

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

The clerk called **the roll** and the following Commissioners responded: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith. 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, Rebecca Corrigan – Chief Planner, Anna Enderle – Planner, 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 Jeff Smith, the commission voted to excuse Keith Grohe. The President declared the motion passed.**

**Upon motion of Julie Farrar and second of Wesley Poole, the commission voted to excuse Diedre Cole. The President declared the motion passed.**

**Upon motion of Pervis Brown and second of Jeff Smith, the commission voted to approve the minutes of the December 9 city commission meeting and suspend the oral reading. The President declared the motion passed.**

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

Sharon Johnson, 1139 Fifth Street, asked about the revolving loans for Ferndale Drive and Ability Works as she understands there is \$576,000 in the revolving loan fund (RLF). The RLF is thrown in with grant fund money which only has \$128,000, and it looks like there is not enough money unless this is being appropriated tonight. Sharon Johnson asked if there should be a certification for these two expenditures.

John Frankel, local counsel for Ability Works, thanked the members of the commission and staff who have assisted with this item. This is an exciting opportunity and Ability Works was formerly known as Double S Industries. Ability Works provides job opportunities for persons with developmental disabilities and a great growth has been seen in the last five years. If this item passes, 75 jobs will be brought into the city immediately.

Allison Young, Chief Executive Officer for Ability Works, thanked the RLF committee for their support and for consideration by the commissioners. Ability Works has an excellent history in Perkins Township and is looking forward to being in the City of Sandusky and continuing to provide and expand services for those with disabilities in Erie County.

Laura LaGodney, Chief Operating Officer for Ability Works, said they always try to do business locally and are very excited about moving into Sandusky and expanding by doing business locally and providing employment for persons with disabilities.

Charles Wright, Business Manager for Ability Works, said this fund is part of the purchase price of \$500,000; with renovation, there will be a \$1.7 million investment into the City of Sandusky. Citizens Bank will be financing the project and they appreciate the city's consideration in approving this loan.

Ed Stout, 1222 Marlboro Street, representing the Old House Guild of Sandusky, read the following statement: *"It may not seem like it, but Sandusky is approaching an important anniversary. Nearly eleven years ago on January 23, 2003, the front page of the Sandusky Register announced the Paper District, a multi-million dollar project to recreate the western side of Sandusky's downtown waterfront. As we think about this area, it is impressive to see what has been accomplished there. Residential condos in the Chesapeake Building, the Paper District Marina and Dockside Café, and the new public access to the waterfront have taken the place of*

*empty industrial buildings. Looking back on the Paper District project it is important to remember that none of it would have been possible without the efforts of both the city and its partners. One only need to consider the efforts of the Davis family through Mid-States development, Hoty Builders and Cesare Avallone in making the Paper District what it is today. None of the revitalization we have seen in this area, or in all of downtown Sandusky for that matter, would have been possible without these types of public-private partnerships. Tonight, a developer has come to speak with you regarding a public-private partnership involving the Keller Building. We have heard all the comments and read all the editorials, so we know the negativity that surrounds this property. Lost in all of this negativity, however, has been the real issue of economic development. On June 3, 2003, the Sandusky Register reported of the city's plans to spend \$230,000 to purchase the Keller Building, and in the following years the city has spent hundreds of thousands of dollars more on this property. Why did the city spend all of this money on the Keller Building? We like to believe that it did so as an investment in economic development, a way for the city to create jobs and much needed tax revenues. Some have accused the Old House Guild of being "hysterical preservationists," but the actual truth is that we want to see Sandusky prosper just like everyone else. Our organization believes, however, that the many historic buildings in our community can be a tool to foster this economic growth. Currently the city has budgeted \$550,000 on a plan to demolish the Keller Building, with \$400,000 coming from the Chesapeake TIF agreement and the remaining \$150,000 coming from "capital funds" according to the agenda from the October 5, 2013 commission meeting. At the end of this project all the city will be left with is an empty lot. After spending hundreds of thousands of dollars of investment in the Keller Building, all the city will get for its efforts is an empty lot that creates no jobs, generates no tax revenue, and brings no new residents to the city. The presentation from Coon Restoration and Sandvick Architects tonight represents an alternative of a public-private partnership that can benefit the city and fulfill the long-held promise of the Paper District by finishing its last key piece. Some may question whether or not the city should pursue another partnership like this, but the reality is that partnerships such as the one proposed this evening are common in downtown economic development projects. Travel to Euclid Avenue in Cleveland or Toledo's Warehouse District and you will see many of these types of projects all financed through a combination of tax credits, private investment dollars and funds provided by local governments. Locally, we have seen the Rieger Hotel take advantage of the same type of partnership to undergo its conversion into senior housing and retail space. If such a partnership is good enough for the Rieger, then it should be acceptable for the Keller Building as well. At a time when this city is facing so many financial challenges, economic development is a necessity. Our organization feels that the Coon Restoration/Sandvick Architects proposal regarding the Keller Building represents the best opportunity for our community to get the most out of its past investment in this property and provide the city with new sources of revenue in the future." Ed Stout thanked the commission for the opportunity to speak this evening.*

## **PUBLIC HEARING**

John Hamilton opened a **public hearing regarding a proposed zone map amendment for 1737 Tiffin Avenue & the proposed vacation of a portion of the former Harbor Boulevard.**

Anna Enderle, Assistant Planner, stated this public hearing is for the following: A request by Robert Waldo, on behalf of Ara Lou Waldo, regarding their application for an amendment to the zone map of 1737 Tiffin Avenue, Sandusky, Ohio; Parcel #58-02862.000. This request is to change a parcel to roadside business which was previously zoned residential/multi-family. They would like to market this property for future business uses in Sandusky. The second is a public hearing requesting to vacate a portion of the former Harbor Boulevard right-of-way south of the intersection of Venice Road and Tiffin Avenue and adjacent to 1737 Tiffin Avenue. The area to be vacated is approximately 6,057 S.F. This street was shifted south due to the Venice Road overpass project and this portion of right-of-way is grass lawn and the owners would like to further develop the property. Anna Enderle said the city departments have no objection, but an easement would need to be granted as there are utilities in this area. Both items were recommended for approval by the Planning Commission on October 23. Wesley Poole said over 6,000 S.F. of commercial property seems like quite a bit to be giving away and

asked if there is a city rule or policy about this or if it is known how these are handled in other communities. Wesley Poole asked if there is a development plan and where the utilities are located. Anna Enderle said there is not a development plan as yet but this will all be included in the staff report when formally presented to the city commission. Wesley Poole said as the west end is developed and people look for opportunities, giving away this much right-of-way without a project on the table should be addressed. As an example, there are plans to continue the bicycle path to Lions Park but there is no right-of-way and he is an advocate of thorough planning. Dick Brady said this is giving away right-of-way, not land; Anna Enderle confirmed it is right-of-way because of the road being shifted and this area is currently grass. John Hamilton said in the future, the city may determine to open this section up for some off reason.

**There were no further comments and the President declared the public hearing closed.**

### **PRESENTATIONS**

Paul Ricci, Fire Chief, presented the **Sandusky Fire Department's 2013 Life Saving Awards** to the following:

Randy Lehrer, Kathleen Schoder, Terry Mautz, David Murphy, Gloria Lamb, Brooke Spaulding, Lynn Hoelzer, John Stauffer and Shannon Persson who assisted in saving the life of Carl Kazmaier during an incident at the YMCA on September 23.

Tony Limberios and Maryanne Gracheck who assisted in providing emergency care to a student at Sandusky High School who had cut his hand on a power saw and had a near amputation in the wood shop on November 11.

Stephen Coon, Coon Restoration & Sealants, Inc., said he also has done some development with the Rieger property and would like to turn the **Keller Building into market-rate housing**. Stephen Coon said he is asked to go into downtown areas all over the state to look at creating market-rate housing and has been successful in Cleveland, Akron, Hamilton and Kent, Ohio. He has been to the Keller Building on four different occasions and also did some work at the Sandusky State Theatre. This property is eligible for state and federal tax credits to assist with financing which would help to bring the downtown back and bring people into the area. This is a vital opportunity and after speaking with Jonathan Sandvick, he believes this can work and stated it will create additional income for the city.

Peter Ketter, Sandvick Architects, said his firm has done work in Sandusky and has looked at the Keller Building for residential use because of its proximity to the lake and the downtown area. There are 48 units in floors two through five extending into a rooftop penthouse. These would mostly be two-bedroom units and there would be interior parking on the first level as well as on-street parking. There would be an option to park on the south side (Water Street) and for retail space. The residential units would be on the north side and this is a mixed use area; the corridor would be along the south face of the building. The west elevation should be well insulated to protect against sound so it would not impact adjacent properties. A typical residential unit was shown and would incorporate glass in the bedroom walls to pull the natural light. These would be popular living spaces with an open interior. There would be tiered rooftop access with lake views available to each of the 48 units. This building offers a huge opportunity for residential development and has a lot of potential and this is a project that could feasibly be realized.

Julie Farrar said she has no doubt these companies are capable of doing this and Sandvick Architects are very well respected, but asked why they waited until now to express interest in this project if they have been into the building at least four times. Stephen Coon said every time he is in Sandusky, he gets thrown into the Keller Building conversation and after thinking about the possibility of it being torn down, he threw his hat into the ring. Julie Farrar said it is the eleventh hour and Stephen said it is like this in all of the communities. Julie Farrar said this has been a hot issue and has been going on since before she arrived as a commissioner in 2008. Stephen Coon said he sometimes sees these projects die two or three times before coming to

life and they get done by continuing to go at it; this has happened over and over in cities like Hamilton, Ohio, and eventually his company received a key to the city for bringing buildings back to life. Julie Farrar said she has looked through the proposal and asked if application will be made for historic tax credits in March. Stephen Coon said these are the 25% historic state tax credits and he would stabilize the building and get the roadway opened back up; he is serious about this. Julie Farrar said she is friends with persons on the historic preservation committee; she wants economic development and wants people working, but this work has already begun as far as asbestos abatement and demolition. The city has already spent money to tear the building down and she has heard from residents about the city spending \$5,000 - \$8,000 to pave half of an alley because of economic development and asked how to sell this \$400,000 expenditure. Stephen Coon said there will be a greater return on this project and a lot of times with historic buildings, the city does not want to smile and have its teeth missing and the city should do what it can to save the building. Julie Farrar said she would like to wait until the new commission is seated before making a decision. Dick Brady said the proposal is three paragraphs long, but he is bothered with passing \$400,000 - within a certain timeframe - and giving away ownership of the building. Dick Brady asked what would happen if the company is unsuccessful in obtaining the tax credits; the city would no longer own the building or property and would have given the contractor \$400,000. Stephen Coon said there are a limited amount of tax credits available or given out and this is competitive and based on a point system, but this project would score highly and he would guarantee receiving the tax credits either in March or September. Dick Brady said he would like some way to craft a guarantee as the city has been fostered with blight on this property. The city would look pretty foolish to give up ownership and pay \$400,000 for things which perhaps may not quite work out like the last people. Stephen Coon said he could craft a proposal so the city would be made comfortable. Dick Brady said an additional concern is what we do with the contractor who is demolishing the building. This is a big hurdle and he would not like to see the city sued over this. Stephen Coon said work has not yet started and Dennis Murray said he believes he has seen equipment and trailers at the site and this is not the eleventh hour, it is 12:30. Dennis Murray thanked Stephen for his interest, stated he loved the idea of the proposal, but said he wishes this conversation had taken place earlier. The public is ready and resolute for the building to come down and he does not want to say no to an opportunity if it makes sense, but when he first heard this was coming up, he thought this was a terrible thing and someone has switched the calendar on us. The first time the city spoke of tearing the Keller Building down was seven years ago and he believes the public would be supportive of giving this a shot if the deal is for the city to be made whole if this does not go forward in a specific period of time to be given the building/property back and for Coon Restoration to be forced to tear down the building. This would place the city in the same position it is in now without turning over the property along with \$400,000 and an obligation to a contract. If this company did not proceed and the city took the building back at some point in time, we would be better than \$1 million in the hole. Dennis Murray said he would like to give a shot at doing this which is an opportunity, but this is a pretty big price to pay. Stephen Coon said if he got the building, he would not be tearing it down and Dennis Murray said he may have to, the building is not going to stay there much longer. Stephen Coon said this is a well-built building of structural concrete and does need some work. Dennis Murray asked someone to fill the commission in on where the city is and if demolition has been mobilized and he would say it would be January 13 before anything can be approved and asked how far demolition would be at that point. Aaron Klein said the contractor mobilized one and one half months ago and the asbestos has been remediated; they are in the process of doing PCB's and are scheduled to bring in demolition equipment on January 6. As of the end of the abatement portion, there will be approximately \$200,000 into the contract/project. Dennis Murray said perhaps Stephen Coon can work out a deal with the city which says after a certain period of time his company will tear down the building and give the city back this property he would be willing to take a harder look at this; this is a fair and honest response although he is only one member of seven of the next city commission. Jeff Smith said he is split on this because there is an emotional message about the building coming down which does not help the city economically, but on the other hand, the city could take a little gamble. He would not want to give anything up front, nor would he want to hand over ownership. This could be an opportunity to bring prevailing wage jobs and the impact, almost instantly, would benefit us and this is a tough decision. Jeff Smith said he wishes the city would

have had this opportunity earlier but he also would be willing to look more into this. The city is having a tough time with its current budget and more people working downtown would be great. John Hamilton said this would also have an impact on the school system and taxes. Julie Farrar asked what the actual date is to apply for tax credits and Stephen Coon said the date is March 30 and it takes about six weeks to put this together. Stephen Coon said he would like the commission to have until the second meeting in January to meet with his attorney and come up with some options and work together to save this building. Don Icsman said with all due respect, it is not the eleventh hour, it is about three o'clock, and he is worried about impact delay claims. The city has a contract which it is in the middle of and anyone who knows anything about construction knows there are provisions in the contract. The contractor is on a tight schedule to ensure this is completed before the spring and now it looks like the city is equivocating and absent the money to pay this which he (Stephen) said he did not have, this is what the city would need. The city would be looking at about \$300,000 on top of what is being asked for in addition to giving away ownership and asked where we would get this kind of money in these tight times. Don Icsman said he knows this is Tax Incremental Fund (TIF) money which cannot be used for police and fire, but what does this tell the public to stop a contract in the middle of it when we could be cutting and/or laying people off. Don Icsman said he thinks this needs more substance and the city does not have the time because of delay claims and impact claims and what will the city tell the demolition contractor – to be on hold or on standby? A financial consequence is telling the contractor we do not know exactly what we are going to do and having to pay for it because at any time we may ask them to get going again. The city could also simply terminate this contract in which case there will be a formula for the contractor to get his money, pay for lost business opportunity and a number of formulas are used by the courts to calculate what to pay the contractor to walk away. The contractor bid on this job, no different than any other, and their employees are put to work for a certain period of time for a specific amount of money and someone has to pay this bill. Don Icsman said on top of this, Stephen Coon was in this building in June with Mr. Sandvick and it is now December and everything the city has done has been so very public about taking the building down. The city has been living with this for seven plus years and it is a nuisance and in a dangerous condition. This is not his role and he does not know who has these answers. If this would have occurred in June or July after walking through the building, maybe this would be different, but the city entered into this contract in November. Don Icsman reminded the commission to be careful as he checked past legislation which was passed unanimously and this is a statement about what the commission thinks regarding going forward with demolition (resolution of necessity to proceed, approval with the environmental company to ensure the specifications were done properly with the EPA and approval of the contract). Stephen Coon said the city would have done this work anyway and to call the contractor and see what it would cost. Don Icsman said he (Stephen) is telling the city he is not going to pay to have the contractor walk away and Stephen Coon said the city is already paying the contractor. Don Icsman said the city is already \$200,000 down and the contractor is not going to walk away tomorrow and stated if the roles were reversed, he (Stephen) would want the same thing. Stephen Coon said if there is \$300,000 left, he would like the city to call and ask. Dennis Murray said he wanted to give this fair consideration but after listening to Don Icsman, he does not believe Stephen Coon could be willing to sign the contract he would require. Naomi Twine said the more Don Icsman spoke, the more she got a pit in the middle of her stomach and this is not right for our community. The city has already made a decision and she hopes this does not get pushed off for the new commission to make a decision because it has already been made. Pervis Brown said as one of those who made this vote and made a decision, the city needs to honor its contract. The city cannot enter into this and halfway through it reject it and the more Don Icsman spoke, the worse it sounds for the city. Pervis Brown said he wished this had happened three months ago as well since the city has been begging for something to be done with this building since he started on the commission. The Old House Guild and the public has been on the city's back about the Keller Building and we finally came up with a plan and executed it and this would be totally wrong; the city cannot afford this - financially or publicly. Jeff Smith said he was the one who made the motion to take the building down and he thinks it is great to have had this discussion, but it is too bad it did not take place a couple of months ago as it seems to be more a legal issue now rather than a decision to be made by people who are not lawyers without possibly getting the city into legal trouble down the road. Wesley Poole said

he would like to see the building saved and the project go forward but to ask the commission to make a decision tonight based on this presentation is something to think about. This does not appear to be something the commission is going to be able to do and he realizes the issues brought up are probably insurmountable at this point. Wesley Poole asked what the problem is with calling the demolition company tomorrow and asking what they wish to do. Wesley Poole said the commission should accept the presentation as an opportunity for economic development downtown and recognize there are some problems which have to be overcome. If all of the things Don Icsman have said will come true, which he thinks they will, then we are done with this and we should make a call to the contractor.

Rick Scheel, 4520 Galloway Road, said the city has not asked the contractor if he would change the contract and this is the city attorney's job and everything is negotiable these days and this is an opportunity to save this building. The city made a contract to preserve this building and if it had been preserved, the street would not be closed and the building would be ready to be inhabited by people. The commission should ask for a delay to give this developer a chance and it cannot hurt.

John Hamilton said in the business he is in we can give the contractor a call and perhaps there are other projects they are working on. Stephen Coon asked if Independence Excavator is the contractor and stated they are probably one of the best in the state. Wesley Poole said he is not asking to delay the project, he is saying to call and ask. Aaron Klein said he called the contractor and the person who he speaks to indicated he would run it up the chain of command but at a minimum, they would request \$200,000 for the work they have already done. If the project is delayed at all, the contractor would be entitled to down time which would be additional costs to the base contract which they are entitled to. There are approximately three weeks to complete the demolition and one third of the building may have already been demolished by January 13, or the top two floors of the building, and this should be considered as an additional cost. Julie Farrar said she keeps hearing "cha ching" and will be a no vote to do anything with this proposal tonight although she is excited to see the names of those involved with it. The city cannot in good conscience move forward with this proposal.

### **CURRENT BUSINESS**

**Upon motion of Wesley Poole and second of Jeff Smith, the commission voted to accept all communications. The President declared the motion passed.**

#### **ITEM #1**

APPROVED AT FIRST READING 12.9.13

RESOLUTION OF NECESSITY FOR FERNDALE DRIVE IMPROVEMENT PROJECT

**[RESOLUTION NO. 049-13R](#): 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:* Julie Farrar said she voted no on this at the last meeting, but Aaron Klein has indicated once the contract is awarded the city may have the ability to charge a portion to the sewer or water fund. Aaron Klein said it was indicated at the last meeting the sanitary and storm pieces could be charged to these funds which is about \$125,000 of the estimate. Julie Farrar said if \$168,412 of this could be taken from the RLF as an option, she would be happy to vote yes tonight. Hank Solowiej said he will certify funds once the contract is awarded and he thinks some portion of this is possible.

**Roll call on the motion: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole and Jeff Smith, 5. Roll call on the resolution: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith, 5. The President declared the resolution passed.**

ITEM #2 – Submitted by Anna Enderle, Assistant Planner

**APPROVAL OF ECONOMIC DEVELOPMENT LOAN TO ABILITY WORKS, INC.**

Budgetary Information: This action will not impact the City's operating budget. The loan funds are restricted in use and this loan is within the guidelines of the program. The company will transfer approximately 75 employees and will hire additional employees as the space becomes available in the building. This will result in additional income taxes for the city.

ORDINANCE NO. 13-144: It is requested an ordinance be passed **authorizing and approving an economic development loan in the amount of \$100,000 to Ability Works, Inc.;** 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.**

*Discussion:* Julie Farrar said she is in favor of this and supports Ability Works and their ability to create more jobs and to move into the City of Sandusky.

**Roll call on the motion: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole and Jeff Smith, 5. Roll call on the ordinance: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith, 5. The President declared the ordinance passed.**

ITEM #3 – Submitted by Hank S. Solowiej, CPA & Finance Director

Budgetary Information: This action will cover anticipated expenditures through December 31, 2013. The last payroll occurs on December 27, 2013, with the final City Commission meeting on December 23, 2013. The agenda deadline occurs before the final payroll costs can be determined. The amendment needs to cover final payroll and other projected costs through December 31, 2013.

ORDINANCE NO. 13-145: It is requested an ordinance be passed **adopting amendment #1 to ordinance #13-024 passed by this city commission on March 25, 2013, making general appropriations for the fiscal year 2013;** 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: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole and Jeff Smith, 5. Roll call on the ordinance: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith, 5. The President declared the ordinance passed.**

ITEM #4 – Submitted by Hank S. Solowiej, CPA & Finance Director

**TRANSFER OF FUNDS TO THE PAYROLL STABILIZATION FUND**

Budgetary Information: The agenda deadline occurs before the amount can be determined. The resolution along with the amount will be available at the meeting.

**RESOLUTION NO. 050-13R:** It is requested resolution be passed **authorizing the transfer of funds from the general fund to the payroll stabilization fund;** 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 Julie Farrar, the commission voted to approve this resolution.**

*Discussion:* Pervis Brown asked the amount of this transfer and Hank Solowiej said it is for \$75,000; the current balance is approximately \$85,000.

**Roll call on the motion: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole and Jeff Smith, 5. Roll call on the resolution: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith, 5. The President declared the resolution passed.**

ITEM #5 – Submitted by Hank S. Solowiej, CPA & Finance Director

TEMPORARY APPROPRIATIONS FOR JANUARY, FEBRUARY & MARCH, 2014

Budgetary Information: This action will establish a budget for operations until the annual appropriations can be approved after the second Monday in January, 2014. The city charter prohibits the city from enacting the 2014 budget before January 13, 2014.

ORDINANCE NO.13-146: It is requested an ordinance be **passed making temporary appropriations for the months of January, February & March, 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:* Dennis Murray said he wished to clarify on the public record it has been a well-documented fact a lot of the commissioners (past and present) are concerned about expenditures for 2014. The question which keeps being asked is when to begin reconciling our expenditures. The way the charter is set up, the commission is not required to take action until the end of March. If too much is spent during the first week or two months of the year it makes the cuts at the back end of the year that much more painful and severe. By passing this resolution, Dennis Murray asked if the commission paints itself into a corner in 2014 and if this resolution take any steps, however modest, to address the reconciliation of expenditures. Hank Solowiej said the temporary appropriations are basically budget numbers to get through until the final annual appropriation ordinance is passed. The message sent to staff would be on the actual expense side and the department heads should be cautioned to slow down and try not to use as much in the first three months of the year which staff has done for the past few years. Payroll and debt service are generally the expenses made during the first few months of the year. This is a reduced and conservative amount and it can be any amount the commission would like. This is a budgetary requirement to pass temporary expenditures based on day to day expenses and staff is generally cautious. Wesley Poole said expenditures can be addressed by providing direction to the staff about how much they can spend. An operational analysis of what has been spent can be done and goals set regarding travel or the reduction of overtime. It is a good idea to slow down how much is spent in the first quarter and just having the idea all by itself may not be enough; specific things need to be identified. Dick Brady said by passing this, we are collectively going to fund the additional six firefighters because they are still coming to work every day and the commission is not going to deal with this issue at this point in time. Nicole Ard asked if the commission will allow Paul Ricci to provide an update. Paul Ricci said the grant expiration date was December 6 and he was advised by the director there was \$177,000 left in this virtual account. This exists because at the point in time these fire fighters were first hired to the present day, their salaries were lower. The long and the short of this is that \$177,000 has been requested from the directorate. The city's contact approved this amount, but ultimately it is the call of their supervisor. On December 20, the fire department was requested to provide additional support information to the directorate and this was done by the grant administrator, Rudy Ruiz. This means if we are approved to spend down the amount of \$177,000 they will be able to keep these six additional fire fighters through the end of May and an answer is anticipated in the next eight to ten days. Julie Farrar asked if a decision will have to be made in May regarding these positions if this item is approved. Paul Ricci indicated "yes" and if the city is not approved for these funds, there is some uncertainty as to how long the fire fighters will work.

**Roll call on the motion: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole and Jeff Smith, 5. Roll call on the ordinance: Yeas: Julie Farrar, Pervis Brown, John Hamilton, Wesley Poole & Jeff Smith, 5. The President declared the ordinance passed.**

**CITY MANAGER'S REPORT**

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to accept a donation from the Friend family in the amount of \$50 for the police department. The President declared the motion passed.**

**OLD BUSINESS**

None.

**NEW BUSINESS**

John Hamilton asked about the **traffic light at Caldwell Street and Columbus Avenue** which is down and asked the engineer to address traffic safety issues and/or a possible lawsuit. Aaron Klein said this light came down during heavy winds about one week ago and there are no poles in stock to replace it. Temporary stop signs were placed at this intersection which are more secure until the poles and light can be put back up.

Jeff Smith said he spoke with **Commissioner Keith Grohe who will not be at the meeting on January 3 and asked if the meeting can be postponed until he returns on January 6.** Don Icsman said this would be legal and is up to the commission; the charter states the organizational meeting and voting for president and vice president is required to take place on January 1. This has also been done in December in the past. Dennis Murray asked if there is earlier availability than January 6 as Wesley Poole is unavailable on January 6; Jeff Smith said Keith Grohe is waiting to speak with his doctor before he is released. Don Icsman said he would prefer the commissioners-elect be sworn in and the voting for president and vice president can take place at another time, if necessary. Wesley Poole said a decision can be made about this vote at the meeting on January 3.

**Pervis Brown thanked the citizens of Sandusky for allowing him to serve as a city commissioner for the past five years.** He thanked the commission who gave him the opportunity as he took the seat vacated by Dennis Murray and they had a standing joke about the seat still being hot, but it has been cooled down. Pervis Brown said many things were accomplished and he believes the city is a lot better today than it was five years ago. People are struggling, but the city has a bright future and we need to capitalize on it. There is outstanding leadership with the department heads and he thanked them for all they have done to make this a great place to live and do business in.

**John Hamilton said this was never on his bucket list and the reality for him is he ran on his criminal record.** It has been a great four years and he has had fun with the job and done some growing up. Civic duty has been interesting to him but he enjoys the world of steel more. John Hamilton said the city has a bright future; there are some financial hurdles and things are cleaning up and the city should capitalize on Lake Erie, its greatest asset. Some of the old buildings are coming down and he plans on remaining a resident for at least part of the year and thanked those who supported him.

Dennis Murray **thanked Pervis Brown, John Hamilton as well as Diedre Cole for their service to the city.** This job is usually thankless and often seems as though it costs a lot more than you receive in terms of benefit both financial and otherwise. Dennis Murray said Pervis Brown and John Hamilton have served with distinction and with their hearts and both are investors here. Sometimes there are differences of opinion which is healthy, but this is just the way it works and he wished good luck to both.

**AUDIENCE PARTICIPATION**

Sharon Johnson, 1139 Fifth Street, asked if there is enough money in the appropriations for the RLF monies approved tonight and asked if there needs to be certifications for these. Hank

Solowiej indicated there is enough money and the certifications are normally done when the legislation is approved and the contract is awarded. Sharon Johnson said the Keller Building is unfortunate and the city has waited five years but the building is coming down and now these people have not been vetted. It could take several years to get historical tax credits and the city is in a financial bind. The city has a contract and would probably have to pay them off and cannot simply change its mind. The contractor is asking for \$400,000 when the city is trying to make ends meet. Jeff Smith said this did not pass and Sharon Johnson said this should not have been presented in the first place.

Ed Stout, 1222 Marlboro Street, speaking as a citizen, said whether the Keller Building comes down or not does not end the story. Basically the city entered into an agreement with the Corps of Engineers to keep the building weatherproofed and mothballed for future restoration. The city did not honor this and in speaking with the Corps, they said it does not matter what the city does; the fact is it is in breach of contract and they (the Corps) still have options to come back against the city. Some may be financial, others may just be held up with water right decisions. The Army Corps asked not to be named at this point, but they indicated the water rights could be held up for a substantial time. Ed Stout asked for clarification of substantial and was told it could be a decade or more. Whatever happens with the Keller Building, the lesson to be learned is whatever we do as far as making agreements, the city needs to abide by them and live up to them. The Army Corps response was it is not their problem when told (by the city) it does not have the funds. If money was an issue, the city should never have signed the moratorium to begin with.

Mike Zuilhof, 243 East Market Street, said one of the things which attracted him to live in the downtown was the potential for development. He is pragmatic about what can be done and the ideas for the Keller Building. This building has sat a lot of time without proposals because of economic situations and the availability of commercial loan money. It would seem the building is going to come down just as the economy is going to turn around. If the demolition company is worth \$300,000, there may be potential to save the city the total cost of the project and this should not be taken lightly. This developer is talking about saving the city money through his proposal in addition to capturing additional revenue.

Timothy Work, 517 42<sup>nd</sup> Street, said the Crime Prevention Council plans on doing a lot for next year and thanked staff members for their support. The Keller Building is beautiful but it is not possible to create market rate housing at this property. Perhaps Stephen Coon could come up with a different project to create tax revenue and jobs. The city needs to be marketed and he thinks most people in Sandusky will support a plan for new business.

**Upon motion of Julie Farrar and second of Jeff Smith, the commission voted to adjourn the meeting at 6:38 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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Dennis E. Murray, Jr.  
President of the City Commission