

Minutes of Regular Meeting May 24, 2006

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

Guests: Frank Annarino
Dennis Schwallie, Peck Shaeffer Williams

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

On a motion by Trustee Havens and a second by Trustee King, by a unanimous affirmative vote the minutes of the April 26, and May 10, 2006 meetings were approved as previously presented.

Mr. Schwallie is a bond counsel, with the law firm of Peck Shaeffer Williams, who was asked to attend this meeting to talk about the financing of the Kraner property acquisition. He discussed the following topics and addressed questions as indicated:

1. Township debt limitation. He indicated that the Ohio Revised Code establishes a 5% of property valuation limitation on total township debt for non-“Home Rule” townships. F.O. Kennedy reported that the township presently has a valuation of approximately \$300,000,000 and therefore a total debt limitation of \$15,000,000. Mr. Schwallie also indicated as the township need not count any debt outstanding for which Kennedy as already set aside a cash balance to repay the debt when it matures. This concept is called “defeasing” the debt. Kennedy indicated that cash is reserved for all outstanding debt.

2. Use of estimates to determine tax millage for voting purposes - The Ohio Revised Code provides that once the voters approve a levy for a specific dollar amount, a stated term and an approved purpose the County Auditor must adjust to millage to collect the amount needed to pay the debt. Thus, for example, if the estimated rate of interest in August 2006 when an issue is placed on the November ballot is 5.5% and it turns out to be 6.45% the taxpayers will pay a correspondingly higher amount to amortize the actual rate of interest. Trustee Havens observed that it would be important to project the possible rate of interest as accurately as possible. F.O. Kennedy expressed concern about a rising rate environment and possible significant future movements.

3. Private placement bond issue (to the owner of the property) The Trustees would pass a borrowing resolution, bond counsel would prepare the necessary paperwork and the bond would be issued in exchange for a property deed. Generally, the ORC provides some flexibility with respect to principal repayment terms and permits deferment for up to two years. The payments can be level principal or structured so long as the payments in any year are not more than three times the payments in any other year. The ORC does not permit "bullet principal payments for this type of debt as its felt to be contrary to public policy.

It would also be possible for the Trustees to issue Bond Anticipation Notes (BAN's) which are short term obligations that could permit the deferral of principal repayment for up to five years. BAN's may be renewed for up to 20 years so long as the principal is paid down as if it was a bond issued after the fifth year.

4. Levy timing - The ORC requires a two step procedure. A) a resolution to the County Auditor requesting certification of the township's property valuation and the amount to be raised for a given millage, b) a resolution to the Board of Elections placing

the issue on the ballot which must be filed by the 75th day before the election which for the November 2006 election is August 24, 2006.

Trustee Havens inquired as to the type of levy the township might use to raise the money to purchase Mr. Kraner's approximately 600 acres of property within both Granville and Newark Townships, but 100% in the Granville Exempted Village School District. Mr. Schwallie indicated that acquiring real estate outside of the Township's borders may raise concerns about whether a proper Township purpose is being served. This is similar to the "ultra vires" concept found in corporate law. Acquiring real estate for park and recreation purposes of the Township's citizens would seem to be more defensible than for a greenspace purpose.

Trustee Havens further inquired if there were any other restrictions with respect to the type of debt that may be issued. Mr. Schwallie responded that the ORC generally authorizes tax levies for three general purposes: 1) operating, 2) permanent improvement (assets with a life of at least 3 years) and 3) debt service (bond issue). In general, moneys from one type of levy may not be used for any of the other purposes. If the Township wants to acquire real estate and pay for it immediately; then a bond issue debt service levy would be used. If the Township wants to acquire real estate over time – that is, without a borrowing – then a permanent improvement levy could be used.

Within this general rule, there are exceptions. For example, once an operating levy is passed and before the first tax collection, tax anticipation notes may be issued and the tax proceeds used for debt service on those notes. Similarly, some limited borrowing against a permanent improvement levy and the use of tax proceeds to pay debt service is permitted.

A tax levy for "recreation" purposes is unique in that it is one of a few mixed purposes – that is, proceeds of a general recreation levy may be used for both operating and permanent improvement purposes unless the purpose clause used for the ballot is more restrictive. A greenspace levy would probably not be as flexible.

Trustee Havens indicated that he has had periodic discussions with Mr. Kraner over the past 12 months. Mr. Kraner remains very cooperative and gracious. He is still exploring all of his options with respect to the property. Recent discussions indicate that income tax preferred status of financing the potential sale through the receipt of a township debt instrument appeals to him. Mr. Kraner continues to explore both the outright sale of the property or the sale of the development rights on the property. In recent discussions Havens has indicated a preference for outright purchase of the land by the township and Mr. Kraner seems to be preferring a sale of the development rights.

Trustee Havens indicated that he has updated the former members of the Open Space Committee on the status of these negotiations and has asked them to meet with him in an executive session meeting on June 10th to review the current options and to seek additional input from them.

Trustee Havens must complete the negotiations with Mr. Kraner in time for all of the information to be presented in a public forum so that the voters in Granville Township can make a decision as to whether or not to support the levy to acquire the property. F.O. Kennedy indicated that the Board of Elections is estimating a cost of \$700 per precinct (\$5,600) per election because of the new voting machines. This cost is shared by the various issues on the ballot. Should there be only one issue (ie: a special election) then this would be the projected cost to conduct the election.

Trustee Havens asked if any of the other officials had questions for Mr. Schwallie. As there were no additional questions Mr. Schwallie left the meeting.

Trustee Sargent indicated that he has been in contact with Rochelle Piper at the County Health Department. Authorization has been received to tear down the Benson property but the Health Department has no money in its budget to pay for the demolition. Trustee King was asked to obtain a quotation for demolition of the residence, removal of its foundation and filling in the remaining hole.

Trustee Sargent reported that he had received correspondence from Kim West about vandalism around her business and the township garage. He is going to discuss the matter with a Sheriff's Deputy although there is not much chance for active patrolling.

Trustee Sargent further reported that he attended an OTA/LCTA sponsored meeting regarding the proposed TEL amendment to be voted on in November. This amendment would put a 3.5% cap on spending and taxes for state and all local government units. In order to override the cap there would have to be a majority of all registered voters in the district vote in the affirmative. The problem with this proposal is that between 20 and 25% of the current registered voters no longer are in the district as they have either moved or have died. Obtaining 50% of the gross number of registered voters would be almost impossible. In addition votes would be required for both the increase of taxes and also for the subsequent expenditure of the money. Thus it is possible that the tax might be approved by the voters and the expenditure of the funds turned down. Apparently Colorado passed a similar proposal 10 years ago and is having significant problems. Each attendee was asked to explain the problems with this amendment to their respective constituents.

F.O. Kennedy reported that he received correspondence that the school district's attorney had filed a protest with the Ohio Department of Taxation regarding the Kendal TIF request submitted by Bricker and Eckler for the township. The attorney claimed that he had not received the documentation supporting the fact that this was a non-school TIF. Kennedy contacted various people at the school district which had approved the TIF as a non-school proposal and they subsequently asked the attorney to withdraw his protest. Kennedy hopes that this episode does not delay the processing of the TIF request which must be approved by the Department of Taxation.

Trustee Sargent stated that he had been contacted by Rodger Kessler regarding a possible zoning issue on River Road. He asked Mr. Kessler to contact the township's

zoning inspector and determine if the matter is in fact a violation of the zoning resolution. If it is not a violation then it becomes a civil matter that Mr. Kessler must pursue in court.

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

1. Superintendent Annarino reported that he has not heard back from the Health Department regarding the problems along Sunset Dr. The employees have completed installation of the cross culvert on Maplewood and are waiting for asphalt to patch the road. The employees have also been performing roadside mowing.
2. F.O. Kennedy indicated he had been contacted by Rufst Hurst regarding permission to use New Burg Street for a road race on June 17th. The Trustees discussed the matter and agreed to the closure of the road during the race under two conditions a) that he only be closed from just shortly before the race starts until it's completed and b) that all of the residents on New Burg and in the Richards subdivision be notified that the road will be closed.
3. F.O. Kennedy reported that he has been contacted by a resident about trees along Newark-Granville Road creating a visibility problem pulling out of New Gran (looking west) and about pine trees hanging out over New Gran. Superintendent Annarino indicated he would see about trimming the pine trees and contact the Village Street Department about the trees on Newark Granville Road as the road was annexed into the Village and they are responsible for its right of way.
4. Superintendent Annarino indicated that he would not need temporary student workers over the summer.
5. Trustee King reported that since the last meeting he, Trustee Sargent, Superintendent Annarino and F.O. Kennedy met with County Engineer Lollo to talk about New Burg Street. Mr. Lollo questioned redoing New Burg Street this year if the school district is going to build a second building on its Burg Street site. He feels the construction traffic will damage the new roadway. FO Kennedy contacted the school district treasurer, Brett Griffith, who indicated they will be asking the public to approve a less than 2 mill levy in November and anticipate the construction project will be completed in the summer of 2009. Mr. Griffith also indicated that several members of the school board were thinking that the cost of the walkway to the school property from its existing terminus at the high school should be borne by the district. Trustee Sargent indicated that something had to happen with the road this year to prevent it from breaking up. Mr. Lollo recommended that while the widening, culvert replacement and walkway should be delayed the Trustees should consider crack sealing the road surface and covering it with a 1" layer of asphalt. FO Kennedy asked Mr. Lollo to work up specifications for this new work so that if the Trustees decided to change the project he can bid it. Superintendent Annarino also indicated they are meeting with Jeff Preston of the engineer's office on Friday to review what needs to be done with the Jones Road drainage at Pleasantview before that road can be paved. On a motion by Trustee Havens and a second by Trustee King, by a unanimous affirmative vote it was agreed to 1) delay the major improvement project on New Burg Street until completion of the new school building, 2) New

Burg should be repaired as recommended by the County Engineer to last at least until the project can be done properly, 3) obtain prices for a repair of the drainage problem along Jones Road at Pleasantview and pave the road. As an additional motion, on a motion by Trustee Sargent and a second by Trustee Havens, by a unanimous affirmative vote, it was agreed to submit information to the school district regarding the anticipated cost of constructing the walkway to the school district property on Burg Street.

6. Superintendent Annarino is to look into which roads he feels need to be crack sealed and order at least \$15,000 of work.

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

1. Superintendent Annarino reported that the cemetery should be ready for the upcoming Memorial Day ceremonies.
2. Trustee Sargent indicated that Ed Smith has finalized the plans for the PA system and has gotten the Granville Kiwanis Organization to pay for rental of the equipment.
3. F.O. Kennedy reported that he attended a UAN training seminar on the cemetery software included in the UAN software package. He is of the opinion that this software, which is windows based, can operate the cemetery records system. In order to implement this software UAN must make the software usable on a stand alone computer. It is hoped that this will happen during the third quarter of 2006.

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

1. F.O. Kennedy reported that on April 24th he filed an objection to an appraisal assessment by the Muskingum Watershed Conservancy District for a \$684 annual assessment for twenty years. Most of the other township parcels in the County were assessed \$12 per year. He filed the appeal to preserve the township's right to object to the amount of the assessment. On a motion by Trustee Sargent and a second by Trustee Havens, by a unanimous affirmative vote, the filing by Fiscal Officer Kennedy, of the Notice of Objection/Exception to Appraisal of Benefits for the 40 acre Raccoon Valley Park property was ratified by the Board of Township Trustees.

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

1. Fiscal Officer Kennedy reported that he received back the fire department contract for the next third of 2006 thru August 31, 2006.
2. Trustee Havens reported that the first transition meeting with the fire department representatives has been scheduled for May 30th. A list of discussion points has been developed. F.O. Kennedy has submitted an RFP to Circuit Rider Management Group and anticipates having back their proposal to advise the township trustees in this matter before the next meeting.

F.O. Kennedy reported that he requested an new amended certificate for an additional \$41,200 in general fund money as a result of year to date receipts in excess of the original estimates. Based upon this increased certificate amount he requested the following increase in appropriations:

1000-330-360-0000 Health Dept Fee	\$21,000
1000-110-599-0005 Comprehensive Plan Cost	20,200

On a motion by Trustee Havens and a second by Trustee King, by a unanimous affirmative vote the \$41,200 increase in estimated receipts and the two supplemental appropriations in the amount of \$41,200 as presented above and the following appropriation transfer were all approved:

From 1000-410-319 Cemetery Prof Serv	5,000
To 1000-410-190 Cemetery Salaries	5,000

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

3325	Teacher's Protective	11125.10	3326	Delta Dental	282.54
3327	Buckeye Valley Waste	720.15	3328	Goodyear Tire	228.00
3329	Nextel Communications	444.44	3330	Licking Cty Treasurer	54.06
3331	Granville Sentinel	23.00	3332	ODJFS	1526.00
3333	Gutridge Plumbing	75.00	3334	Johnson Electric	37.04
3335	Wendy Lewis	60.00	3336	Mini-Mix Inc	670.00
3337	Hope Timber Garden	551.00	3338	Fred Abraham	2000.00
3339	Erie Insurance Co	99.00	3340	Carl W. Hains Co	540.00
3341	Ice Mountain Water	97.72	3342	James Kennedy	2450.00
3343	Benjamin Rader	2450.00	DM	Alltel	229.74
DM	AEP	139.02	DM	Columbia Gas	689.65
E96	Annarino	1531.49	E97	Binckley	1116.59
E98	Butt	612.42	E99	Engle	55.52
E100	Giles	968.77	E101	Huhn	612.42
E102	Main	161.81	E103	Meisenhelder	583.15
E104	Polk	456.13	E105	Smith	1135.64
3344	PNB – IRS	1096.82	3345	OIT	815.40
3346	SDIT	31.55	3347	Deferred Comp	620.00
3348	OPERS – Buyback	250.00	3349	PNB – OPERS	5899.03

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

Norman S. Kennedy, Fiscal Officer

On a motion by Trustee and a second by Trustee, with King yes, Havens yes and Sargent yes, the meeting was moved into executive session for the purpose of discussing possible property acquisition and a personnel matter.

After a period of discussion the meeting was returned to regular session and adjourned at 9:10PM.