

Dennis Murray **called the meeting to order** at 6 p.m. after an **Invocation by Naomi Twine and the Pledge of Allegiance.**

The President called **the roll** and the following Commissioners responded: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady.

Dennis Murray said the procedure tonight is to allow anyone to speak about the legislation before the city commission, listen to information from the City Manager, and then undertake and deliberate the legislation.

AUDIENCE PARTICIPATION

Jennifer Brindley, 547 50th Street, said she has knocked on a lot of doors regarding income tax and admissions tax. Eric Wobser has worked very hard with her committee members regarding the proposal and she is happy Cedar Fair is going to start working with the city. She will publicly back what is presented by Eric Wobser and hopes this is the start of other good things to come.

James Timmerberg, 806 West Adams Street, thanked people who signed petitions for Rebuild Sandusky for their support, the Sandusky fire fighters, Eric Wobser for his efforts with this group, Cedar Fair and Dennis Murray for starting the Town Hall meetings which drew attention to the city's budget issues. The Rebuild Sandusky group first met in April and had no money nor supporters and did not know what they were doing. Over the course of several months, they managed to gather support, collect money, and hire an attorney to draft ballot language. James Timmerberg said apparently someone noticed these efforts and if people think there has been a deal in the works all along, no one spoke to his group until this past Saturday; this was the first time they heard anything about the proposal. The initial proposal given did not include any guaranteed money for the city and they asked Eric Wobser to go back to Cedar Fair which he did; Cedar Fair then generously offered \$500,000 in additional income through tax revenue not contingent upon anything or a ballot issue. They simply will provide this to the city in good faith to resolve the petition efforts. James Timmerberg said some people in the city believe the city will waste this money but people who work for the city are former classmates, neighbors and former teammates. In high school they may have dropped some passes and made some mistakes; they were not perfect then and they are not perfect now. No one in this room is perfect, but the city is transparent and every mistake someone makes ends up on the front page of the newspaper. If every mistake made in this room ended up on the front page of the newspaper, people would look like idiots. People have to realize the city is not perfect, the employees are not perfect, but they are doing their best and the city needs revenue to function. We have to get past the Monday morning quarterbacking because the fact is that city employees occasionally make mistakes, but city need revenues to function. As much as the city needs revenue, the income tax increase will be a burden on some residents and they will find it hard to bear, but this is not a huge burden. For a person making \$20,000 per year, this would be approximately \$50 or \$2 per paycheck. This would be on top of all of the other taxes people have to pay, but by agreeing to pay this, we could potentially add more than \$2 million to city revenues and this would be a tremendous return on this investment. The city could get by without any tax increases, but they could close Station #7, have more potholes, fewer police, eliminate our flowers or do without Christmas lights, but he does not think anyone would want to live in that town. The people who believe government can be a force for good, the people who want libraries and parks and decent roads and for Sandusky to thrive, the cuts need to stop. The city needs to start investing in its infrastructure and acting like it plans to be here fifty years from now and this can only happen with new revenue as proposed; this is why Rebuild Sandusky is supporting the legislation as proposed.

Jason McClure, General Manager of Cedar Fair, said Cedar Fair strongly supports a deliberate and collaborative approach to economic development for the City of Sandusky and recognizes they (Cedar Fair) play a key role in the vitality of the local economy and are proud to do their part to advance an optimistic vision for future of Sandusky. Cedar Fair is excited about the opportunity to work in the city with a reinvigorated commission and with Eric Wobser as we

move forward. A successful Sandusky plays a big role for the success of Cedar Fair and they are happy to support the proposal this evening.

Dannie Edmon, 319 East Madison Street, asked how the increased income tax proposal will affect the people who live in the city but work outside of the city. This means they will pay two taxes which is an increase. Dannie Edmon asked how much the city spends on change orders every year which could be money saved. Some of these are unnecessary and this would be a way to save money. Dannie Edmon said he does not know if the city has exhausted every option prior to going out to the citizens for more money.

Sharon Johnson, 1139 Fifth Street, said the Rebuild Sandusky group has made a big turnaround and asked if they are standing down from their petitions. Dennis Murray asked Sharon Johnson to address her questions to the commission and said this is the period for her to tell the commissioners how she feels about the legislation rather than examine other members of the audience. Sharon Johnson asked how people will be able to tell it will be broken down this way and what kind of proof is there.

Al Nickles, 3308 East Beverly Drive, Chairman of the Audit/Finance Committee, said the committee members will be diligent in overseeing whatever money is given to them. They will hold Eric Wobser, Hank Solowiej and the members of the commissions' feet to the fire to ensure this money is spent properly and done in a good and prudent manner.

Dennis Timple, 553 Bimini Drive, said he has watched this process and been involved with it for several months. A waterline has been replaced on First Street and he now has the opportunity to drive on a smooth street every day. We have reached the stage it is time to turn the corner and move forward because industry has looked at the community and is not interested. Dennis Timple said he has worked in commercial real estate for a number of years and the city is at a turning point. It may take a few years and will take diligence and if this is the way to get it done, he will help to pass this legislation.

Jennifer Brindley, 547 50th Street, said Vicki Byrd asked her to tell the commission their goal is to open Station #7 and thanked everyone who signed petitions and said she hopes they do not have to do this again. This is a win/win situation for people who want admissions tax and/or income tax.

CURRENT BUSINESS

Item #1

ORDINANCE NO. 14-088: Amending section 195.02 of the codified ordinances of the City of Sandusky, Ohio to provide for an additional one percent admissions tax by increasing the admissions tax rate from three percent to four percent beginning January 1, 2015; and declaring an emergency.

Upon motion of Naomi Twine and second of Julie Farrar, the commission voted to pass this ordinance.

Discussion: Eric Wobser thanked the commissioners for calling this special meeting and for those who came out on a Tuesday night to offer their opinion and ultimately to talk about how we got here and how this proposal could put us on a path to rebuild Sandusky and to move forward. At the last commission meeting, the commission voted to allow him to begin dialogue with Cedar Fair and the Rebuild Sandusky group because Sandusky is facing dire circumstances from a financial perspective and because of those challenges, a group of concerned citizens had begun to look at revenue options including raising admissions tax from three percent to six percent. As he and the commission have been out in the community over the past several weeks, he has heard there is a need for improved services and for new revenue. There are concerns in the business community that dumping the admissions tax on Cedar Fair was not the most equitable solution for addressing these problems and was not the best climate for doing business in the City of Sandusky. Under the direction of the commission, Eric Wobser said he

continued discussions initiated by Cedar Fair to state they absolutely believe the continued advancement of strengthening Sandusky is critical and the support through investing their own revenues in Sandusky. They wanted to ensure in addition to their own investment that the community believed in itself and was willing to invest in itself. They wanted to see a broad-based tax in addition to an admissions tax increase. These discussions with Cedar Fair and Rebuild Sandusky have led to a proposal for: 1) a one percent [1%] increase in the admissions tax which would generate additional revenue of \$800,000; 2) additional revenue of \$500,000 from Cedar Fair based upon maintaining their past, current and future performance as a company but not contingent upon passage of an increase in income tax; and 3) a modest increase in the admissions tax from one percent [1%] to one point two five [1.25%] percent which is a potential increase in new revenue of \$1.5 million. The total potential new revenue would be \$2.8 million and the passage of the income tax would be tied to the commission raising the admissions tax.

Eric Wobser said the City of Sandusky needs this revenue as we have taken an incredible hit from the State of Ohio during the last several years of approximately \$1.6 million less in revenue to the City of Sandusky and this is a lot to absorb for the general fund budget. In addition, and in large part, the workforce for the City of Sandusky has declined because of the recession and there were over 300 full-time employees in 2004 versus 210 currently. This is a decrease of nearly one third (1/3) of our workforce that is dramatically reducing the city's ability to perform basic city services and to maintain infrastructure. In addition to having fewer people performing services, we also have no annual local street resurfacing budget and so we are not just putting less money into people who perform services but we are putting less money into the critical physical assets of the city, particularly roads. Ultimately, as they decline, it hastens the decline of the larger community.

For the average resident, this means we are spending nearly more than \$200 less per person than we were fourteen years ago which has a direct impact on all of the services the city receives on an individual level as well as a common shared interest. Everyone can see the effect of this decreased investment over the past several years. The question for people becomes whether they can afford this and he would never lightly ask for an income tax increase because of the difficult financial circumstances many people in Sandusky find themselves in. Eric Wobser said he took a serious look at the tax burden for the average citizen of Sandusky and an average household, with an income of approximately \$39,000, has been paying approximately 21% less since 2004 in their state income tax due to state tax cuts by the Kasich administration. This amounts to \$300+ less in state taxes; if the city's income tax was increased by one quarter of one percent, this would cost the same citizen almost \$100 per year. This is one quarter (\$.25) out of every one hundred dollars (\$100) from each citizen to invest into their community and its future. With the state income tax cuts, the average household would still be paying \$200 less per year than they were just ten years ago. Eric Wobser said the city does not take this lightly and believes people will be able to accommodate this increase.

Eric Wobser said it is important to provide a baseline where we are with other communities because even if we cannot afford this tax increase, we do not want to make Sandusky less competitive as it relates to other communities. Holding the tax rate is critical but we also have to balance this tax rate with the idea we have to provide a baseline level of services and make strategic investments to position the city for long-term growth. Other cities in this region which are most alike in relation to income tax rates are adjacent county seats: Lorain (2.5%), Tiffin (1.75%), Norwalk (1.5%), Port Clinton (1.5%) and Fremont (1.5%). While these cities vary in many ways from Sandusky, they are comparable. If it is decided to place this on the ballot and the community decides to increase the income tax rate, we will still be able to maintain an income tax rate that keeps us very competitive and significantly below the state average which is 1.69%.

Eric Wobser said we have determined we have a need for additional revenue and based upon the state income tax proposal, adding \$.25 per each \$100 earned will not make us less competitive to our sister cities and we need to use this resource for items which are most critical to stabilizing the city. The additional income tax revenue will be restricted, per the

legislation, to focus exclusively on streets, trees and sidewalks, eliminating blight and nuisance abatement in the city, as well as preserving the safety forces of the City of Sandusky. Eric Wobser said he has been out on the streets and meeting with residents and he is hearing about the conditions of our trees, roads and sidewalks, housing stock and abandoned commercial properties that are pulling down others, and people wanting to see Station #7 opened on a permanent basis. Eric Wobser said as he, the commission members and members of the community are working to set this up, they were doing so to include things people wanted to see. The reality is, for the city to continue to provide the basic level of services, we have a \$500,000 per year annual budget deficit. The beginning of the admissions tax receipts - which would be increased by this measure - would go toward ensuring we can continue, stop the bleeding and preserve existing services. We will be able to maintain existing staffing levels without laying people off and not *not* replacing people as they leave through attrition as it has been devastating and these are usually the positions we can least afford to cut. This first part will help to stabilize the budget and as we have been meeting with other members of the community, it has been very clear to us we need to diversify our economy and invest in things to create jobs. Half of the admissions tax - per the statement of intent which the commission will vote on tonight - will help to rebuild Sandusky's economy and the income tax affects the neighborhoods and quality of life, local streets, housing, safety. Half of the admissions tax will be based on how we build a diverse economy be an investment in infrastructure projects.

Eric Wobser said the timing is right and he worked for almost a decade in Cleveland before moving back to Sandusky and was involved in a lot of fights over revenues with city governments over whether projects should go forward or not and often times there are people on either side of this issue. As he dove into this, he had conversations with people on both sides and there was no deal or compromise possible because these folks had the best interest of their community in mind, but they just wanted to be right and to win; they liked the fight. As he came back to Sandusky and was asked and directed by the commission to weigh into this conversation with Cedar Fair and Rebuild Sandusky, he was fearful a compromise might not be possible because of some of these past experiences. Eric Wobser said he has found the exact opposite and everyone at the table had the best interest of the City of Sandusky in mind and realized what we are doing now with our basic level of services and the amount of revenue this will generate was not enough. As we began to work backward from a number which was fair and what the community needed, everyone was willing to do their part and this is important. Looking at the amount of money generated, the basics of this are \$500,000 in increased revenue from Cedar Fair, stabilization of the general fund budget through 2015. It will not allow the city to address long-term shortfalls in streets, housing and safety or position the city for growth through investment in economic development and major infrastructure improvements. Sandusky can increase income tax to 1.25% while still being lower than every continuous county seat in the region and significantly lower than the state average of 1.69%. The burden of this investment is shared and of the estimated \$2.8 million in additional revenue, over fifty percent would be paid directly by Cedar Fair and its employees, meaning that for every dollar invested by the community, they will be leveraging at least one dollar in additional investment from Cedar Fair. This is goodwill toward the citizens of the city and even as an urban community with aging infrastructure and population, we can go to 1.25% and still keep our income tax lower than all of our peers in this region, but yet still provide a level of service which is comparable to those charging 1.5% or more. Eric Wobser said he sees this vision from everyone involved and believes this is as fair as a bargain that could have been reached on this issue. It is wonderful timing because there is great faith in this commission, the leaders of the community, and if we are going to do this, now is the time to pass it.

Jeff Smith thanked the Rebuild Sandusky Committee as their organization and initiative is a perfect example of trying to make a difference and what they have done is the reason everyone is here today. One of the things Eric Wobser has said is the timing and we have an extremely energetic new city manager, a celebrity police chief and new fire chief and the community is excited. Jeff Smith said his seven-year old told him this weekend while on a bike ride that he lives in the best city in the world and has not been jaded yet by negativity and this is perfect timing. Jeff Smith said he is a "no income tax" kind of guy and when Eric Wobser first called about this agreement, he was so excited and could not wait to get started.

Naomi Twine thanked the members of Rebuild Sandusky and said this shows the level of interest citizens have. Naomi Twine also thanked Cedar Fair and appreciates their services to this community and willingness to work with the city. Naomi Twine thanked Eric Wobser for getting people to the table and negotiating this type of an agreement; it says a lot and she is very encouraged about looking forward to what can be done in the future.

Wesley Poole congratulated the City of Sandusky and everyone who came to the table to work through a problem to present to the public. The citizens participated in working with the city commission and manager and he has not seen this kind of working together for quite a while. Wesley Poole thanked Jason McClure and Cedar Fair for always being willing to provide support to the city. It is good to see people sitting at a table and working through a problem and coming up with a potential solution. This is an opportunity for the citizens of Sandusky to invest in themselves and twenty-five cents out of every dollar is a small investment in things that you want and need. The ultimate goal is not just to repair the potholes, it is to build a city people want to move into; In order to do this, we have to do the things we have been trying to work on for a number of years, but without funding. We now have a significant amount of help from our partner, Cedar Fair.

Julie Farrar thanked Eric Wobser and the members of the Rebuild Sandusky committee for meeting on Saturday. She was excited by the energy of the attendees and by the open-mindedness. Julie Farrar said she has been a commissioner for seven years and has never been shy about saying the city needed an increase in the admissions and income taxes, not one or the other, as this is an investment and she is willing to invest a quarter out of every \$100 earned. Kudos to Eric Wobser for getting together with Cedar Fair. We will have naysayers, but we need to encourage them this is an investment in our future and our children's future. Thanks to everyone who sat at the table and making this agreement.

Scott Schell commended everyone involved and said they did a terrific job. It is never easy to bring a wide variety of ideas together, but as quickly as this was done, it shows a level of caring by everyone involved, including the city. This is an opportunity to turn a corner and the community can rally behind it as it is an investment in ourselves and our community which we would also like to be proud of and brag about. With a few more tweaks, we can be even more proud and is thrilled this is going forward and he is looking forward to the next several months and speaking to community members and getting them excited as well.

Dick Brady said if it was not for Rebuild Sandusky, we may or may not have gotten to this point. Eric Wobser has shown his value to the city very early in his career and thanked all who played a role in this whether behind or in front of the scenes. Until about nine o'clock this morning, Dick Brady said he was conflicted and was in an awkward position because of his company's relationship with Cedar Fair. This went away the moment Cedar Fair issued the letter placing Sandusky in a position where the city was not adverse to them. Cedar Fair did not just become our friend today, they have been our friend for about 80 years and we are seeing it today in a meaningful way. No one should see this as a corporate giant stepping up because the list is long and they contribute thirty percent of the dollars in our general fund revenue and these are strategic dollars. They are our friend and we are their friend. Dick Brady said we are celebrating today because this is a good day for Sandusky, but the work starts right now because this will almost be meaningless if we fall short of convincing residents one quarter of a percent income tax raise is doable. We need to accomplish this. Dick Brady challenged everyone here or listening to get in the boat with us and make this happen now. Seven months ago the commission challenged the city and a decision has to be made as to what kind of city we want to have. Tonight we started making this decision and it will be finalized in November.

Roll call on the motion: Yeas: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady, 7. The President declared the motion passed. Roll call on the ordinance: Yeas: Yeas: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady, 7. The President declared the Ordinance passed.

ITEM #2**ACCEPTED FOR FILING**

ORDINANCE NO. 14-089: Amending sections 191.01 and 191.07 of the codified ordinances of the City of Sandusky, Ohio, in order to provide for an additional one-quarter percent income tax, by increasing the income tax rate from one percent to one and one-quarter percent beginning January 1, 2015, specifying that the net proceeds of such additional income tax shall be used to pay costs related to maintaining and improving streets, sidewalks and parks, providing public safety services and eliminating blight and public nuisances, and declaring an emergency.

Upon motion of Jeff Smith and second of Scott Schell, the commission voted to accept this ordinance for the purposes of filing for placement in the Clerk's Office, and numbered accordingly, until after the election. Yeas: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady, 7. The President declared the motion passed.

ITEM #3

RESOLUTION NO. 031-14R: Declaring the necessity of an election on the question of approving the passage of an ordinance to amend section 191.01 of the codified ordinances of the City of Sandusky, Ohio, in order to provide for an additional one-quarter percent income tax, by increasing the income tax rate from one percent to one and one-quarter percent beginning January 1, 2015, specifying that the net proceeds of such additional income tax shall be used to pay costs related to maintaining and improving streets, sidewalks and parks, providing public safety services and eliminating blight and public Nuisances, and declaring an emergency.

Upon motion of Jeff Smith and second of Scott Schell, the commission voted to pass this resolution.

Discussion: Dennis Murray said Sandusky has been through some tough times in the last several decades. We have lost industry, largely because of national and international forces. We have watched our houses and even neighborhoods in too many cases deteriorate as a result of neglect, and code and zoning enforcement so weak that it is essentially non-existent. We have watched as the number of dead and dying trees moves towards 1,000. We have watched as our streets were patched but rarely replaced, except when the street is a state or national highway and we received state or federal funds for some or all of this work. We have watched a proud city cut and cut and cut to the point that we are browning out a fire station and risk closing it next year without a funding solution. The state has simply taken away too much of our funding. Then along comes a group of citizens in a genuine grass roots effort who have said: "Enough!" They reject the simple and false argument that the city has money but is just wasting it. They have done their homework and understand that without restoring revenues, we are doomed to dwindle and decay. They have put their time and treasure and reputations behind an attempt to help the city by raising the admissions tax. And at just about the same time, a group of civic-minded people at Cedar Fair started to ask our new city manager what they could do to help, what they could do to make both Sandusky and therefore Cedar Fair more successful. As remarkable and impossible as it seemed to me, Mr. Wobser has been able to reach a compromise that the citizens group, Cedar Fair and this Commission, I believe, can support. The proposed income tax increase would still be among the lowest in Ohio, where the average is about 1.7%. The resolution is not perfect from anyone's perspective, but everyone was willing to give and bend in order to find something that all can support. Mr. Wobser, members of Rebuild Sandusky and Cedar Fair, thank you for working so hard and congratulations. By the way, it is important to understand the timing for this meeting tonight. We are meeting tonight because we had to as part of the grand bargain that Mr. Wobser and the others have crafted. If we did not meet tonight to take concrete action, the grassroots group made it clear that they have more than enough signatures and would file their petitions tomorrow. In the weeks ahead, the staff and particularly Mr. Wobser will be working to develop a plan regarding how any additional funds the voters authorize would be spent. The City will be specific and, other than asking for your support, I ask that citizens stay involved and hold the Commission accountable. Neither I nor any of the other commissioners here tonight will be on the commission forever. Mr. Wobser has laid out a general plan to invest the funds in safety

forces, streets, code and zoning enforcement, trees and economic development. This is what the city has cut – make sure that it is restored and stays that way. For those who came tonight and expressed your entire range of views, thank you for keeping democracy alive in our community. Democracy can be messy and even raucous at times. But we have had an important discussion tonight about the direction of our City. For the first time in many years, I see in the collective eyes of Sandusky something I have not seen in a long time: hope and a twinkle of confidence. We have in place possibly the best group of department heads and officers and employees the city has ever known. We will now have a full-throated debate about the direction of our city and with the open support of citizens, business leaders and this commission, I believe that the voters will pass this issue. But I am well aware of the risks too. This may well be our last, best opportunity to rebuild Sandusky. It will be neither quick nor easy, but with hope and commitment, I believe that we can make our City great again.

Naomi Twine said no one wants to raise taxes and this is a difficult situation and we are at a low point for the community. It is important to specify and lay out a strategic plan for the use of these monies. One of our citizens suggested at a Town Hall meeting they would be willing to support an income tax increase if we specify what the monies will be used for. Looking forward and working with Eric Wobser, the commission needs to present a strategic plan to move forward. We will not always be here, but while we are, we have a duty to be transparent about what we are doing and how we are doing it.

Roll call on the motion: Yeas: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady, 7. The President declared the motion passed. Roll call on the Resolution: Yeas: Julie Farrar, Scott Schell, Naomi Twine, Dennis Murray, Wesley Poole, Jeff Smith and Dick Brady. The President declared the resolution passed.

Upon motion of Naomi Twine and second of Wesley Poole, the commission voted to adjourn the meeting at 6:55 p.m. The President declared the motion passed.

Kelly L. Kresser, CMC
Clerk of the City Commission

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