

**CITY OF MASON
COUNCIL MEETING
JANUARY 9, 2012**

The meeting was called to order at 7:04 p.m. Chaplain Rick Huff opened the meeting in prayer. All those present recited the Pledge of Allegiance.

ATTENDANCE

The following members of Council were present: Barbara Spaeth, Tom Grossmann, Charlene Pelfrey, Don Prince, and David Nichols. (Rich Cox was absent. Victor Kidd joined the meeting at 7:20 p.m.)

APPROVAL OF MINUTES

A motion to approve the December 12, 2011 Council Meeting Minutes was made by Councilmember Pelfrey, seconded by Councilmember Spaeth. VOTE: ALL YEAS.

RECOGNITION OF VISITORS

Steve Lazear of 4246 Fontenay Drive expressed his displeasure with world, national, and local current events and Mason City Council. He also commented on the City's debt.

Eric Hansen introduced Patti Mulkie, an employee at the Mason Community Center. He read an email highlighting the extraordinary efforts by Patti and staff during a corporate event held at the Community Center. Eric recognized Patti and all City employees for their continued commitment to customer service, controlling costs, and efficiency. Eric explained that staff measure success by expansion of revenue and helping businesses succeed. This is an example of doing just that. Mayor Nichols thanked Patti Mulkie for creating a family friendly community that helps grow business in Mason.

Vice Mayor Kidd joined the meeting at this time.

RESOLUTION 2012-01 REQUESTING THE COUNTY AUDITOR TO MAKE TAX ADVANCES DURING THE YEAR 2012 PURSUANT TO SECTION 321.34 OF THE OHIO REVISED CODE

A motion to read by title only was made by Councilmember Pelfrey, seconded by Councilmember Prince. VOTE: ALL YEAS.

Eric Hansen stated that when taxes are collected by the County, the County Auditor has several months after the due date to distribute the funds owed to local governments. State law allows local governments to request payments of the taxes prior to the required settlement. He explained this helps improve cash flow for the City and allows the City to earn additional interest for itself rather than the County.

A motion to suspend the rule and allow for adoption after the first reading was made by Vice Mayor Kidd, seconded by Councilmember Prince. VOTE: ALL YEAS.

A motion to adopt Resolution 2012-01 was made by Councilmember Grossmann, seconded by Councilmember Prince. VOTE: ALL YEAS.

ORDINANCE 2012-01 AUTHORIZING THE CITY MANAGER TO PROVIDE THAT FUNDS BE MADE AVAILABLE TO THE MASON PORT AUTHORITY TO FUND A LOAN FOR THE SEAPINE SOFTWARE PROJECT IN THE AMOUNT OF \$100,000 AND DECLARING AN EMERGENCY

A motion to read by title only was made by Vice Mayor Kidd, seconded by Councilmember Spaeth. VOTE: ALL YEAS.

Michele Blair introduced Seapine Software executives Rick Riccetti (President, CEO, and co-founder), Kelly Riccetti (Vice President and co-founder), and Judy Test (CFO). She introduced Michele Laumer (Carey Laumer Commercial Realty) and Chris Dobrozsi (Vice President of Real Estate Development at Al Neyer). She stated that Economic Development focuses on business retention, business attraction, reputation, and branding. She stated that Seapine Software located in Mason in the late 90s, expanded into their current location at the Triangle Office Center in 2004 where they now occupy 35,000 square feet and are now preparing to expand by 43% into a 50,000 square foot facility that they will own with room to expand beyond that. With nearly 100 employees, Seapine is now one of the top twenty employers in Mason, with employment growth of over 200% within the past decade. Michele stated that Seapine Software is considered a Tier I targeted company in Mason and represents both the I.T. and digital sector. The Company develops both innovations in products as well as workforce talent that makes a local economy strong and leverages the ability to attract more “like” companies. She stated that City Council has laid the foundation for this project by partnering in 2009 with Al Neyer in the creation of the Oak Park District in order to retain this property for the highest and best use. Michele invited Chris Dobrozsi to the podium.

Chris Dobrozsi addressed Council and explained that Mason offers what companies are looking for in a community. He considers this property a great location with visibility from I-71 and that Seapine Software is the type of company he envisioned for this parcel. Michele Blair invited Rick Riccetti to speak.

Rick Riccetti thanked Council, and recognized Chris Dobrozsi, Michele Blair, Michele Laumer, Judy Test, and Kelly Riccetti for the work done over the last four months. He expressed his appreciation to Michele Blair for working with them over the last seven years. Mr. Riccetti stated that Seapine is looking forward to the opportunity to continue growing within Mason. With Council’s approval of the project, Seapine will invest \$7 million to build on an excellent piece of real estate. After unveiling a rendering of the building, designed by Rob Thrun, he highlighted the modern design elements and its location on the property. The property also provides the ability to expand in the future by adding 23,000 square feet of office space. Seapine is committed to hiring 40 people in the next 3-5 years and he expects to exceed that goal. Rick stated that Mason is a great fit for their company, the type of community that attracts hi-tech

employees, and is a great place to do business. Seapine was founded in 1995, moved to Mason in 1999, and employs 125 worldwide. He stated that Seapine sells products and services to quality-critical industries such as life sciences and financial services, helping them to manage their software to deliver on time and within budget.

Michele Blair summarized the project and terms of the incentive package. She explained that 100 jobs will be retained and 40 new jobs created with \$11 million of new payroll. The ordinance authorizes a \$100,000 forgivable loan which is contingent on the retention and creation of these jobs as well as the company securing certain easements to the City and Al Neyer for infrastructure and landscaping right-of-way. She stated that in addition, a 100% fifteen year CRA is recommended.

During Council discussion Michele answered questions regarding this ordinance. Council expressed their support for the project and a need for a deeper understanding of the funding mechanism of this ordinance both for themselves and the citizens of Mason. Michele explained that forgivable loans have been given to existing companies that the City is competing to retain and allow the City to regain a return on investment. It is a strategic economic development tool that the City uses only in specific circumstances where the right amount of payroll, investment, job creation, and growth potential are present. The monetary value of the easements in this case was also an important factor. Michele explained the Community Reinvestment Area (CRA) abatement. The company will save taxes on the \$5.5 million new capital improvement and make an annual school payment-in-lieu-of taxes. Over the 15 year abatement period, the schools will realize an estimated \$1.2 million in revenue, the City an estimated \$1.5 million in new payroll revenue, and Seapine an estimated \$500,000 in real estate savings.

A motion to suspend the rule and allow for adoption after the first reading was made by Vice Mayor Kidd, seconded by Councilmember Spaeth. VOTE: ALL YEAS.

A motion to adopt Ordinance 2012-01 was made by Councilmember Prince, seconded by Councilmember Pelfrey. VOTE: ALL YEAS.

A motion to provide an abatement under the Community Reinvestment Area Program of 100% of real property improvements for a period of 15-years on the value of the new building improvements, for Seapine, as authorized by the State of Ohio Community Reinvestment Area Program and contingent upon the company making an annual compensation payment to the Mason City School District for the term of the abatement period was made by Councilmember Spaeth, seconded by Vice Mayor Kidd. VOTE: ALL YEAS.

A motion to waive the City's first right of refusal was made by Vice Mayor Kidd, seconded by Councilmember Prince. VOTE: ALL YEAS.

ORDINANCE 2012-02 PRELIMINARY CONSENT LEGISLATION

A motion to read by title only was made by Vice Mayor Kidd, seconded by Councilmember Spaeth. VOTE: ALL YEAS.

Richard Fair addressed Council and stated that ODOT is planning on replacing a bridge on US-42, just south of Hanover Drive between the entrance of Four Seasons Apartments and Kings Mills Road. The existing bridge is a four sided cast-in-place concrete box culvert that has a 15' span built in 1932. ODOT has requested the City approve a cooperative agreement for the project to grant consent for ODOT to proceed with the project. The State will assume 100% of the cost of the project. While there are no foreseeable costs at this time, any costs not directly related to the replacement of the bridge would be the responsibility of the City. Richard stated that the roadway will need to be closed for approximately 30 days for construction of the new bridge. Staff is working with ODOT to reduce the impact of this construction by scheduling the closure between December and mid-March when activity in this area is reduced. Staff has not been made aware of the detour route at this time but will continue to work with ODOT throughout the project.

A motion to suspend the rule and allow for adoption after the first reading was made by Councilmember Prince, seconded by Vice Mayor Kidd. VOTE: ALL YEAS.

Councilmember Spaeth asked that consideration be made to minimize the impact on school bus traffic. Councilmember Prince questioned the construction of a two lane bridge where the road will need to be widened to four lanes sometime in the future. Councilmember Pelfrey requested adequate notification be made to Hanover residents.

A motion to adopt Ordinance 2012-02 was made by Councilmember Prince, seconded by Councilmember Spaeth. VOTE: ALL YEAS.

CITY MANAGER'S REPORT

► A motion to not request a hearing for a D5, D6 liquor permit for Jeffrey J Nesbit at 112 East Main Street was made by Councilmember Grossmann, seconded by Vice Mayor Kidd. VOTE: ALL YEAS.

► By prior ordinances, utility rate increases will take effect on January utility bills. Last May, Council approved an annual 4.5% increase in sewer fees and an annual 5.5% increase in stormwater fees, both through 2016 and based on the results of the sewer and stormwater rate study completed last spring. In addition, GCWW will implement a rate increase of 8.5%. All three increases amount to less than \$4 per month for the average residential customer.

► Monday, January 9 is the first day of full company operations for AssureRx Corporate Headquarters at the Center. Council approved the lease on October 10, 2011, and within an extremely tight timeframe to achieve full construction build out of 10,000 square feet of unfinished shell space, the team was able to fulfill project completion within 90 days. Recognition and credit to City Project Manager Greg Nicholls, Al Neyer Construction Team, and AssureRx Project Management Team for allowing the move in to happen on time. The expected permanent occupancy permits should be issued next week.

► The Community Center Open House held on Saturday, January 7 was extremely successful with 91 new memberships sold (63 Premier and 28 Basic), \$14,000 of personal training

purchased, and 219 group fitness participants. The Empowered to Lose Big program, a 10-week fitness incentive challenge to keep Community Center members working out and sticking to their resolutions, began with 144 participants.

COMMITTEE REPORTS

Councilmember Prince reported that the Mason Veterans Memorial Committee has been making repairs on the Mason Veterans Memorial and raising funds for the memorial by selling memorial bricks. He said that there is a new sign on Mason-Montgomery Road and that clean-up and repairs to the memorial should be complete for the 2012 Memorial Day events.

OLD AND NEW BUSINESS

Councilmember Grossmann commented that the Mason Community Center open house was superb. In response to Steve Lazear's earlier comments, he explained that the City did not take on \$46 million of new debt during his term as Mayor and that perhaps the debt that Mr. Lazear was referring to was the refinancing of existing debt. Council had a general discussion on the financial health of the City.

Councilmember Prince raised some concerns regarding the delivery of mail to councilmembers. He also requested that Council discuss revising the Council meeting schedule by replacing the second regular council meeting of the month with a Council Work Session or committee meetings. Mayor Nichols proposed this discussion for the next Council Meeting.

RECOGNITION OF VISITORS

Perry Schwartz of 6309 Tarton Fields Lane stated that it is City administration responsibility to inform citizens of the financial status of the City by publishing on the website, in the paper, and through mailings. He feels that this cannot be overdone and that residents should be proud of the work we do.

EXECUTIVE SESSION: PERSONNEL AND LAND ACQUISITION

A motion to adjourn into Executive Session for the purpose of discussing personnel and land acquisition was made by Vice Mayor Kidd, seconded by Councilmember Prince. VOTE: ALL YEAS. TIME: 8:28 p.m.

A motion to reconvene into Regular Session was made by Councilmember Grossmann, seconded by Councilmember Prince. VOTE: ALL YEAS. TIME: 9:33 p.m.

ORDINANCE 2012-03 AUTHORIZING THE CITY MANAGER TO ENTER INTO A COLLECTIVE BARGAINING AGREEMENT WITH THE POLICE CLERKS AND COURT SECURITY OFFICERS' UNIT OF THE FRATERNAL ORDER OF POLICE, OHIO LABOR COUNCIL, INC. AND DECLARING AN EMERGENCY

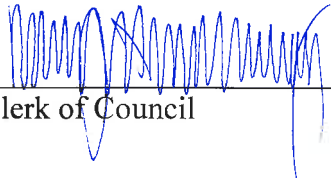
A motion to read by title only was made by Councilmember Grossmann, seconded by Vice Mayor Kidd. VOTE: ALL YEAS.

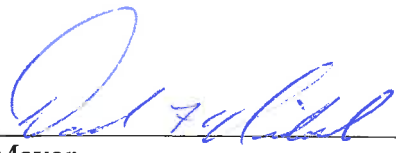
A motion to suspend the rule and allow for adoption after the first reading was made by Vice Mayor Kidd, seconded by Councilmember Pelfrey. VOTE: ALL YEAS.

A motion to adopt Ordinance 2012-03 was made by Councilmember Prince, seconded by Councilmember Grossmann. VOTE: ALL YEAS.

ADJOURN

A motion to adjourn was made by Councilmember Prince, seconded by Councilmember Spaeth. VOTE: ALL YEAS. TIME: 9:34 p.m.


Clerk of Council


Mayor