
Ashland City Council

MINUTES FOR THE SPECIAL SESSION OF COUNCIL Thursday, May 7, 2009 3:30 p.m. Council Chambers

Council President Paul Wertz called the meeting to order at 3:30 p.m.

ROLL CALL

Ward 4/President: Paul Wertz	Present
At-large: Stephen Stuart	Present
Ward 1: Robert L. Valentine	Present
Ward 2: Robert M. Valentine	Excused
Ward 3: Ruth Detrow	Present

Motion to excuse Robert M. Valentine W2 and moved by Robert L. Valentine W, seconded by Stephen Stuart.

Ayes: Paul E. Wertz, Stephen Stuart, Robert L. Valentine W1, Ruth Detrow..

Note: Throughout the minutes, Robert L. Valentine is designated as to his Ward representation, W1 .

PLEDGE OF ALLEGIANCE

PURPOSE: CDBG Projects and Legislation for FirstEnergy

Larry Paxton: Thank you for meeting with us this afternoon; I have prepared and I think that all of you have gotten the revised proposal for Block Grant. The purpose of making the decision today is by 4:00p.m. this afternoon, Barb has to get it to the Newspaper. Part of this requirement is we have to have this advertised 10 days before our next Public Hearing which is on the 19th. Thank you for taking time out of your day to do this. The formulas have been altered a little since we have last talked. I did talk to Mr. Hunter, Water Treatment Plant and part of this program is that we can have four projects. During this program construction projects or funding projects we can have. The City is still going to use some of the money \$1500.00 dollars of it for Fair Housing. We did include the Ashland Public Transit in the program. It is one of our projects. That is for \$12,900.00 dollars. In conversing with all five of you during the, from our last Council meeting, the majority of you did choose the associated charities as one of your organizations we would like to fund. And so they will be receiving \$11,600.00 dollars. The third project will be the motor replacement of the High Service Pump. Actually it is a motor rehab and replacement of high service pump at the water plant and that will be for \$50,000.00 dollars. In talking to Mr. Hunter this morning, we will be downsized that money a little bit because we believe that we will be able to do that project and still use all the money that is available in that line item. Along with that, the city will receive \$10,000.00 dollars for its Grant Administration. That will go directly back into the General Fund for funding of this program.

Robert L. Valentine W1: Larry, I agree with what you have presented here. But when it says can go up to 5% and then can go up to 15%; that is \$12,900.00.

Larry Paxton: That is just a requirement of the program and that is the most that we could do of that program. I believe it could have been the same for the administration. Those were the guidelines or the Caps that we could use on those line items.

Robert L. Valentine W1: So otherwise, things really don't play into the picture?

Larry Paxton: No. If we use that, that is the most we can get of the \$86,000.00 dollars for those activities. Any other questions?

Questions or discussion?

Stephen Stuart: We get the maximum on the Public transit but not on the administration?

Larry Paxton: That is correct.

Motion and move to accept the recommendation of the Projects by Robert L. Valentine W1, seconded by Stephen Stuart.

Ayes: Paul Wertz, Stephen Stuart, Robert L. Valentine W1, Ruth Detrow.

LEGISLATION

Ord. 39-09

Item (a) AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN AMENDMENT TO THE MASTER AGREEMENT WITH FIRSTENERGY SOLUTIONS CORP., RELATING TO THE PROVISION OF SERVICES TO AN AGGREGATION GROUP IN THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY.

Valarie Bishoff, Clerk of City Council read the ordinance in full.

Mayor Stewart: The reason for this is that we have a Master agreement with FirstEnergy and FirstEnergy has come to us with two options on a fixed discount plan, a graduated discount plan as it relates to the generation cost of electricity which is one segment of your electric bill. There is a generation, a transmission and the usage. The two plants that they have offered to us was one plan and both of them run from July through December of this year and then on through until May of 2012. Both options. One option offers a residential discount on the generation portion of the cost of 6% per year for the duration of this contract. For general service, in other words, the commercial end, it offers a 4% across the board for the four years. Whereas the other graduated plan offers 10% to residential the first year, followed by 6%, 5% and 4%. And then the general service is offered at 7%, 3.5 and 2.5%. Now to me and my suggestion to this Council is that I suggest that we take the 10%. It is front-end money. A 10% would get the bigger break. In the end after May of 2012, the difference would be for a total of about \$15,000.00 dollars less going with the 10% plan first. In other words 10% and reduced. I look at it as the cost of money up front. To me I thought it was a little more valuable. That is just my thoughts to you. Now the reason this is before Council is that because our Master Agreement refers to agreement and there are two agreements to be handled here. In other words, it was singular and Rick said since it speaks to singular, we need to have a new Ordinance that speaks to it as plural and handles the amendments to the Master agreement. So that is why we are doing it. FirstEnergy requires that we have this in to them by the 13th. That is why we have added it on to this particular Council meeting. I only make a suggestion. I hope you all received these at one time a couple of weeks ago. My choice is only a recommendation. We will go with Council's choice.

Robert L. Valentine W1: What is the basis? What is the rate it is based on? The present rate?

Mayor Stewart: The present generation fee. There would be and I don't know if we are receiving any discount on it today or not; I don't have that information. But it is on the generation fee and as an example; the total individual residential savings estimated from July to May is estimated at \$87.26. For an average residential bill for the period beginning July 2009 through May 2012. The estimated savings is \$87.26.

Stephen Stuart: That is for the four-year period?

Mayor Stewart: Yes.

Robert L. Valentine W1: That is about 10 months though isn't it?

Mayor Stewart: No it is four years. This is the total residential savings from July 2009 through May 2012 is estimated at \$87.26.

Mayor Stewart: Like \$2.00 dollars per month. It isn't a big number. This is strictly based on whatever rate structure is in place.

Ruth Detrow: How are those two identified? Isn't it a part of the Ordinance to except Plan A or Plan B? Or just to tell you to do it?

Mayor Stewart: It tells me to: The Mayor is hereby authorized to take steps necessary to enter into a second amendment of the Master Agreement. Here is the answer to that question. Here is Amendment A and there will be another one.

Robert L. Valentine W1: Paul can I see those?

Ruth Detrow: So we don't identify which one we want?

Mayor Stewart: You will identify it by the minutes of record and minutes and that will be the direction I will go.

Questions or comments?

Stephen Stuart – No comment.

Robert L. Valentine W1- No comment.

Mayor Stewart: Actually the agreement I signed will have the attachment of being the 10% beginning or the 6% beginning.

Stephen Stuart: Now as you look at the total again, estimated search, savings while there is not much different. It is up 90, 83 cents, something like that. It does favor a little bit, the flat percentage each of the four years as far as the total.

Mayor Stewart: I looked at it as the cost of money early on. It is such a small amount.

Stephen Stuart: I guess you could argue the point that when you think about the cost of money now; it can't ever be any cheaper than what it is right now. And that as you think about what might be possible four years down the road, the expectation is we may get inflation. So if you would expect inflation four years from now, somewhat higher than it is now, then the flat percentage each of the four years would be the better way to go.

Mayor Stewart: That is accurate, and that is my opinion too. I would like your motion to include which amendment you would want to address.

Stephen Stuart: I will make a motion to go on the plan for the Standard percentage each of the four years. The flat percentage.

Mayor Stewart: And that flat percentage is?

Stephen Stuart: 6% and 4 for Commercial.

Motion to go with Plan 6% and 4% for Commercial by Stephen Stuart, seconded by Ruth Detrow.

Ayes: Paul Wertz, Stephen Stuart, Robert L. Valentine WI, Ruth Detrow.

Move to suspend the Rules, 3 separate meetings, 3 separate days by Paul Wertz, seconded by Robert L. Valentine WI.

Ayes: Paul Wertz, Stephen Stuart, Robert L. Valentine WI, Ruth Detrow.

Move the Ordinance be passed by Ruth Detrow, seconded by Robert L. Valentine WI.

Ayes: Paul Wertz, Stephen Stuart, Robert L. Valentine WI, Ruth Detrow

Motion to Adjourn Special Session by Paul Wertz, moved by Robert L. Valentine WI, seconded by Paul Wertz.

Ayes: Paul Wertz, Stephen Stuart, Robert L. Valentine WI, Ruth Detrow

Adjournment at 3:47 p.m.

Submitted by
Valarie Bishoff
Clerk of Council