

Council met in a **SPECIAL MEETING**. The President of Council called the meeting to order at 6:00 p.m., the Ward 4 Councilor offered the opening prayer, and the Pledge of Allegiance was cited.

Member(s) Present: **Mr. Richard F. Balog** (Ward 1)
 Mr. August A. Pugliese (Ward 2)
 Mrs. Julie A. Lattimer (Ward 4)
 Mrs. Ann I. Stranman (Ward 3)
 Mr. J.P. Ducro IV (President)

Member(s) Absent: **Mr. James M. Trisket** (Ward 5)
 Mr. Christopher J. McClure (Vice President)

Officer(s) Present: **City Manager James M. Timonere, City Solicitor Michael Franklin**
 City Auditor Dana D. Pinkert, Clerk of Council LaVette E. Hennigan

Officer(s) Absent: **None**

SUNSHINE LAW CERTIFICATION: The Clerk of Council certified Sunshine Law requirements were met.

PURPOSE: The President announced the purpose of this Special Meeting was to permit Council to consider legislation pertinent to the operations of the City, and convene an Executive Session to discuss Personnel (Employment/Compensation).

WELCOME: No visitors present.

LEGISLATION DISCUSSION

The President announced the Manager requested Council consider ORDINANCE NO. 2012-182 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXTEND A CONTRACT WITH STATE ROAD INDUSTRIAL DEVELOPMENT, LLC, AND STERON, LLC FOR A TEMPORARY CONNECTION TO A SANITARY SEWER LINE SERVED BY THE CITY WASTE WATER TREATMENT PLANT FOR A PERIOD NOT TO EXCEED 120 DAYS. The Manager said the sewer line is not complete; the 120 days on the original agreement is approaching; therefore an extension is needed so as not to force them to disconnect and be “stuck on his own at this point”. The City received a \$1,000 per month payment in lieu of taxes, plus treatment volume fees. The line has not been constructed and the Manager said “it’s still in discussion right now”. The holdup is with the Elkem property and “I think we’ve all come to the realization that there’s just nothing moving with the gentleman that we’re working with there. The last discussions we’ve had have been with Gabriel Performance Product (GaPro) and with Mr. McVoy to just concentrate on getting that line down to their properties instead of taking it all the way around down State Road to Lake Road to those industrial properties. There seems to be a lot of interest from both GaPro and obviously with McVoy already tied in this way.

The Ward 2 Councilor asked if JEDDs are ever going to be secured or are we going to continually extend the temporary tie-ins. The Manager responded the key to that is installing the line. He is resigned to the fact that it will either be the City or County or a combination of the two that will build the line, and then “these people will tie in”. GaPro has been trucking their industrial waste to us, saving them lots of money from having to transport it out of the area. When they tie in they will save even more. They are working on plans for that and the City continues to discuss it.

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The Ward 2 Councilor asked if the Ashtabula County is involved in the extension project. The Manager responded, yes.

The Ward 4 Councilor asked how the County is involved. The Manager responded, Mr. Sartini has assisted with drafting the leases. Right now the discussion is happening between the City and the businesses, so the City has taken the lead on how it will be developed. At some point we will have to go to the County and ask if they will split the cost 50/50. It will come down to who is going to build the line.

The President asked if the estimated project cost is known. The Manager said, "For bringing it down to there, it's about \$150,000 – I think". The City will contract the work out.

The Solicitor asked if GaPro was going to front the financing, with payback being by way of the City giving them a credit against treatment fees until the cost is paid. The Manager said that is another option.

The Manager said the only company currently tapped-in is Mr. McVoy (State Road Industrial Development, LLC). They had to shut their septic system down, which was within 50 to 100 feet of the last manhole the Ashtabula City Port Authority built. So they have essentially dug that 50 to 100 feet and tapped a pipe into that manhole. When this line comes down State Road it would actually come off of their building. The line is quite a distance up the road.

The Ward 4 Councilor asked, "Once the pipe's finalized, where do we divide the line between who we're going to JEDD, even if it's somebody who's offering to pay for the line, do we still JEDD with them; and where's the line; how does that work". The Manager asked for clarification on "line". The Councilor responded, "Those that are paying for the ways but not part of the JEDD – paying for the process of the water". The Manager said if they are using the line they have to be part of the JEDD, which goes back to the City/County Sewer Agreement that was adopted. The Councilor asked if the two companies listed in the ordinance will sign the JEDD. The Manager responded yes. The President said they will sign "a" JEDD because each agreement will be different based on negotiated terms, with some degree of consistency – the Manager responded, "Possibly".

The President said the \$1,000 revenue should show up separately in the budget. The Manager said he believes it is placed in Miscellaneous Revenue. He said part of the revenue goes to the City, part to Ashtabula Township, and part to Waste Water Treatment. The Manager said, "This is basically a temporary tie in and temporary JEDDS – so there are payments in lieu of taxes, etc." The split is already occurring as if there were a JEDD. When he originally came to Council and asked for an ordinance allowing the temporary tie-in, all the contractual details were listed.

The Ward 2 Councilor asked if he believed the City will ever enter into JEDDs with these companies. The Solicitor responded, "Absolutely". He said last weekend he ran into Ashtabula Township Trustee Joe Peet, who indicated the desire to get moving. The businesses that are planning to tap-in are on board. The missing piece has been, and what needs to be determined, is who is actually going to build the line and how far is it going to go. The cost depends on how far it will be extended.

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There have been plans to extend it to the corner of State Road and Lake Road (a portion of it would have to be a pressurized line, and would not all be gravity fed). To install the gravity fed portion would be about \$150,000, but that would only take it to just past GaPro.

The JEDD theory of sharing a percentage of the income tax of the employee and the income of the corporation is probably something that will not happen, or be a very difficult thing to happen for companies that have been in existence for a long time. Therefore an alternative method would be devised; and startup companies would be different.”

The Manager said he has been on the apology tour with some of the companies because of the unprofessional way in which they were previously approached. The City is letting them know we want to work with them and then we are figuring out how to make it work. If they were to build their own plant, staff the plant, and process waste there would be a cost associated with it. That number has to be determined in order to make it fair for the City and them, and then move ahead. The impetus of all of this is as there’s more development in that area and we have the utilities hooked in, then the JEDD should be a no brainer, and the businesses know that up front. There are a few new proposed businesses in Ashtabula Township eager to get going and JEDDing on the basis of the 1.8% income tax. The Manager said he and the Solicitor continue to work on the JEDD with Saint John School in Saybrook Township. A new Family Dollar is being constructed in the vacant lot next to Edgewood School District’s football field, on Route 20. A strip plaza has been said to be slated for property across the street from Wal-Mart on Route 20.

The \$1,000 revenue breakdown is as follows:
\$200 Capital Improvement Waste Water Treatment Plant
\$400 to the City
\$400 to Ashtabula Township

Sewer fees associated with JEDD agreement are the same as non-JEDD agreements.

FORMAL LEGISLATION REQUEST

Mrs. Lattimer moved, Mr. Pugliese seconded to formally request Ordinance No. 2012-182; motion CARRIED.

LEGISLATION READING

ORDINANCE NO. 2012-182 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXTEND A CONTRACT WITH STATE ROAD INDUSTRIAL DEVELOPMENT, LLC, AND STERON, LLC FOR A TEMPORARY CONNECTION TO A SANITARY SEWER LINE SERVED BY THE CITY WASTE WATER TREATMENT PLANT FOR A PERIOD NOT TO EXCEED 120 DAYS, was presented. Mrs. Lattimer moved, Mrs. Stranman seconded to waive the reading of the ordinance; motion CARRIED. Mrs. Lattimer moved, Mrs. Stranman seconded to waive the Charter requirement of two readings. On the roll call to waive the Charter requirement: Mr. Balog, Mr. Pugliese, Mrs. Lattimer, Mrs. Stranman, Mr. Ducro voted yea; motion CARRIED. Mr. Balog, Mr. Pugliese, Mrs. Lattimer, Mrs. Stranman, Mr. Ducro voted yea; motion CARRIED.

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EXECUTIVE SESSION

At 6:30 p.m., the President entertained a motion to convene an Executive Session for the purpose of discussion Personnel (Employment/Compensation). Mrs. Stranman moved, Mr. Balog seconded the President's request for the Executive Session. On the roll call to convene the executive session: Mr. Balog, Mr. Pugliese, Mrs. Lattimer, Mrs. Stranman, Mr. Ducro voted yea; motion CARRIED.

Reconvened Public Portion of Meeting

At 8:06 p.m., the President announced Council reconvened the public portion of the meeting, with nothing to report.

Adjourn

Mr. Pugliese moved, Mrs. Lattimer seconded to adjourn the meeting at 8:07 p.m.

DATE APPROVED: **December 17, 2012**

ATTESTED BY: _____
J.P. Ducro IV
President of Council

ATTESTED BY: _____
LaVette E. Hennigan, MMC
Clerk of Council