

Minutes of Regular Meeting November 8, 2006

Present: Trustees James Havens, Lyle King and Wes Sargent, Fiscal Officer Kennedy

Guests: Don Andrews, 197 Louise Dr

Frank Annarino

The meeting was called to order at 7:00 PM following the Pledge of Allegiance.

On a motion by Trustee Sargent and a second by Trustee King, by a unanimous affirmative vote the minutes of the September 13<sup>th</sup> and 27<sup>th</sup> meetings were approved as submitted.

Mr. Sargent indicated that he had attended numerous meetings since the last township meeting.

F.O. Kennedy reported that he had spoken at Rotary, Kiwanis and at Kendal regarding the Open Space levy that appeared on the ballot. The levy unofficially passed by a large margin.

Mr. Sargent gave a recap of the public hearing held on October 25<sup>th</sup> regarding the proposed amendments to the township's zoning resolution. He indicated he had felt uncomfortable with the changing from a minimum of 20 to 30 acres in order to have a PUD without a good reason. He feels that PUDs are a good tool for use in zoning of properties and there doesn't appear to be a good reason to make it harder to create a PUD. Trustee Havens expressed a similar comment. For the past twenty years PUD's have been the standard. By having a developer develop a piece of property under a PUD the township retains some control. If there is a straight zoning change then there is no local control. He was puzzled why the zoning commission wanted to make it more difficult to use a PUD. There was some discussion about a possible proposal to create condos on SR16. In order to build condos in the township there would need to be a multi-family zoning classification which has not yet even been proposed. Mr. Havens indicated he had talked to Leonard Hubert about this matter. Trustee Sargent indicated that he had talked to both Hubert and Eric Jones. Trustee Sargent indicated that even if such a new zoning district were created there would be controls in place. There being no further discussion, on a motion by Trustee Havens and a second by Trustee Sargent, with King yes, Havens yes and Sargent yes the zoning amendments proposed by the zoning commission were all approved with the exception of the proposed change in minimum acreage for PUDs from 20 to 30 acres which is to be left at 20 acres. F.O. Kennedy indicated that it would be 30 days before these changes to the zoning resolution would take effect.

Trustee Sargent reported that he talked with Fred Nickerson after reading in the paper that Nickerson still had concerns after the November 1<sup>st</sup> public hearing. Mr. Nickerson indicated that he was misquoted in the paper and that he only had some questions regarding Mr. Sheldon's figures that he would pursue with him.

Trustee Havens asked Fiscal Officer Kennedy to present information regarding the calculation of millage for the proposed bond issue to acquire the approximately 600 acre Kraner property. The following are paraphrased comments from Kennedy's presentation:

The issuance of a bond issue can be broken down into two components: 1) the Ohio Revised Code statutory requirements that must be followed by the County Auditor to calculate required millage for the issue. It is this millage amount that must appear on the ballot for the voters to approve or turn down and 2) the true millages required to amortize the principal and interest as actually agreed to in the terms of the purchase agreement.

1) The ORC requires that the County Auditor make a calculation assuming the following: a) The principal must be amortized equally over the term of the bond issue. In this instance it would be \$10,000,000 divided by 20 years or \$500,000 per year. This amount is regardless of whether or not the agreement calls for equal principal repayment. b) The property valuation for the taxing district, in this instance approximately \$291,000,000, must be used over the term of the proposed bond issue without consideration as to possible new construction or tri-annual reappraisal (inflationary) adjustments c) The required millages that are calculated for each year of the outstanding bond issue using (a) and (b) above must then be averaged over the period and it is this millage that must appear on the ballot.

2) The ORC calculated millage may or may not bear any direct relationship to the actual millage required to repay the bond issue in accordance with the actual terms of the debt. The County Auditor is required to place sufficient millage on the ballot each year to collect whatever principal and interest is required to be paid that particular year. The mathematical computation is such that over the years if the property valuation increases the amount of millage required could decrease. This of course depends upon the structure of the debt repayment terms. It should be noted that property that was included in the taxing district at the time the debt was issued can not "walk away" from the obligation by annexation to a different taxing district. The County Commissioners are required to apportion outstanding debt in such circumstances.

As described above the County Auditor calculation is fixed by law. In this situation the repayment of the Kraner debt has multiple variable factors. They are as follows: 1) When a tax issue is approved by the voters it is not first collected until the following year. Thus if the voters approve this issue in February 2007, the tax money from the bond levy would not be initially collected until 2008. Approval of a February levy request would probably be certified by the County Board of Elections in early March. Bond counsel advises me that the debt could be issued sometime in April and thus interest would begin accruing at that point. He is recommending that the bonds be dated for payment in June and July. Thus the first payment that could be made is June 2008. The agreement calls for interest only during the first five years at 5% interest and amortization of the \$10,000,000 debt over the remaining fifteen years in approximately equal payment amounts for the principal and interest combined. The first payment would actually be made in the second year of the bonds and be for approximately 20 months of interest. The second thru fourth payments would be for interest only, but for a lesser amount as they would each be for 12 months of interest as opposed to the initial

payment for approximately 20 months of interest. Beginning with the fifth payment (occurring in year six) and continuing thru the twentieth year the principal amounts must be added to the interest. Thus the first payment requires more millage to pay for 20 months of interest and then drops down to collect the money sufficient to pay 12 months of interest and increases when the principal is added to the repayment.

While the ORC requires that the property valuation remains constant over the term of the bonds that is not realistic. We know that there will be some new construction added to the tax duplicate each year. We also know that the ORC requires all existing property be reappraised for inflationary increases on a tri-annual basis. However, unlike regular tax levies that must be reduced in amount, based upon HB920 to prevent collection of additional money based upon inflationary increases, bond debt repayment requirements are collected on whatever property valuation is shown on the tax duplicate (thus including the inflationary increases). In consultation with bond counsel I made some assumptions to adjust for increases in property valuation over the term of the bond issue. The assumption was that the overall existing valuation would go up approximately 2% in each of the non-triannual reappraisal years to allow for new construction and would go up 5% in a reappraisal year to also include inflation. The 5% would be a combination of new construction and inflationary increase. The 2% and 5% figures would not be compounded until the reappraisal occurs at which time they would become part of the new base. As these percentage increases occur the millage required to pay the debt will decline. Thus someone can second guess making any adjustment to determine the millage that will be required for the Kraner debt. If it's acceptable to include periodic increases then it would be easy to second guess the amount of the percentages. Should 2% be say 1%, maybe 5% should be 3%. Obviously over a twenty year term a small change in the assumed rate of growth could cause the numbers off by a significant factor.

There was discussion that the Open Space Committee members had selected the Kraner property as a high priority for acquisition. It was also discussed that the majority of those in attendance at the November 1<sup>st</sup> public hearing held regarding this possible purchase were in favor.

Following this discussion, Mr. Sargent moved the adoption of the following resolution

WHEREAS, the Township Fiscal Officer of this township has estimated that the life of the improvements hereinafter described is at least five (5) years, and certified that the maximum maturity of the bonds issued therefore is at least thirty (30) years;

WHEREAS, this Board of Township Trustees proposes to submit to the electors of this township at the election to be held on February 6, 2007 the question of issuing bonds of this township in the amount of \$10,000,000 for the purpose of acquiring real property for use as park land, and the question of levying an annual direct tax on all of the taxable property in this township outside of the ten-mill limitation to pay the interest on and to retire said bonds and any anticipatory securities, under authority of the Ohio Revised Code, particularly Section 133.18 thereof; and

WHEREAS, this Board of Township Trustees desires to adopt a resolution declaring the necessity of said issue, said direct tax and said election;

NOW, THEREFORE, BE IT RESOLVED by the Board of Granville Township Trustees (hereinafter called the "Board"), County of Licking, Ohio:

SECTION 1. That it is necessary to issue bonds of this township in the principal amount of \$10,000,000 for the purpose described in the preambles hereof. Said bonds shall be dated approximately April 1, 2007, shall bear interest at the rate now estimated at six per cent ( 6%) per annum, and shall mature in substantially equal annual installments over a period not exceeding twenty (20) years after their issuance.

SECTION 2. That it is necessary that there shall be annually levied on all of the taxable property in this township, a direct tax outside the limitation imposed by Section 2 of Article XII of the Constitution of the State of Ohio to pay the interest on and to retire said bonds and any anticipatory securities.

SECTION 3. That the question of issuing said bonds and of levying said direct tax shall be submitted to the electors of this township at the election to be held on February 6, 2007, pursuant to Section 133.18 of the Ohio Revised Code.

SECTION 4. That the Township Fiscal Officer of this township be and is hereby directed to certify a copy of this resolution to the county auditor for the calculation of the average annual levy that will be required to pay the interest on and retire said bonds. The county auditor is hereby requested to certify to this Board the total current tax valuation of this township and the number of mills required to generate an amount of revenue sufficient to pay the interest on and to retire said bonds.

SECTION 5. That it is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board; and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 6. That this resolution shall take effect immediately upon its adoption.

Mr. King seconded the motion and the roll being called upon the question of adoption of the resolution, the vote resulted as follows:

AYE: Mr. King and Mr. Sargent

ABSTAINED: Mr. Havens

NAY: None

On a motion by Trustee King and a second by Trustee Sargent, by a unanimous affirmative vote it was agreed to hold a special meeting on November 20, 2006 at 6:45PM to vote on the filing of the bond levy request for filing with the Board of Elections for the February 6, 2007 ballot.

The following matters were discussed with respect to the roads department:

1. Fiscal Officer Kennedy presented the 2006 ODOT township roadway mileage certification form disclosing 37.39 miles of roads for review and approval by the Trustees. The form must be returned to ODOT. On a motion by Trustee Sargent and a second by Trustee King, by a unanimous affirmative vote it was agreed to accept the mileage certificate as prepared by ODOT.
2. Superintendent Annarino reported that the striping has been completed on Jones and New Burg Streets which were paved this past year. The employees are also working on Battee Road, filling potholes., cutting back the berm. There are still a number of soft spots and some drainage needs to be installed. Trustee Sargent is to call someone about damage to her car. Tree trimming is going on along James and Canyon Roads.
3. Superintendent Annarino further reported that the grits storage area at the old garage has been completed. This material will now be dry to mix with the salt.
4. The township trucks are now ready for winter activity.

The following matter was discussed with respect to the cemetery:

1. The three new mowers are in.
2. The fall foundation pour has been completed and the leaves are being mulched.
3. It was necessary to install a new heater in the garage.
4. There was discussion about having to evaluate services and possible changes in fees beginning in 2007.

The following matter was discussed with respect to the fire department:

1. The Trustees decided that the word Township should appear on the side of the two new emergency squads that have been ordered from Road Rescue.

Fiscal Officer Kennedy presented the October 31, 2006 bank reconciliation for review and approval by the Trustees.

Fiscal Officer Kennedy also presented a notification from the Ohio Department of Liquor Control that all liquor permits in the township were going to be up in February 2007. The information packet reminded the Trustees that they must have some specific knowledge of liquor permit violations in order to be successful at a hearing to deny renewal of a license. The Trustees indicated they had no knowledge of any problems with any of the permit holders in the township. On a motion by Trustee King and a second by Trustee Sargent, by a unanimous affirmative vote it was agreed to not request any hearings on all of the current licenses to be renewed in February.

On a motion by Trustee Sargent and a second by Trustee King, by a unanimous affirmative vote the following appropriation transfers were approved:

From	1000-760-730-0002	Improv Cem Sites	4,400.00
From	1000-760-730-0001	Improv of Sites	1,000.00
From	1000-760-740-0000	M&E	2,900.00
To	1000-760-740-0002	M&E -	8,300.00
From	1000-110-599-0000	Other	9,500.00
To	1000-760-740-0004	R&B	9,500.00
From	2031-330-420-0000	Operating Supplies	1,000.00
To	2031-330-420-0001	Road Paint	1,000.00

On a motion by Trustee Sargent and a second by Trustee King , by a unanimous affirmative vote the following warrants, debit memos and EFT's for 11/08/06 were approved for payment:

3615	Delta Dental	266.78	3616	Stacy Engle	59.31
3617	Granville Milling	20.66	3618	Burrowes Consulting	19.21
3619	Mini-Mix	455.17	3620	Jean Hauer	350.00
3621	Wright Brothers	7977.68	3622	ICI Dulux Paint	8954.06
3623	Kokosing Materials	115.52	3624	TCI	24.49
3625	KPS/NAPA	257.16	3626	Paisley's Rental	35.00
3627	Cintas Corp	768.75	3628	Granville Lumber	267.07
3629	Waste Mgt	51.59	3630	Maybold's Shoes	117.30
3631	Certified Oil	1005.85	3632	Circuit Rider Mgt Group	4857.70
3633	Granville Rec Comm	8446.25	3634	PNB – IRS	2240.18
3635	Deferred Comp	502.00	DM	AEP	195.72
DM	Columbia Gas	36.49	DM	Alltel	195.64
DM	Village of Granville	85.00	E222	Annarino	1402.95
E223	Binckley	1009.75	E224	Butt	657.19
E225	Engle	37.75	E226	Giles	968.77
E227	Havens	291.79	E228	Huhn	624.01
E229	Kennedy	548.70	E230	King	371.75
E231	Main	195.92	E232	May	227.04
E233	Meisenhelder	583.15	E234	Sargent	70.58
E235	Westall	44.02			

I hereby certify that the funds were on hand or in process of collection and properly appropriated for payment of the aforementioned warrants.

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Norman S. Kennedy, Fiscal Officer

On a motion by Trustee Sargent and a second by Trustee King, with King yes and Sargent yes, it was agreed to move into executive session to discuss personnel matters with respect to hiring of a fire chief.

After a period of discussion the meeting was returned to regular session and adjourned at 9:25 PM.