

Dennis Murray called the meeting to order at 5 p.m., after the Invocation, given by Naomi Twine, and the Pledge of Allegiance.

The Clerk called the roll and the following Commissioners responded: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole & Nikki Lloyd.

City staff present: Mario D’Amico – Interim Fire Chief, John Orzech –Police Chief, Aaron Klein – Public Works Director, Matt Lasko – Chief Development Officer, Angela Byington –Planning Director, Brad Link – Public Service Director, Don Rumbutis – IT, Stuart Hamilton – IT Manager, Justin Harris – Law Director, Hank Solowiej – Finance Director, Eric Wobser – City Manager and Kelly Kresser – Commission Clerk.

Upon motion of Dave Waddington and second of Naomi Twine, the Commission voted to approve the minutes of the March 13 meeting and suspend the formal reading. The President declared the motion passed.

AUDIENCE PARTICIPATION

Sharon Johnson, 1139 Fifth Street, said there are several transactions involving the relocation of City Hall (Items #2, #3 & #4) and asked about the principal and interest not being paid for seven years as well as the collateral on the loan.

Brian Schwab, President of North Coast Young Professionals (NCYP), said he was asked to attend and express the majority opinion of those in the organization. NCYP is made up of accountants, doctors, general contractors, media executives and small business owners and are the future leaders of the community. The proposed legislation to relocate City Hall is a very large step for the community and this plan to revitalize these buildings is ambitious and monumental. After reviewing the benefits, it is the majority opinion the commission should approve all legislation and move forward with this project.

Erich O’Brien, Sandusky Municipal Court Judge, said a few years ago, he was on a Scandinavian cruise with his family and his father met a gentleman who had only been to the United States once in his life and it was in Sandusky, Ohio. We live in a world-class destination and to have our primary law enforcement and court located in a building that pre-dates the Edsel is inappropriate. The Municipal Court has been saving for eighteen years to find a new home and he hopes we are getting close. Eric Wobser is the fifth City Manager Eric O’Brien has dealt with and there have been other plans to relocate, but we need to get out of here for security, efficiency as well as aesthetics. He has been impressed with the very methodical and comprehensive approach to this project and hopes to be in a new office without having to share it with his Bailiff and Prosecutor. Dick Brady said he has been in the Municipal Court on several occasions and noticed there are five or six one gallon buckets strategically placed and got in the habit of apologizing for this; he is hopeful he will not have to continue to apologize. Dave Waddington said the Police Department is also in need of a new home with Police Officers sharing space, basically, at a picnic table to use their computers. It is very cramped and they deserve better as well and is supportive of this relocation.

CURRENT BUSINESS

Upon motion of Naomi Twine and second of Nikki Lloyd, the commission voted to accept all communications. The President declared the motion passed.

CONSENT AGENDA

The President asked if anyone wished to remove any of the Consent Agenda Items; there were no requests to do so.

A. Submitted by Aaron Klein, Director of Public Works**EMERGENCY REPAIRS TO DRESSER COUPLING AT BIWW**

Budgetary Information: The cost of \$11,566.10 for the repair coupling will be paid from the water fund.

ORDINANCE NO. 17-060: It is requested an ordinance be passed approving the emergency repair work being performed to the 24" emergency Dresser coupling at the Big Island Water Works plant; ratifying the award to and execution of the contract with Mosser Construction of Fremont, Ohio, in the amount of \$11,566.10; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

B. Submitted by Stuart Hamilton, IT Manager**KRONOS SUPPORT & MAINTENANCE AGREEMENT, 2017 - 2018**

Budgetary Information: The cost for this support and maintenance agreement for a twelve month period will be \$10,301.63, and will be paid with funds from the IT's operating budget in the amount \$5,150.82, by the water fund in the amount of \$2,575.41 and by the sewer fund in the amount of \$2,575.40.

ORDINANCE NO. 17-061: It is requested an ordinance be passed authorizing and directing payment to Immixtechnology, Inc. of McLean, Virginia, for the support and maintenance fees for the Kronos Workforce Management System; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

C. Submitted by Marvin Ranaldson, Transit Administrator**SECOND AMENDMENT TO SOFTWARE AGREEMENT WITH TRAPEZE SOFTWARE GROUP FOR STS**

Budgetary Information: There is no cost for this amendment.

ORDINANCE NO. 17-062: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a second contract amendment to the software license and maintenance agreements with Trapeze Software Group, Inc., for use by the Sandusky Transit System; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

D. Submitted by Marvin Ranaldson, Transit Administrator**PARTICIPATION IN FY 2015 TIGER DISCRETIONARY GRANT PROGRAM**

Budgetary Information: The local match required by this program is \$2,000 with a potential project cost of \$100,000 to \$220,000 depending upon available funding.

RESOLUTION NO. 019-17R: It is requested a resolution be passed authorizing the filing of a grant application with the Ohio Department of Transportation through the U.S. Department of Transportation Federal Transit Administration for the FY 2015 Transportation Investment Generating Economic Recovery (TIGER) discretionary program grant for the Sandusky Transit System; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

E. Submitted by Hank Solowiej, Finance Director**ANNUAL SUPPORT FEE WITH SOFTWARE SOLUTIONS INCORPORATED FOR FINANCIAL SOFTWARE**

Budgetary Information: The total cost for the annual support fee is \$27,093. Of this amount, \$13,546.50 will be paid by the general fund, \$6,773.25 by the water fund and \$6,773.25 by the sewer fund.

ORDINANCE NO. 17-063: It is requested an ordinance be passed authorizing and directing payment to Software Solutions Incorporated of Lebanon, Ohio, for the annual software support fee for the period April 1, 2017 through March 31, 2018; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Wes Poole and second of Dave Waddington, the Commission voted to accept the Consent Agenda and declare all ordinances and/or resolutions as drafted and presented to the City Commission under the Consent Agenda shall take effect in accordance with the Section reflected in the ordinances and/or resolutions, whether it be in accordance with Section 13 or

Section 14 of the City Charter. Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. Roll call on the ordinances and resolutions: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the ordinances and resolutions contained in the Consent Agenda passed in accordance with the City Charter.

REGULAR AGENDA ITEMS

SECOND READING

ITEM #1 – Submitted by Hank Solowiej, Finance Director

GENERAL APPROPRIATIONS FOR FISCAL YEAR 2017

ORDINANCE NO. 17-064: It is requested an ordinance be passed making general appropriations for the fiscal year 2017 and declaring that this ordinance shall take effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance at second reading and under suspension of the rules in accordance with Section 14 of the City Charter. Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine and Nikki Lloyd, 6. Nays: Wes Poole, 1. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine and Nikki Lloyd, 6. Nays: Wes Poole, 1. The President declared the ordinance passed at second reading and in accordance with Section 14 of the City Charter.

ITEM #2 – Submitted by Matt Lasko, Chief Development Officer

LEASE AGREEMENT WITH SANDCITY, LLC

Budgetary Information: Under the proposed lease agreement, the monthly rental payments will be split between the general fund (1/3), water fund (1/3) and sewer fund (1/3). The annual operating reimbursements will be split between the general fund (1/3), water fund (1/3) and sewer fund (1/3). The security deposit will be paid from capital funds.

ORDINANCE NO. 17-065: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a lease agreement with SandCity, LLC for the relocation of City Hall; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Dave Waddington and second of Greg Lockhart, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter.

Discussion: Dave Waddington said he has spoken with a lot of people and has received emails about this project and, overall, feels we need to move forward. Sitting at the commission table through the years, there have been at least four attempts in a ten-year period to move City Hall and asked “if not now, when”? This will help downtown and will promote restaurants and bars all in walking distance. It is time to move forward. Matt Lasko introduced Chip Marous and John Spear from Vintage Development to speak to the entire project including financing and construction timelines.

Chip Marous said this project involves three properties at the corner of East Washington Row and Columbus Avenue and includes the Whitworth, Kingsbury and former Commercial Banking & Trust Company building. The total square footage is right around 52,000 including City Hall, retail space and 18 apartment units. A sketch of each floor was presented with the main/public entrance to City Hall on Columbus Avenue and the employee or secondary entrance on East Washington Row. The second floor area will include one- and two-bedroom apartments and a separate mezzanine area as part of City Hall. The third and fourth floor areas are office spaces in the former bank building while the third and fourth floors of the Kingsbury and Whitworth Buildings are residential. The total square footage for the City Hall portion is just over 21,000 SF. The new City Commission chambers are located just off of the main Columbus Avenue entrance.

These drawings should be finalized by the end of April to be presented to the Ohio Department Services Agency as part of the Lease Agreement.

John Spear said the space for the City Hall space did decrease slightly at the Washington Row entrance with a common area added from a secondary entrance (appx. 144 SF). The labor costs are slightly higher and the total deal size has gone up; a \$1.623 million State Historic Tax Credit has been received and the senior debt component of \$3.8 million has not changed. The city's contribution includes a \$450,000 grant as well as a \$1.425 million loan agreement and primarily has to do with the tax credit structure. The rents are still at \$11.25/SF, assuming a ten-year, one hundred percent tax abatement per the Letter of Intent.

Matt Lasko said since last spring, we started our most recent endeavor to relocate the city's administrative offices as well as the Municipal Court and Police Department. In the Spring of 2016, the City Commission directed staff to present options for the future of City Hall. Staff engaged DS Architecture to look at three options: renovating the current City Hall, relocating to a new facility within one quarter of a mile of the downtown, or look at the three buildings we are talking about now (Whitworth, Kingsbury and Calvary Temple). DS Architecture made a presentation to the City Commission in July, 2016, about their economic and non-economic findings or benefits of each option. Three options were presented for the city's administrative offices:

- **Option #1** – renovation and addition to existing City Hall (\$5.82 million - \$7.45 million)
- **Option #2** – newly-constructed facility (\$5 million - \$6.47 million)
- **Option #3** – rehabilitate downtown buildings (\$6.08 million - \$6.81 million)

It is important to note these estimates (specifically Option #1 and Option #2) did not include soft costs (architectural drawings, engineering, etc.) which can add twenty percent to a project. With the first two options where the city would be the developer, the risk of cost overruns would fall entirely on the backs of the city. With Option #3, this did not include relocation costs, furniture or IT needs. DS Architecture recommended a Letter of Intent to the City Commission as it relates to moving into the Kingsbury and the former Calvary Temple Buildings. There has been much public process including during City Commission meetings, a facility tour and a separate public meeting in August, 2016, meetings with the members of the Bayfront Corridor Committee and the Audit/Finance Committee, readings of the Letter of Intent with the City Commission in August and September, 2016, as well as two additional public meetings in September, 2016. The city also hosted a public meeting about this project in February, 2017. It is important to compare the terms of the Letter of Intent with where we are today. When the LOI was passed, the city was to lease 21,500 SF with an initial 30-year lease term and one 30-year extension, if necessary, at \$11.25 per SF. The city would provide operating reimbursements for insurance, real estate taxes, repairs and maintenance. There would be a one-month security deposit and at the time, the contribution from the city was a total of \$1.5 million from Urban Development Action Grant and the Issue 8 Economic Development Fund to stimulate the private component. The city would also have the option to purchase the property in Year 8, for fair market value, Year 20 at 90% fair market value or Year 30 for 80% of fair market value. One thing which was deemed important after meeting with the community was to get an idea of what the city's "all-in" cost would be if in year eight if we chose to purchase. This would include pre-development funding of \$80,000 committed last fall, \$11.25 per SF rental over the course of seven years, operating reimbursements over the course of seven years, the tenant contribution of \$1,050,000; the acquisition price of \$2.9 million plus a one month security deposit totaling \$6.15 million which was within the range of the DS Architecture estimate. The sources paying for these costs throughout the lease period include the pre-development funding (capital funds), lease payments and operating reimbursements split 1/3 General Fund, 1/3 Water Fund and 1/3 Sewer Funds. This amounted to \$675,000 for each of these accounts. There were also tenant contributions of \$1,050,000 from the UDAG grant and the acquisition price of \$2.9 million to be General Obligation debt. The city has a significant amount of debt rolling off our books from 2021 to 2025 and would more than allow the city to be able to service the purchase debt. The

Lease Agreement being proposed for the city is 21,424 SF; the initial lease term is 30 years with a 30-year extension; \$11.25 per square foot is the proposed initial lease rate subject to one and one half percent annual increases; one-month security deposit; \$1.50 per SF operating reimbursement for taxes and insurances, repairs and maintenance. The city's contribution has been restructured from \$1,050,000 to \$1,425,000 which is a combination of UDAG and Chesapeake TIF proceeds (\$375,000) solely related to the increased labor cost as part of this project. The city is still proposing \$450,000 in assistance for the \$5 million private portion of the project. Because of the tax credit structure, instead of being able to purchase the building in Year 8, 20 or 30, we have a right to purchase between Year 8 and Year 30 at Fair Market Value. The financial projections are based on a ten-year one hundred percent tax abatement and those involved in this decision are very supportive although this will need to be finalized going forward. The security deposit would be applied toward the purchase price. The city would be responsible for making repairs in the leased premises as would be the case if the city owned the property. The owner is responsible for structural elements, the building envelope and common areas of the property such as the residential elevator to service the tenants. It is important to note if the city chooses not to purchase the property in Year 8, the loan starts getting paid back. During the construction period and during the first seven years of our tenancy, the interest would accrue at three percent. By Year seven, the loan would start off as approximately \$1,767,000 rather than \$1.425 million because of this. The lease payments bring a \$13,000 to \$14,000 savings over seven years which is modest due to the small reduction in square footage being leased by the city. When adding together the pre-development costs, rent and operating reimbursements over seven years along with other tenant contributions, acquisition costs and the security deposit, the total lease would be approximately \$6,508,269 which does not include moving costs, furniture, fixtures and equipment and IT costs. This is squarely in the range of where DS Architecture wanted the city to be. The loan would be disbursed in its entirety at the closing of financing by the property owner and syndication of the New Market and Historic Tax Credits. This accrues interest at three percent during construction and the balance at the end of seven years is \$1.767 million when the loan would be fully amortized. The city would have a rent escalation in Year 8 to be able to service the loan which is secured by a Promissory Note with the owner. The grant is in the amount of \$450,000 and puts Issue 8 economic development dollars toward this project without turning away any other projects requesting city assistance. The grant would be disbursed as follows: \$325,000 at closing of financing and tax credit syndication and \$125,000 on or before January 19, 2018. This was reviewed by the city's Economic Development Review Committee on March 14 and approved as requested. Going forward, the lease provides for a contingency period for final space planning which can be negotiated between the city and the property owner (by May 15, 2017). It is anticipated the owner would close on their financing in the summer of 2017 at which time the city would disburse a portion of the grant proceeds as well as the loan. Construction will commence this summer and it is anticipated the city will have occupancy in the second half of 2018.

Wes Poole said it is not a big secret he does not support this project and thanked staff for doing an incredible job with the finances for this project. Wes Poole said his concerns have always been about putting City Hall downtown and whether or not relocating here is a good idea in the long-term. If we are going to build a new City Hall, it can be done for less money and more benefit to the community. It would be wonderful for these buildings to be redone and would be onboard for any other project besides City Hall. Wes Poole asked about the \$23,000 security deposit and if the developer feels the city is that unsecure as the entire project is funded almost entirely by city "up-front" money. Wes Poole said he also has legitimate concerns about spending this kind of money from the city's sewer and water fund after just raising these rates by a record amount. We have had a record number of water main breaks and our aging system needs attention and is not certain this is a good way to spend this money. In reading through the Loan Agreement, we are providing \$1.425 million upfront for the first seven years of operation and asked why an additional \$32,000 is included for operations in the rent. Matt Lasko said the \$32,000 is the \$1.50 per square foot operating reimbursement for the first seven years which is reviewed annually and the \$1,425,000 is for construction-related expenses (not operating). This is then revaluated each year and could be higher or could be lower. Eric Wobser said the current breakdown of

costs for the municipal facility is split 1/3 General Fund, 1/3 Water Fund and 1/3 Sewer Fund as the vast majority of the customer traffic coming into the building is significantly for Public Works, Water and Sewer billing, the Manager's Office and is water and/or sewer oriented. This breakdown is time-honored and is specifically set aside. This will actually be a savings to the water and sewer funds because the cost of the loan does not take into account expenses for water and sewer. Any other project the city would have taken on would have potentially been ineligible for the Chesapeake TIF portion. Greg Lockhart said the Marous Brothers have done great projects near Cleveland and it would be nice to see them do other projects here in Sandusky although he does not support this particular one; rather, he would like to see roads taken care of as well as concerns addressed about Fire Station #7. We need to be made to feel safe and well taken care of in our city. We need to expand our Police Department and Municipal Court spaces to be more efficient, but this is a separate issue. This is just a business deal and we are in the business of people. Greg Lockhart said he does not understand the security deposit in relation to the project and based upon calls received, he has not spoken to anyone who does support it. Dick Brady said undoubtedly this is historic legislation and will change the trajectory of our city for one hundred years. We will look back on this and say it was the catalyst for real economic development, not just in the downtown business district, but throughout Sandusky. Dick Brady thanked staff for the thousands of hours worked to put this deal together and said we may not yet have all of the information, but we will never have **all** of the information. Whether running a business or a government, decisions have to be made on the best information available and it is time for us to move forward. There are bridges that must be burned and other bridges to be walked across; this is one we have to take a chance and walk across. There will always be questions about parking and about buying into dilapidated buildings or if we will financially be able to afford this, but we have enough information to make a conscious, professional and articulate decision and he is counting on this Commission passing this tonight and moving forward. Wes Poole said people who are not in favor of this brought up different concerns and to this point, they have not yet been addressed, but hopes they are. We need to make this project successful and move on from there. Nikki Lloyd thanked Vintage and Marous Development for wanting to come to the table and work with the city; Nikki Lloyd also thanked the staff for all of the hours spent making this deal. These are not easy decisions and it definitely takes a lot of courage to move Sandusky forward. We also need to take care of our roads and our safety services for the citizens, but this is coming together to focus on blight and historic preservation. If we do not take care of what was given to us a long time ago, there will not be anything standing to attract new business and residents. Dennis Murray said when George Mylander was a City Commissioner, he too voted to move City Hall and we have been talking about vacating this facility for a very long time. It is long past time to do so; we have had many studies completed which all arrived at the same conclusion and we are now at the end of the report and need to act on it. In the past six months, a lot of things have been discussed since approval of the LOI which is a binding agreement that bound the city to negotiate in good faith and we have done exactly this which was our obligation. The contract, as presented, is the same thing as the LOI although some of the parts and pieces have been moved around. The only difference is everything will be subject to prevailing wages which is a good thing for residents of the area. The City Hall relocation, the relocation of the Sandusky Police Department and the Municipal Court, along with the Sandusky City Schools new building plan will be close to \$100 million in construction which means a lot of jobs and tax receipts. Water and sewer rate increases are driven by the EPA and this project is a drop in the bucket compared to what we are required to spend; cities across Ohio and the rest of the United States are facing these same increases. Lake Erie is our golden goose and we cannot afford for it to be contaminated and is glad we are making an investment for clean water. Water and sewer funds have already been contributing to maintenance of the current City Hall. This project brings four huge advantages which a new construction elsewhere would not. It is an incredibly important piece of slum and blight elimination in our downtown business district; it will save us the cost of demolishing these buildings similar to the Keller Building which netted \$70,000 when sold; and, it will attract \$5 million of private investment and opens up possibilities for the current City Hall site. A city budget is much like a family budget and money must be spent on a lot of different parts and pieces and we cannot spend it all on one thing. Over the last two years, we have seen the city work at a record pace in removing and trimming trees, replacing sidewalks, replacing

streets, making EMS calls and making police arrests, writing code citations and making enormous investments in our neighborhoods. Dennis Murray said the downtown parking has been thoroughly demonstrated to not be an issue and is not concerned about the fact this is an older building because it is the responsibility of the contractor to bring it up to code and they can do exactly that based upon their track record. There are a small percentage of communities our size which will be successful during the next ten to twenty years and these are the communities investing in themselves and taking a chance. Help is not on the way and there is much turmoil in Washington right now about the elimination of CDBG funding and funding for the Great Lakes. We will not get assistance from the state's budget and they are facing a shortage of funds. Sandusky has decided to invest in itself by taxing itself a little bit more and forming partnerships with our businesses and with the private sector and we are getting some great things done. Dennis Murray said he supports this legislation and this marks a new day for the City of Sandusky. Greg Lockhart asked about the construction workers for the project and Chip Marous said they will hold local "Meet and Greets" and have already made contact with local contractors and supply houses to keep as much local as possible.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

ITEM #3 – Submitted by Matt Lasko, Chief Development Officer

LOAN AGREEMENT WITH SANDCITY, LLC

Budgetary Information: The city will be responsible for providing \$1,425,000 in loan proceeds, the majority coming from recycled Urban Development Action grant funds and the balance from Chesapeake TIF and capital funds, at the closing of financing and tax credit equity.

ORDINANCE NO. 17-066: It is requested an ordinance be passed authorizing and approving a loan agreement in the amount of \$1,425,000 to SandCity, LLC, in relation to the property located at 234 – 256 Columbus Avenue and 115 East Washington Row; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Dick Brady and second of Dave Waddington, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter. Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

ITEM #4 – Submitted by Matt Lasko, Chief Development Officer

GRANT AGREEMENT WITH SANDCITY, LLC

Budgetary Information: The city will be responsible for providing \$450,000 in grant proceeds from the economic development capital projects fund. \$325,000 will be disbursed at the closing of financing in 2017 with the remaining \$125,000 to be disbursed on or before January 19, 2018.

ORDINANCE NO. 17-067: It is requested an ordinance be passed authorizing and approving a grant in the amount of \$450,000 to SandCity, LLC, in relation to the property located at 234 – 256 Columbus Avenue and 115 East Washington Row; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Dave Waddington and second of Dick Brady, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter. Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Dennis Murray,

Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

ITEM #5 – Submitted by Angela Byington, Director of Planning

JOINT AGREEMENT FOR FINANCIAL ASSISTANCE FOR PY 2017 CHIP FUNDING

Budgetary Information: There is no impact on the city's general fund. All projects in the program will be paid for through CHIP grant funds.

ORDINANCE NO. 17-068: It is requested an ordinance be passed authorizing and directing the City Manager to enter into a joint cooperating agreement between the City of Sandusky, the Board of Erie County Commissioners, the City of Huron and the City of Vermilion relating to the Community Housing Impact & Preservation (CHIP) program; approving the submission of a grant application by the Board of Erie County Commissioners on behalf of the City of Sandusky, Erie County, the City of Huron and the City of Vermilion for financial assistance from the program year 2017 Community Housing Impact & Preservation (CHIP) program through the Ohio Development Services Agency's Office of Community Development; and declaring that this ordinance shall take effect in accordance with Section 14 of the city charter.

Upon motion of Nikki Lloyd and second of Naomi Twine, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter.

Discussion: Dave Waddington said the city can only apply for \$250,000 because Sandusky is an entitlement community and receives CDBG funding separately. Angela Byington said in the past, the city has historically applied for CHIP funding on its own. This is a competitive grant and Erie County approached the city to see if we would like to join with them and the Cities of Vermilion and Huron to prepare a joint application. This makes our application more competitive and we would be eligible for \$250,000 which is what the city would receive if we were to apply on our own. One advantage is if other communities do not use their portion of the funding, Sandusky would be eligible to increase its amount. The second advantage is this relieves the city of its fiscal duties relating to the grant as the funding would go directly to Erie County. The County would contract with the consultant to assist in the administration of the grant rather than the City of Sandusky.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

FIRST READING

ITEM #6 – Submitted by Stuart Hamilton, IT Manager

WEBSITE REDESIGN & REBUILD

Budgetary Information: The cost of this agreement will be \$29,700 which will be split between departmental operating budgets.

PASSED AT FIRST READING: It is requested an ordinance be passed authorizing and directing the City Manager to enter into an agreement with Revize LLC, of Troy, Michigan for services to redesign and rebuild the city's website.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance at first reading.

Discussion: Greg Lockhart asked why we could not find a local vendor for this project. Stuart Hamilton said the city went through a Request for Proposals process and the respondents were all from out of town; Revize is from Troy, Michigan and was closest to us. This project has been a long time coming and we prepared RFP's, spoke with residents, internal and external customers about how this could make the city more efficient and easier for residents to communicate with us. The committee members sat through hours of presentations and eventually chose this

company as they were the most flexible, had the best price and were not a “canned” product. The city budgeted \$45,000 for this project and came in well under this amount and are looking forward to getting this up and running and making the website more useful for residents. Greg Lockhart asked if this new design is inclusive of applicant tracking software and Stuart Hamilton said we will have that functionality. There are other applications which can also be added in the future. Nikki Lloyd said she noticed there will be on-line bill pay and asked if this also meant we could have paperless billing. Stuart Hamilton said paperless billing would be an entirely different project as we would have to upload the invoices to a secure portal. This will allow the city to link to the payee’s bank to pay bills and for charges to be passed to the bank. Nikki Lloyd asked if this will be for water and sewer bills and Stuart Hamilton said this will be designed for anything the city invoices for (permits, water bills, etc.). Dennis Murray asked Stuart Hamilton to take a bow for what he has done for the city in terms of securing our IT systems. When he started two years ago, the city was just about bare and could have easily been hacked. Dennis Murray said he did not realize the very high level of skill Stuart Hamilton was capable of and we could not have gotten anyone who could do better work. Stuart has been quiet and effective and an important servant for the City of Sandusky and its residents.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the ordinance passed at first reading.

**ITEM #7 – Submitted by Stuart Hamilton, IT Manager
IN-CAR CRUISER VIDEO & AUDIO SYSTEM (AMENDMENT)**

Budgetary Information: The cost for the fifteen cruiser mobile video systems from LE Mobile-Vision, Inc. is \$103,466.50 which will be paid \$82,431.23 from the enforcement & education fund, approximately \$4,977.21 (75% federal share) from the Edward Byrne Memorial Justice Assistance grant and the remaining balance will be paid with capital improvement funds.

ORDINANCE NO. 17-069: It is requested an ordinance be passed amending Ordinance #17-026, passed on February 13, 2017, for the purchase of fifteen cruiser mobile video systems and accessories through the State of Ohio Cooperative Purchasing program from L3 Mobile-Vision, Inc., of Rockaway, New Jersey, for the Police Department; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Nikki Lloyd, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter. Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

**ITEM #8 – Submitted by Maria Muratori, Development Specialist
APPROVING RECOMMENDATIONS FROM THE TAX INCENTIVE REVIEW COUNCIL &
COMMUNITY REINVESTMENT AREA HOUSING COUNCIL**

Budgetary Information: Some of the agreements require both or either annual monitoring fee payments and city compensation payments. For the 2016 agreements, the city is to receive a combined \$3,938.44 in monitoring fee payments and a combined \$2,968.59 in city compensation payments. All funds are to be deposited into the general fund.

RESOLUTION NO. 020-17R: It is requested a resolution be passed accepting and approving the City of Sandusky Tax Incentive Review Council’s recommendations regarding current taxation agreements; and declaring that this resolution shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Naomi Twine and second of Wes Poole, the Commission voted to approve this resolution under suspension of the rules and in accordance with Section 14 of the City Charter.

Discussion: Nikki Lloyd said she will abstain from this vote as one of her properties is listed within the communication. Matt Lasko said the city has two ways to provide tax abatement including in the CRA investment area for residential and business improvements, and through the enterprise zone which encompasses the entire city for commercial investments. These abatements are reviewed annually, by statute, and the recommendations to terminate, continue or amend must be approved by the City Commission. This was the last year for the Battery Park TIF. Matt Lasko also acknowledged the home division of K & K Interiors as their tax abatement just rolled off. Bob Hare, a very committed downtown resident, has also completed his residential tax abatement period.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine and Wes Poole, 6. Abstain: Nikki Lloyd, 1. The President declared the motion passed. Roll call on the resolution: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine and Wes Poole, 6. Abstain: Nikki Lloyd, 1. The President declared the resolution passed in accordance with Section 14 of the City Charter.

ITEM #9 – Submitted by Aaron Klein, Director of Public Works

CHANGE ORDER #1 FOR WWTP GRIT TANK EXPANSION PROJECT

Budgetary Information: The original project cost was \$1,200,000.00. With the proposed change order, the total project cost would be increased to \$1,271,495.05 and paid through an OWDA loan received for this project and the bar screen repair from 2014. A portion of the project will receive reimbursement from Erie County per the sewer service agreement.

ORDINANCE NO. 17-070: It is requested an ordinance be passed authorizing and directing the City Manager to approve the first change order for work performed and to be performed by Mosser Construction, Inc., of Fremont, Ohio, for the WWTP grit tank expansion project in the amount of \$96,495.05; and declaring that this ordinance shall take immediate effect in accordance with Section 14 of the city charter.

Upon motion of Nikki Lloyd and second of Naomi Twine, the Commission voted to approve this ordinance under suspension of the rules and in accordance with Section 14 of the City Charter.

Discussion: Aaron Klein said this project will expand the plant from 42 MGD to 48 MGD and essentially allows us to eliminate some of the CSO's in our system as mandated by the EPA. The change order amount is \$71,495.05 which is about six percent over the original budget of \$1.2 million and incorporates a few items which were underground where the wrong pipes were showing and electrical wiring in the wrong place. There were a few other items which were important to the longevity of the project. We had two hoists which will be painted through this project since the contractor was already on site. We are now housing a lot of these hoists with motors exposed to the elements in structural canopies to provide more longevity.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the motion passed. Roll call on the ordinance: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole and Nikki Lloyd, 7. The President declared the ordinance passed in accordance with Section 14 of the City Charter.

CITY MANAGER'S REPORT

- Eric Wobser thanked the City Commissioners for providing a vote of confidence to **relocate the city's administrative offices** tonight and also acknowledged Larry Knauer who played an important role in this. Larry Knauer and his partners owned the former bank building and when looking at his future vision for the building, it made sense to combine it with the Whitworth and Kingsbury Buildings. None of this would have been possible without Larry and his vision.

- **Upon motion of Dave Waddington and second of Naomi Twine, the commission voted to approve Eric Wobser’s recommendation to appoint the following individuals to the Economic Development Incentive Council:**

- **Abbey Bemis – through December 31, 2017**
- **Paul Koch – through December 31, 2018**
- **Al Nickles – through December 31, 2019**

Discussion: Wes Poole said this new committee encompasses the former Revolving Loan Fund Committee and although he does not have any issues with these individuals, the concept of having the Chairperson of the Audit/Finance Committee also being the person choosing where money is spent is a bad process. Likewise, there seems to be a disturbing pattern with the reorganizing and changing on our boards and who serves as we are narrowing down the diversity in terms of opinions and input from community members down to a very narrow range of individuals. The Erie County Economic Development Corporation Chairperson brings experience which is of value, but on a committee this small which controls loans and grants, it is too small a group of people to draw from which tend to have similar or almost the same perspectives and points of view. Wes Poole said he recognizes since adding some adverse opinions on the RLF Committee, including Sharon Johnson, we have not been letting out loans which were risky for being paid back as had been the case previously. This speaks to adding individuals who do not just join in from the same point of view as everyone else on the committee. This gave us a more critical view and for these reasons, Wes Poole said he will not support the direction we are going with the committee assignments.

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Dennis Murray, Naomi Twine and Nikki Lloyd, 5. Nays: Greg Lockhart and Wes Poole, 2.

- **Congratulations to Lt. Scott Dahlgren for successfully completing his studies at the FBI National Academy** in Quantico, Virginia. The FBI National Academy is highly touted for its leadership and development courses and only one percent of law enforcement officers throughout the country are privileged to attend. John Orzech said he attended the graduation ceremony and it was a great opportunity . . . in addition to sitting near Shaquille O’Neal. The courses taken by Lt. Dahlgren are all accredited through the University of Virginia and he was able to take four Master’s classes and his commitment to his education (not only personally) will come back to the community as well as he looks forward to developing in his career.
- **Governor Kasich is giving his annual State of the State address** on Tuesday, April 4 in Sandusky. To accommodate the address, the following streets will be closed to all vehicular traffic and vehicles will be unable to park in the areas encompassed by the road closures all day on April 4:
 - Water Street between Jackson and Wayne Streets - access will be maintained to the Civista Bank drive-through entrance on Water Street
 - Columbus Avenue between Market and Water Streets
 - No Parking Ban at the Jackson Street Parking lot, the parking lot behind Daly’s and the Jackson Street Pier. No parking signs will be posted in all affected areas notifying the general public a parking ban will go into effect starting at 9 a.m. on April 4 for the entire day. Any vehicles parked on the streets or in the parking lots will be towed.
- The next scheduled **Audit/Finance Committee meeting** is Friday, March 24 at 7:45 a.m.
- The draft **Five-year Capital Improvements Plan** has been presented at the Sandusky Roundtable meeting and to the Audit/Finance Committee.

- Approval was given to the consultant for the **American Crayon property to proceed with a Phase II and asbestos survey**. Brownfields dollars expended at this site total \$52,700.
- Project approval was granted by ODOT on March 10 to allow the city to proceed with the **Wayfinding project**. Bids will be accepted on Friday, April 7.
- The **Justice Center stakeholders** narrowed the sites down to three finalists: American Crayon, the former PNC Bank property on Washington Street and near the Juvenile Detention facility on Tiffin Avenue. Each site will go through a thorough analysis over the next several months.
- The **Jackson Street Pier and Shoreline Drive projects** will have a kick-off public meeting on March 30 at 6:30 p.m. to garner feedback on what they would like to see in the future at these properties.
- The demolition of the former **Wisteria Farm property** on Campbell Street is ninety-five percent complete. The first phase was comprised of the elimination of the above ground nuisances including two abandoned garage structures, removal of large brick debris piles and removal of the partial demolition along Campbell Street. The site will remain in its current condition while the city moves forward to develop a remedial action plan to address the contamination below the surface.
- The regular **Planning Commission meeting** will be held Wednesday April 26 at 4:30 p.m. in the first floor conference room.
- A Special **Board of Zoning Appeals meeting** is scheduled for April 6 at 4:30 in the first floor conference room.
- Public interest and usage of the **Housing Development & Beautification funding** continues to be high. To date, approximately twenty seven percent of the funding is committed within the first two months after application release for 2017 with another 25 applications still being reviewed. Applications are accepted on a rolling basis and funds will be committed on a first come, firsts-served basis. Applications are available on the city's website or can be requested by contacting Maria Muratori in the Department of Community Development at 419.627.5891.
- Applications are being accepted for **seasonal employment in the Grounds and Forestry Departments**. Anyone who wishes to apply may visit the Human Resources Department located on the second floor of City Hall.

OLD BUSINESS

Dave Waddington said he, Dick Brady and Brad Link held the **entryway cleanup** on Saturday and were overwhelmed with the turnout. There were 41 volunteers including the baseball teams from local school districts, the SHS Gentleman's Club, Interim Fire Chief Mario D'Amico and his family along with other city and school staff members who filled about 30 bags of trash. It is a shame we have to do this and someday will make a motion to increase fines for littering. Wes Poole asked for data on how many citations have been issued for littering and Dennis Murray asked Justin Harris and John Orzech to look into this.

Dick Brady said he would like to lobby residents to participate in the April 1 **Great Lakes Brewing Brush & Trash Cleanup** starting at the end of River Avenue along Pipe Creek Pathway from 9 a.m. to 1 p.m.

NEW BUSINESS

Dave Waddington said **Scott May, who graduated from SHS in 1972, was recently selected to be in the 2017 College Basketball Hall of Fame this fall**. Scott May was an All American in 1975 and 1976, National Player of the Year, Olympic Gold Medalist in 1976 and played seven seasons in the NBA. Dave Waddington said he is trying to get him to come back and plan a day for him

like we did for Orlando Pace. Scott May was a tremendous player and would like to recognize him at some point in time.

Upon motion of Greg Lockhart and second of Dennis Murray, the commission voted to appoint the following persons to the newly-formed ADA/Fair Housing Board:

- **Jeff Berquist – through December 31, 2017**
- **Diane Corso – through December 31, 2017**
- **Lovey Leavell – through December 31, 2017**
- **Carol Steele – through December 31, 2019**
- **Kathleen Wickens – through December 31, 2019**
- **Martha Thompson – through December 31, 2019**
- **Kathy Linz - through December 31, 2019**

Roll call on the motion: Yeas: Dave Waddington, Dick Brady, Greg Lockhart, Dennis Murray, Naomi Twine, Wes Poole & Nikki Lloyd, 7. The President declared the motion passed.

Upon motion of Greg Lockhart and second of Dave Waddington, the commission voted to reappoint Bill Semans and Kevin Zeiher to the Board of Zoning Appeals for terms ending December 31, 2019. The President declared the motion passed.

Dennis Murray said the **city is still seeking volunteers to serve on the Board of Zoning Appeals, the Recreation Board and the Community Relations Commission.**

Greg Lockhart said in planning for the **Governor’s visit** next Tuesday, he is hosting a reception with some elected officials at the Law Offices of Oglesby & Oglesby from 4 p.m. – 6:30 p.m. In addition, a Q & A is scheduled at Sandusky High School from 12:30 p.m. – 2 p.m. with State Legislators and other elected officials about workforce development, education and the Sandusky community as a whole.

Wes Poole said the city’s code about **vacant and abandoned buildings** is intended to ensure property owners keep up their property for safety purposes. Under registration, the fee continues to double after this has been done based on occupancy. Once brought into a condition acceptable by the Fire Department, it seems punitive to continue doubling the fees simply because it is vacant. There are a lot of variables which go into a building being vacant which may have nothing to do with the owner of the property. Wes Poole said he would like to have staff look at another alternative. Dennis Murray said he recalls a modification was made to this legislation last year and Kelly Kresser said the old version is still online although the final revisions including 2016 code changes should be changed out during the next week. Wes Poole said he thought the change was to allow an exception if the property changed hands as opposed to a property owner bringing a property up to specifications and no longer being charged double the fines.

AUDIENCE PARTICIPATION

Fred Farris, 1114 C Street, said a lot of black people are having problems with the Sandusky Police Department and he has never seen it like it is today. On March 8, he was driving north on Force Drive and was stopped by a Police Officer and given a ticket for running a stop sign and not using a turn signal. Fred Farris said he was asked to sign the citation but refused and was handcuffed and arrested. He was not resisting arrest and does not know why this happened. Dennis Murray said this is a public comment portion and is not an opportunity to interrogate the Police Chief. This is a pending matter and can be addressed after the meeting. Fred Farris said he was stopped because the officer thought he had drugs and was trying to make him look bad. Wes Poole asked if people can be arrested for refusing to sign a ticket and John Orzech said State Law requires people to sign a citation and if they do not, Law Enforcement can contact the Judge. This was done in this case and the Judge knew Mr. Farris from his dozens of trips to Sandusky Municipal Court and said he (Fred) was not a flight risk and to release him and if he did not show up, a bench

warrant would be issued. Citizens are required to sign the citation as a personal guarantee they will appear in court; this is not an admission of guilt. Unfortunately Mr. Farris does not want to cooperate and do what other normal citizens would have done in this type of situation. Greg Lockhart asked for a copy of the Statute to be provided to Fred Farris. Wes Poole said he has not read the report, but this does call for the question about this being a drug infested area and what it has to do with a stop sign violation. The court can sort this out, but this is not a normal concept. Sharon Johnson, 1139 Fifth Street, said she thought the city gave a sweet deal to the developer and is concerned about seven years without principal and interest and renting for sixty years. Sharon Johnson said she does not want to rent more than seven years as that is enough. We can buy out this lease in seven years and asked if the city will prepare itself to do this at that time. Dennis Murray said this has been addressed in the public meetings and by Matt Lasko this evening and he can explain it to her again after the meeting. Sharon Johnson said she is not happy about paying higher water and sewer rates for the city to pay rent and asked who gives one hundred percent tax abatement anymore.

Vicki Bird, 2114 Wilbert Street, asked for confirmation about the Revolving Loan Fund Committee being eliminated and Dennis Murray said it has been merged into the new Economic Development Incentive Committee. The city should move forward to spend money wisely and she voted for Issue 8 and supports a new City Hall, Police Department and Municipal Court. People are afraid what will happen to the current City Hall site but trusts Marous Construction will hold true to hiring locals. Vicki Bird said her grandson wants to help tear town dilapidated properties in the city and has been saving his change for this purpose. There is an opioid epidemic in this country and we need to figure out where it is coming from and then help those who have been subjected to it.

Upon motion of Dick Brady and second of Dave Waddington, the commission voted to adjourn at 6:57 p.m.

Kelly L. Kresser, CMC
Commission Clerk

Dennis E. Murray, Jr.
President of the City Commission