire services across the State of Ohio, but this was ignored and not heard. They wanted to reward their good friends and this is why we have income taxes for the wealthy in this state, and particularly, the cities have taken it on the chin. We find ourselves where we are today because of what the General Assembly has done. Dennis Murray said Sandusky is facing a ten percent general fund deficit and he does not like the fact we are looking at this. It is horrible the city is looking at significant layoffs, but we are going to have to spread this obligation and burden around. It is unreasonable to argue the fire department should be immunized from the concept and we have to right-size this budget, and the city's expenditures, and we cannot be taking money from one pocket and putting it into another when we know we will need those dollars down the road. It is a shame this is happening, but frankly, we have not dealt with this problem nor do we have a plan to deal with it other than to take money out of this fund. When money is reallocated, it does not go to the fire department, it goes into the general fund and when talking about the recommendation made by the Audit/Finance Committee, Dennis Murray said he thinks we will see this recommendation undone on Friday. Members of the committee were under the mistaken belief if the city did not maintain staffing levels, we would have to pay all or some portion of this grant back; clearly this is not correct, and he does not think this recommendation will stand. Dennis Murray said his great grandfather was a Captain in the fire department and was in one of the pictures shown in the presentation in horse

drawn fire truck and this causes him to agonize even more about what is going to have to be done. If the city reallocates as proposed, what are we to do with the rest of the budget? We are trying to say this piece is off limits, and that means having to go to the police chief or horticulture to absorb more of the cuts. It just means the burden is that much greater on everyone else. It is awful the city has to do this, but it has to. The proposal is being made to the wrong group, with all due respect, and the fire chief was put in an untenable position. It is the next commission that has to make the tough decisions. The decision made tonight whether (or not) to favor reallocation is meaningless and has no value as a matter of law because the new commission will have to figure out how to put all of the pieces and parts together and the cuts will have to come from someplace if the money is not there. Dennis Murray said he does not mean to disrespect any of the fire fighters, but it is wrong the General Assembly has put us in this position, although here we are, and he does not support reallocation in the form proposed. He does support some reform to Section 190 as we have overfunded the equipment fund and this is why there is a budget surplus each year; some of this should be placed into the general fund each year to maintain the equipment. If the city had more full and complete discussion with the voters, there would be a better sense of where to go. He does not have a budget showing how this is all going to balance or how to deal with the \$1.4 million deficit. Pervis Brown said he does not understand why funds which are already allocated to the fire department are simply being asked to be changed to one line item or fund to another; this money is already in his (Paul's) pocket. Pervis Brown said Paul Ricci is asking to change one position to fund another and to him, equipment does not save lives, men save lives. If the city is going to take manpower out in order to fund fire equipment, this equipment is not what is going to save his life, the fire fighters are, and he will not substitute equipment for manpower. The city's equipment is sustainable for a long period of time anyway and they have been purchasing equipment for many years. The fire fighters are out there and need help and it may be a matter of two or four minutes, but if it were four, he may not live; if it were two, he may. The commissioners are here to protect and take care of our people and we do have the money to shift from one fund to another.

**Upon motion of Pervis Brown and second of Julie Farrar the commission voted to authorize the transfer of funds from the EMS fund to sustain manpower in the fire department.**

*Discussion:* Julie Farrar said last week there was a resident at the meeting involved with a fire call who said the fire department came to his house twice in one week and was complimentary of them and what Pervis Brown is saying is true. This is not just about saving lives, Paul Ricci spoke of property loss. Property loss, in the end, will cost the resident or taxpayer money because the Insurance Service Organization (ISO) has rated the department number four out of a possible ten which is really good. This is one of the mechanisms that keeps insurance rates down for homes and businesses and this could place more burden on the residents. If a house burns, there will be less damage based upon response time and insurance claim(s), and her own homeowner insurance policy is looked at each year and affected by response times. Julie Farrar said she thinks a big company like Cedar Point would not like Station #3 to close if they had a big fire and their rates are probably already astronomical. Elderly persons and businesses on the west side of town are also of mention. Saving lives is a number one priority and our people need to be taken care of. Julie Farrar said she is not trying to take anything away from the police department and if all of the chips fall, she wants police and fire. This is what people in the community want if they have to choose between all services provided; police and fire are her choices, but in the end, it will cost the business owners and taxpayers more money if our ISO rating were to be raised. Diedre Cole said this is a prime example of why free money is not free. The city knew when it received this grant it would end up at this point and the commission must deal with it ending. All we are doing is kicking the can down the road so the next commission will be in the same spot we are in right now. We do not have the luxury of operating on a motion and she does not believe this is a decision that needs to be made tonight. The Audit/Finance Committee meets on Friday and the commission should have their input, continue with budget discussions, and have some reasonable, intelligent discussion to figure out what is really best for the fire fighters and the residents of the community. This is a no-win situation either way and it is unfortunate, but the city knew it was coming. Diedre Cole said the commission has had to rely on Paul Ricci to come up with an alternative plan and now we are not happy with Plan B. There is a way out and the commission does not need to make this decision tonight because it will obviously cause hard feelings and controversy in the community and within the commission. Diedre Cole said, in her opinion, the commission should listen to the finance director and defer this until next week. This presentation is wasted on the present commission as the new commission has the authority to undo whatever is done tonight. Diedre Cole said it would be better to make this decision together as opposed to the alternative and she will be a "no" vote. Wesley Poole said the commission has moved from the presentation to a motion, and he does not have any questions. There was information provided about service levels and he said Paul Ricci did not waste his time here. The decision has not been made about how the city can finance anything with the budget for 2014 and the suggestion of taking the money from this fund has not been lost on him. He has not yet decided whether this is a good idea or not. He will have some additional questions next year when the

commission gets together in order to decide where to make cuts, in which departments, and how to fund the ones that we keep. Wesley Poole suggested this was untimely on his (Paul's) part and is not going to support this motion as he believes it needs to be determined after the first of the year when everything else is decided. Dick Brady said he believes the existing commission does a disservice to the community by acting on this tonight. The commissioners all realize what an emotional issue this is, and asked what will happen if the police chief shows up at the next meeting with a room full of police officers and makes exactly the same case. It would be a disservice to act on a motion as an exiting group of commissioners and take away what is a \$5 million budget item, almost one third of the city's budget. The commission will end up with not one, but both hands tied behind their backs. Dick Brady commended Paul Ricci, who never comes unprepared, and said he is prepared tonight and is doing exactly what he should be doing— trying to find a way to protect the residents of this city. Dick Brady said he understands from his very brief public service that the citizens want their snow plowed, their grass cut, and they want to know a police officer or fire fighter is coming when they call 9-1-1; the city cannot fail to provide this and the commission will somehow figure it out. Jeff Smith said he thinks at this time, it is tough and the commission would do the citizens a disservice by looking at this now. The commission should worry about it and look at it at the same time as they look at everything else (with the budget). Jeff Smith said Dick Brady indicated they will figure this out and he is not voting "no" for the fire department, but merely voting not to decide this today.

Paul Ricci said he was told by a man far wiser than he will ever be (his father) that as a public servant, there is a time to sit down and shut up and to listen to what is in front of you and there is also a time to speak up about what is right and what is just. This is right and this is just; it is not about emotion; it is about service to this city and to the community. This is about six fire fighters who are going to wonder whether they are going to have a job next year because we cannot make a decision in this room. We have a \$3.4 million fund balance and we are trying to kick \$500,000 a year, for the next two years, into a \$1.4 million deficit. This is not about police and fire because he would do anything for John Orzech, and that is what this is about. Paul Ricci said the commission has the means to do the right thing. Spending down the fund balance or reallocating money to take care of the people who take care of this city, and take care of the citizens. Until the commission is ready to do this, they are right, he is wasting his time. Nicole Ard said she wished to provide just a little bit of context because she does not want the staff sitting in the room thinking they have not been thought of, or that people do not care because they have had this discussion. Some of this discussion was in executive session during the Audit/Finance Committee meetings and this is part of the frustration seen by the fire chief. Nicole Ard said she appreciates the work people are doing and there will be employees who will spend their holidays wondering what is happening. There was some information provided about the insurance being more than what was anticipated in the November 1 draft budget. There have been discussions which went to the community and all of the department heads and other staff members were asked what they see as priorities for the community, what they see in terms of potential revenue streams, and if they would be willing to pay more for police and fire, roads or parks; or, if they would want to pay less for parks than for streets. Nicole Ard said her opinion was she was called stupid for asking questions, but there was a lot of staff and people who came to these meetings. Some of the people who should have been there were not. These questions were asked because the city wanted this feedback from people, and the city does not want to put people in a tough situation, but these were the things which needed direction and this is why some frustration has been seen tonight. There have been some things said and she is hopeful to continue on a path to make sure we have what we need. Nicole Ard said she understands there is a fund balance, she understands there is a bond rating to maintain, and this community is in a mode of revitalization and development. The city has tried to position the community in terms of being ready for this. There have been projects the city has been successful with in terms of buildings being torn down and in terms of being able to continue on a path. It is difficult in terms of using a fund balance, it is difficult in having these discussions and having department heads rank services and prioritizing what can be done in terms of cuts. Nicole Ard said Dennis Murray stated at the last meeting we have cut what can be cut and this is why we are seeing this frustration. Part of this reallocation is not just for fire staff, it includes a reallocation in terms of police dispatch service and to help them in terms of their activities. The fire department has provided support to try and help the other city departments for several years now and the departments have reduced their expenditures as much as they can, but they have things in their everyday operations and expenses which the citizens who came to these forums have said they did not realize - such as fuel and insurances - which help us to operate. Nicole Ard said she does not think this was wasted time at all, but feels very bad for the people sitting here this evening who seem disregarded. It does not even seem to make the impact they are appreciated but she hopes the commission says if they are willing to continue this discussion during a budget process, they realize there are people waiting. It was her understanding there will be a budget process, but evidently there have been other discussions and this is not the case; it is good to hear for tonight, but to please understand the frustration seen. Wesley Poole said as far back as when he campaigned, there have been extensive discussions and he has felt the fire department (staffing) was

probably as low as it should be in order to continue to provide the level of service. At this point all that is at issue is the timing and he understands the frustration with Paul Ricci, but he is not sure why anyone was led to believe this commission is going to, or should have gotten their hopes up, about spending \$500,000 tonight. Further, that if they did not, it meant the commission does not support the concept they have been left out of the budget process; if this is the impression, it is inaccurate. This is about timing, and the budget is going to be decided between now and the end of March. Essentially, Wesley Poole said he is concerned about the feelings with this issue, but asked everyone to understand staff does not tell the commission or drive them to be making decisions before they are comfortable they have all of the information. There are 162 employees, all of which are impacted by the 2014 budget, and he will make decisions about which services are most important and how they will be financed. Wesley Poole assured the fire fighters, who save people's lives, are quite important. Wesley Poole said he is sorry anyone was led to believe that somehow or another their presence here tonight was going to move this process any faster than it could have possibly gone.

**Roll call on the motion: Yeas: Julie Farrar and Pervis Brown, 2. Nays: Jeff Smith, John Hamilton, Diedre Cole and Wesley Poole, 4. The President declared the motion failed.**

Dennis Murray asked if the members of the Audit/Finance Committee will receive a **draft of the current budget** in advance of their meeting on Friday. Nicole Ard said the department heads have spent the past couple of weeks putting their information into an additional format. This was turned into Hank Solowiej last week and additional documents are being prepared in terms of service rankings. Nicole Ard said she will be providing this information to the members of the committee and to the commission. Hank Solowiej said he is still waiting on information from a few departments and his intention is to get this information to members of the Audit/Finance committee prior to Friday.

#### **OLD BUSINESS**

None.

#### **NEW BUSINESS**

**John Hamilton said the Audit/Finance Committee meeting has been changed to Friday, December 13 at 7:45 a.m.**

Diedre Cole **thanked John Orzech and his staff who responded to her home for an emergency call** while she was out of town. Her neighbors told her what a fantastic job the responding officers did.

**Upon motion of Wesley Poole and second of Jeff Smith, the commission voted to hold an executive session regarding pending litigation, police department. Roll call on the motion: Yeas: Jeff Smith, Julie Farrar, Pervis Brown, John Hamilton, Diedre Cole & Wesley Poole, 6. The President declared the motion passed.**

#### **AUDIENCE PARTICIPATION**

Dave Degnan, 111 East Monroe Street, said as a citizen and a Captain on the fire department, emotions run high and everyone has strong feelings about the reallocation of money. The biggest thing to take into consideration is the EMS equipment fund is not slated for personnel and if we start robbing from the fund, he knows where the money will go. It will go into the general fund and eventually the fire department may use it for trucks or equipment. Dave Degnan said it is true fire fighters save lives, not equipment, but of consideration is the money generated into the fund is through the calls received by members of the fire department. This money is for vehicles, but it is not a rainy day fund. These are extraordinarily tough times which call for extraordinary measures, but this is what they do and this is a one-time deal, and he will be hung on the cross if this money is ever taken out again. He may be the fire chief one day and would not come back and ask for this. Members of the fire department feel they have earned this. It is something that has come back to them in case it is needed and it helps to save people and these guys will not let anyone down. Diedre Cole said the issue is not the reallocation so much as it is the timing of the request. There is a process the commission has to, and should, follow, and presenting this tonight, while well planned and well thought out and brilliantly executed, is not something the commission is prepared to deal with yet because it is not part of the budget process. Diedre Cole said she does care about these six firefighters but to deliberately make a decision not within the parameters of the budget process is not fair and this is what she is saying by her no vote and she hopes everyone understands this. Dave Degnan said no one likes to hear the word no because they may not understand the full vetted-out process of what is going on. His point in speaking is not to guilt

anyone into something; he is an adult, and if he feels he has a path to go on, he travels it no matter what anyone says. These persons felt they contributed to the EMS fund through their hard work and the things they deal with and the good and bad things they see and are subjected to and are looking only for reciprocation. People have ideas for increasing revenues and these will be shared. This is not the safest city in the world and they need all of the people they can get.

Sharon Johnson, 1139 Fifth Street, asked if the charter officer evaluations have been completed. Julie Farrar said she believes the only one left to be completed is for Hank Solowiej. Diedre Cole said Hank's evaluation is complete and she just forgot to bring it in tonight and she believes they have all been signed off upon. Sharon Johnson asked if these were signed in public and John Hamilton said this was done in the office. Sharon Johnson asked the status of the former American Crayon building. Paul Ricci said it is being dismantled piece by piece and this will take some time. Sharon Johnson said she was under the impression this was supposed to be completed by the end of the year and Paul Ricci said the scope of work has changed several times and the contractor has also had mechanical problems. Sharon Johnson asked if the entire building will be torn down and Paul Ricci said it will be and he will check to see if the dates have changed. Sharon Johnson said it is unbelievable the city can take out a grant for six fire fighters and when it expires, there are six people gone and the city should never have done this from the beginning. Sharon Johnson said she agrees with Dennis Murray and the city has a budget which needs to be cut somewhere and we cannot just do patching; we need to get serious about this. The city cannot just take out another loan and somebody needs to have some common sense. No one wants to cut police and fire and the balance has to be budgeted or the city will have to file bankruptcy like Detroit has.

Tim Schwanger, 362 Sheffield Way, asked if Caldwell Street would fall under Metropolitan Planning Organization (MPO) funding and Aaron Klein said he will look at this first thing in the morning as he is uncertain. Tim Schwanger said the MPO is looking toward funding in the year 2014. Tim Schwanger said it seems the answer to the problem involving the RLF is that if it looks and smells like a sewer, it must be one. It looks like \$110,000 of the Ferndale Drive project might qualify for funding with sewer funds and this money can be spent otherwise with RLF monies. Tim Schwanger said recent city manager's reports have indicated recent discussions about the Pelee Island ferry service and Nicole Ard said there have not been further meetings about this. Nicole Ard said the most recent meeting was about two months ago and folks from the Goodtime have been involved and persons from Ontario are concerned about accommodating a larger vessel; Joe Lamb has been involved in discussions.

**The President announced a recess of the regular session at 7:22 p.m. One executive session was held beginning at 7:30 p.m. Upon motion of Wesley Poole and second of Pervis Brown, the commission voted to adjourn the meeting at 7:52 p.m. The President declared the motion passed.**

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Kelly L. Kresser, CMC  
Clerk of the City Commission

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John F. Hamilton  
President of the City Commission