

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

AGENDA

DATE: MONDAY, NOVEMBER 3, 2008
PLACE: COUNCIL CHAMBERS
TIME: 7:30 P.M.

THERE ARE NO PUBLIC HEARINGS TONIGHT

1. ROLL CALL
2. INVOCATION BY COUNCILMAN CHUCK MAIER
3. PLEDGE OF ALLEGIANCE
4. READING OF THE JOURNAL
5. REMARKS OF DELEGATIONS AND CITIZENS TO MATTERS ON THE AGENDA
6. INTRODUCTION OF ORDINANCES AND RESOLUTIONS

Passed
9/10 ORDINANCE NO. 129 – 2008

BY: COMMUNITY DEVELOPMENT COMMITTEE

AN ORDINANCE authorizing the Mayor of the City of Massillon, Ohio, to enter into an agreement with Olympic Tae Kwon Do to provide an economic development "inducement Grant" to assist the company in opening its business in Massillon, and declaring an emergency.

Passed
9/10 ORDINANCE NO. 130 – 2008

BY: PARKS AND RECREATION COMMITTEE

AN ORDINANCE approving the various fees and charges for the Massillon Parks and Recreation Department and The Legends Golf Course for the year 2009, and declaring an emergency.

Passed
9/10 ORDINANCE NO. 131 – 2008

BY: POLICE AND FIRE COMMITTEE

AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to advertise for and receive sealed bids, for the purchase of one prisoner van for the Massillon Police Department, and declaring an emergency.

Passed
9/10 ORDINANCE NO. 132 – 2008

BY: FINANCE COMMITTEE

AN ORDINANCE making certain appropriations from the unappropriated balance of the Indigent Drive Alcohol Fund, Summer Concert Fund, Home Health Fund, Legends Golf Course Fund and the Economic Development Fund, for the year ending December 31, 2008, and declaring an emergency.

Passed
9/10 ORDINANCE NO. 133 – 2008

BY: FINANCE COMMITTEE

AN ORDINANCE reducing the appropriations in the 1409 Municipal Road Fund, of the City of Massillon, for the year ending December 31, 2008, and declaring an emergency.

Assd
9/10 ORDINANCE NO. 134 – 2008

BY: FINANCE COMMITTEE

AN ORDINANCE adopting the Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office, and declaring an emergency.

7. UNFINISHED BUSINESS
8. PETITIONS AND GENERAL COMMUNICATIONS
9. BILLS, ACCOUNTS AND CLAIMS
10. REPORTS FROM CITY OFFICIALS

A). MAYOR SUBMITS MONTHLY PERMIT REPORT FOR OCTOBER 2008

B). AUDITOR SUBMITS MONTHLY REPORT FOR OCTOBER 2008

11. REPORTS OF COMMITTEES
12. RESOLUTIONS AND REQUESTS OF COUNCIL MEMBER
13. CALL OF THE CALENDAR
14. THIRD READING ORDINANCES AND RESOLUTIONS
15. SECOND READING ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 21 – 2008

BY: COMMUNITY DEVELOPMENT COMMITTEE

A RESOLUTION reversing the decision of the Massillon Zoning Board of Appeals made on September 11, 2008 wherein the Zoning Board of Appeals denied a variance from the Massillon Zoning Code for proposed construction of two 30' X 84' warehouses at 35 Warwick Avenue NW. Known as Lot No. 17265 in the City of Massillon, Ohio, and declaring an emergency.

16. NEW AND MISCELLANEOUS BUSINESS
17. REMARKS OF DELEGATIONS AND CITIZENS TO MATTERS NOT ON THE AGENDA
18. ADJOURNMENT

MARY BETH BAILEY - CLERK OF COUNCIL

DATE NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

Passed
LEGISLATIVE DEPARTMENT

ORDINANCE NO. 129 - 2008

BY: COMMUNITY DEVELOPMENT COMMITTEE

TITLE: AN ORDINANCE authorizing the Mayor of the City of Massillon, Ohio, to enter into an agreement with Olympic Tae Kwon Do to provide an economic development "inducement grant" to assist the company in opening its business in Massillon, and declaring an emergency.

WHEREAS, the City of Massillon carries out a variety of economic development programs designed to promote the creation and expansion of business and industry in the community; and

WHEREAS, Olympic Tae Kwon Do desires to locate its business at 1007 Lincoln Way East, and

WHEREAS, the City of Massillon proposed to assist Olympic Tae Kwon Do in starting its business by providing an economic development "inducement grant", the purpose of which is to help offset the company's costs in opening its business in Massillon.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT

Section 1:

This Council hereby authorizes the Mayor to enter into an agreement with Olympic Tae Kwon Do, providing an economic development "inducement grant", in a total amount not to exceed Seven Hundred Fifty Dollars (\$750.00) for the purpose of assisting the company in opening its business in Massillon.

Section 2:

In return for this economic development grant assistance, Olympic Tae Kwon Do, shall provide the City with information regarding the number of jobs that it has provided as a result of the company's opening its business in Massillon.

Section 3:

This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the health, safety, and welfare of the community and for the additional reason that it is necessary to improve the economic climate of the community through the expansion of business and employment opportunities. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS _____ DAY OF _____, 2008

APPROVED: _____

MARY BETH BAILEY, CLERK OF COUNCIL

GLENN E. GAMBER, PRESIDENT

ATTEST: _____

FRANCIS H. CICCHINELLI, JR. MAYOR

Mr. Francis H. Cicchinelli, Jr. and City Council
151 Lincoln Way East
Massillon, Oh 44646

To Whom It May Concern:

My name is Christopher Kopp. I am nineteen years old, and I live in Bolivar, Ohio. To give you some information about myself, I am a full time student at Kent State University, Tuscarawas campus, where I hope to obtain a degree in Early Childhood Education. I also am an entrepreneur, and I will soon be opening a martial arts school in Massillon. I have been involved in martial arts since I was four years old. By age sixteen, I began teaching for my instructor at multiple locations. For the last three years, I was involved in the martial arts school, not only teaching, but also making important business decisions. I have learned a lot through my studies in these areas, and I feel that I have a wonderful start to a business career.

Now, the time has come for me to open my own school. The name of my school is Olympic Tae Kwon Do. The grand opening will be on Thursday, October 2nd. The address of the location and the phone number is listed towards the bottom of the page. I have very high expectations for this business, and I will not stop until the school has become successful. Even then, the idea that there is no limit on what can be achieved excites me. The possibility of what I can bring to the community and the city of Massillon is very comforting to me. Whether it's teaching self defense classes to city employees, the fine teachers and educators of Massillon, or joining in the community at gatherings, I hope to be of an asset to the community.

However, starting your own business is not cheap. I have estimated that the total cost of the school just to get it open will range from eight to ten thousand dollars. I have met with Mayor Cicchinelli personally, and he has given me information about your small business grants. I would appreciate your help in opening my business, and if given a grant, I would be more than thrilled. Any kind of help you can offer would be gratefully appreciated. Have faith in the fact that I will put all my effort in making sure that the business is successful. As I said before, I am very excited to be joining the great city of Massillon, I am excited to be working with the fine people of Massillon, and I hope that the city feels the same way about myself and my business, Olympic Tae Kwon Do.
Thank You.

Olympic Tae Kwon Do
1007 Lincoln Way East
Massillon Oh, 44646
330-447-4273

Sincerely Yours,

Christopher T.P. Kopp

Name of Applicant: Christopher Kopp
Home Address: P.O. Box 121 Bolivar, Ohio 44612
Home Telephone number: 330-874-2012

Business Name: Olympic Tae Kwon Do
Business Address: 1007 Lincoln Way East
Business Telephone Number: 330-447-4273

Form of Business: ☐ Corporation ☒ Partnership ☐ Limited Liability Corporation
☐ Limited Liability Partnership ☐ Sole Proprietorship

Company Principals / Shareholders:
Christopher Kopp
Gary McFeeders

Existing or New Business: New

Own or Lease Business Location: Lease

Description of Business Start-Up Costs: (Please also indicate which of these start-up costs you are seeking funding assistance for, either in whole or in part, from the City of Massillon)

First month Rent and Security Deposit	\$1600
Advertising	\$1000
Uniforms, Sparring gear, apparel	\$1500
Office Furniture, chairs	\$800
Mirrors	\$1000
Misc.	\$500

\$ 750.00

Seeking funding for any part of these costs.

No. of Jobs to be created: ☐ Full-Time ☒ 2 Part-Time

Business Hours of Operation:

Tuesday and Thursday	5:30 – 9:00
Saturday	10:00-1:00

DATE: NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

passed
LEGISLATIVE DEPARTMENT

ORDINANCE NO. 130 - 2008

BY: PARKS AND RECREATION COMMITTEE

TITLE: AN ORDINANCE approving the various fees and charges for the Massillon Parks and Recreation Department and The Legends Golf Course for the year 2009, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby determines that it is necessary to approve the various fees and charges for the Massillon Parks & Recreation Department and The Legends Golf Course for the year 2009.

Section 2:

It is hereby determined that the following various fees and charges for the Massillon Parks & Recreation Department and The Legends Golf Course for the year 2009 is hereby approved and accepted by this Council.

(SEE ATTACHED FEE SCHEDULE INCORPORATED AS IF FULLY REWRITTEN HEREIN).

Section 3:

This ordinance is declared to be an emergency measure immediately necessary for the preservation of the health, safety and welfare of the community and for the further reason that said various fees and charges are necessary for the efficient operation of the Park and Recreation Department and The Legends Golf Course needs to be in effect for the start of the 2009 calendar year. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Massillon Recreation Center Current Rates.

Membership Packages	Individual Adult (19-59)	Senior Adult (ages 60+)	Youth (Ages 15-18)	Youth (Ages 8-14)	Youth (Ages 4-7)	Family (Up to 4)	Additional Child	Married Couple
<u>Regular Rates</u>								
Continuous Renewal	\$285.00	\$140.00	\$160.00	\$145.00	\$110.00	\$550.00	\$50.00	\$415.00
Annual New	\$295.00	\$150.00	\$170.00	\$155.00	\$120.00	\$575.00	\$55.00	\$435.00
3 Month Membership	\$95.00	\$55.00	\$60.00	\$55.00	\$40.00	\$180.00	\$18.00	\$130.00

<u>Corporate Discount Rates</u>								
Continuous Renewal	\$220.00	\$115.00	\$125.00	\$115.00	\$90.00	\$430.00	\$38.00	\$320.00
Annual New	\$230.00	\$125.00	\$135.00	\$125.00	\$95.00	\$450.00	\$39.00	\$340.00
3 Month Membership	\$75.00	\$45.00	\$45.00	\$42.00	\$35.00	\$135.00	\$12.00	\$110.00

<u>Massillon Resident Discount Rates</u>								
Continuous Renewal	\$175.00	\$90.00	\$105.00	\$85.00	\$75.00	\$345.00	\$33.00	\$260.00
Annual New	\$185.00	\$95.00	\$110.00	\$95.00	\$80.00	\$365.00	\$35.00	\$275.00
3 Month Membership	\$50.00	\$35.00	\$35.00	\$32.00	\$25.00	\$110.00	\$10.00	\$85.00

Proposed 2009 Rate Changes and Eliminations

Membership Packages	-10% Individual Adult (19-59)	-10% Senior Adult (ages 60+)	-11% Youth (Ages 15-18)	-11% Youth (Ages 4-14)	-12% Youth (Ages 4-7)	-12% Family (Up to 4)	-12% Additional Child	-12% Married Couple
<u>Non Resident Rates</u>								
Continuous Renewal	\$256.00	\$126.00	\$142.00	\$129.00	\$484.00	\$44.00	\$365.00	\$365.00
Annual New	\$265.00	\$135.00	\$151.00	\$138.00	\$506.00	\$49.00	\$385.00	\$385.00
3 Month Membership	\$106.00	\$54.00	\$60.00	\$55.00	\$202.00	\$20.00	\$154.00	\$154.00

<u>Corporate Discount Rates</u>								
Continuous Renewal	\$220.00	\$115.00	\$125.00	\$115.00	\$90.00	\$430.00	\$38.00	\$320.00
Annual New	\$230.00	\$125.00	\$135.00	\$125.00	\$95.00	\$450.00	\$39.00	\$340.00
3 Month Membership	\$75.00	\$45.00	\$45.00	\$42.00	\$35.00	\$135.00	\$12.00	\$110.00

<u>Massillon Resident/Tax Payer Rates</u>								
Continuous Renewal	\$157.00	\$81.00	\$95.00	\$78.00	\$304.00	\$29.00	\$229.00	\$229.00
Annual New	\$166.00	\$85.00	\$99.00	\$85.00	\$322.00	\$31.00	\$242.00	\$242.00
3 Month Membership	\$65.00	\$34.00	\$40.00	\$34.00	\$129.00	\$13.00	\$97.00	\$97.00

Draft 1:00pm Sept 16, 2008

Fall Membership Drive

A two week period from October 18 to November 1, 2009.

All annual memberships will be sold for a discount of 15-25% - The percentage adjustment is dependent on how our memberships are for the year.

Proposed Bank Draft System:

The proposed bank draft system would offer the following:

1. Member completes bank draft from for yearly membership and submits first payment along with a @20.00 administration fee.
 - a. Payments are automatically withdrawn from their bank account or charged to their credit card in 8 weeks intervals. All payments for the year are then collected before the membership expires.

Child Care Rates for 3 month members and non-members

Childcare services for 3 month members and non-members

- \$2.50 for 1 ½ hour for 3 month members
- \$3 for 1 ½ hour for non-members

\$40.00 for Members

\$60.00 for Non-Members

Coupon books for annual members:

List of coupons & values

- 4 Free Guest Passes (\$5 each)
- 2 50% off Fitness Programs (\$15 each)
- 2 Buy one Fitness Class get one half off (\$15 each)
- 4 50% off Youth Program (\$15 each)
- 1 Free Fitness Assessment (\$42)
- 1 Free Open Pavilion Rental (\$48)
- 1 25% off a Birthday Party (\$25)
- 1 Free Large Bucket of Range Balls when you buy a round of golf (\$7)

Total Value: \$262

Individuals who don't use all the coupons could give the coupons away to friends or family members with kids; we would ultimately attract more people and maybe sell more memberships.

SAMPLE:



Excellence in Motion!

505 Erie St North
Massillon, OH 44646
330-832-1621
www.massillonrecreation.com

Guest Pass

Up to a
\$5.00 Value

Present this coupon for one FREE GUEST
ADMISSION.

*Not valid with any other offers. Guest must
accompany annual member.*

Daily Play Rates

2009 Golf Rates

Season dates: March 15, 2009 through November 15, 2009

	Mon-Thur	Fr/Sat/Sun/Holidays Before 3	After 3
* 9 Holes Walking	\$15.00	<u>\$19.00</u> *	\$16.00
* 9 Holes w/Cart	\$21.00	\$26.00	\$21.00
* 18 Holes Walking	\$21.00	<u>\$25.00</u> *	\$26.00
* 18 Holes w/Cart	\$31.00	\$36.00	\$33.00

*9 holes walking currently \$21.00

*18 holes walking currently \$29.00

SPECIAL RATES:

Seniors Age 60+ ANYTIME

* 9 Holes Walking/Riding	\$16.00
* 18 Holes Walking/Riding	\$21.00

FIRST TEE:

- * Any child that completes the First Tee Program can play for \$1.00 with a paying adult.

Replay Rates	9 Holes	\$14.00	18 Holes	\$20.00
Range Balls	Small Bucket	\$4.00	Large Bucket	<u>\$6.00</u> (\$7.00)
Rental Clubs	9 Holes	\$20.00	18 Holes	\$30.00

All rates subject to change

September 18, 2008



Season Pass Rates

formerly known as Memberships

All Season Passes include the following:

- Unlimited greens fees
- Cart fee
- Range balls
- 1 League
- Reservations up to 2 weeks in advance
- Club tournaments
- Pass holder ID card
- Photo ID in Fore Reservations software system

	Proposed	Current
7 DAY PASS HOLDERS -		
2 nd player same household	\$1,700	\$1,595
	\$650	\$650
5 DAY AM PASS HOLDERS -		
2 nd player same household	\$1,450	\$1,350
Mon-Fri, Holidays excluded	\$550	\$550
5 DAY PASS HOLDERS -	\$1,150	\$995
2 nd player same household	\$450	\$450
Mon-Fri, after 11:00, Holidays exc.		

All Massillon taxpayers receive a 5% discount on annual season passes. No additional discounts will apply. All passes will be sold in 2009.

All rates subject to change

September 18, 2008



Special Promotions

Monday – Thursday 11:30 – 1:30
Any foursome plays for \$100.00
Free Large bucket of range balls

Fridays after 1:00 any golfer plays
18 holes for \$25.00 cart included

18 holes/cart and lunch \$33.00
Seniors 60+ 18/cart and lunch \$25.00

Off Season Rates:

Spring - Opening date to April 30 and Fall-Winter Oct 1 - Dec 14

Weekday Mon-Thurs 18 holes/cart \$21, 18 holes/walking \$15

Weekends Fri-Sat-Sun Holidays 18 holes/riding \$25, 18 holes/walking \$20

Weekday Mon-Thurs 9 holes/Cart \$14, 9 holes/-walking \$12

Weekends Fri-Sat-Sun Holidays 9 holes/riding \$15.00, 9 holes/walking \$13



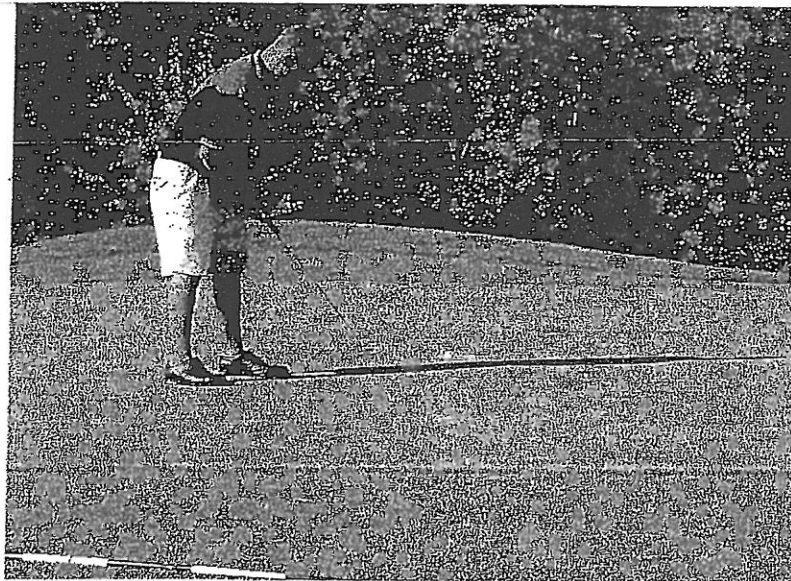
September 18, 2008

**The
Legends
of Mission**

High Schools

- Yearly fee for home course advantage \$2100.00
(currently \$1800)
- Yearly pass for high school players \$220.00 (currently \$195)
- Junior daily rates:
 - 9 holes walking \$12.00
 - 18 holes walking \$22.00
 - High School Tournaments \$22.00*Does not include Food and Beverage.

All rates subject to change



September 18, 2008

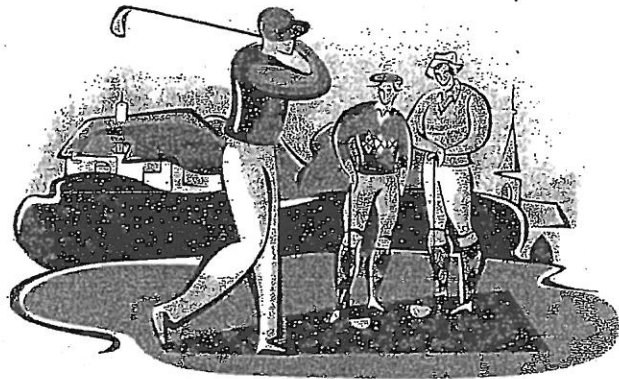
The
Legends
of Massillon

Outings/Special Groups

Number of players	Weekday	Weekend
100 +	\$25.00	\$30.00
60-99	\$27.00	\$32.00
40-59	\$29.00	\$34.00
0-39	\$31.00	\$36.00

Included:

- Range balls
- Carts, signage
- Skill contest markers
- Hole Sponsorship setup
- Registration Table
- Food and Beverage not included in this price.



September 18, 2008

The
Legends
of Mission

DATE: NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

Passed
LEGISLATIVE DEPARTMENT

ORDINANCE NO. 131 - 2008

BY: POLICE AND FIRE COMMITTEE

TITLE: AN ORDINANCE authorizing the Director of Public Service and Safety of the City of Massillon, Ohio, to advertise for and receive sealed bids, for the purchase of one prisoner van for the Massillon Police Department, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby determines it to be necessary in the public health, safety and welfare to advertise for and receive sealed bids, for the purchase of one prisoner van for the Massillon Police Department.

Section 2:

The Director of Public Service and Safety of the City of Massillon, Ohio, is hereby authorized and directed to prepare plans and specifications and to advertise for and to receive sealed bids according to law, for the purchase of one prisoner van for the Massillon Police Department.

Section 3:

That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the health, safety and welfare of the community and for the additional reason that it is necessary for the more efficient operation of the Police Department in the City of Massillon. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

DATE: NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN GAMBER, PRESIDENT

COUNCIL CHAMBERS

passed
LEGISLATIVE DEPARTMENT

ORDINANCE NO. 132- 2008

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE making certain appropriations from the unappropriated balance of the Indigent Drive Alcohol Fund, Summer Concert Fund, Home Health Fund, Legends Golf Course Fund and the Economic Development Fund, for the year ending December 31, 2008, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

There be and hereby is appropriated from the unappropriated balance of the Indigent Driver Alcohol Fund, for the year ending December 31, 2008, the following:

\$25,000.00 to an account entitled "Services & Contracts" 1225.125.2392

Section 2:

There be and hereby is appropriated from the unappropriated balance of the Summer Concert Fund, for the year ending December 31, 2008, the following:

\$15,757.97 to an account entitled "Services & Contracts" 1212.505.2392

Section 3:

There be and hereby is appropriated from the unappropriated balance of the Home Health Fund, for the year ending December 31, 2008, the following:

\$3,500.00 to an account entitled "Services & Contracts" 1235.705.2392

\$3,000.00 to an account entitled "Supplies & Materials" 1235.705.2410

Section 4:

There be and hereby is appropriated from the unappropriated balance of the Legends Golf Fund, for the year ending December 31, 2008, the following:

\$1,830.00 to an account entitled "Services & Contracts" 2104.505.2392

Section 5:

There be and hereby is appropriated from the unappropriated balance of the Economic Development Fund, for the year ending December 31, 2008, the following:

\$750.00 to an account entitled "Services & Contracts" 1237.845.2392

Section 6:

This Ordinance is hereby declared to be an emergency measure, for the efficient operation of the various departments of the City of Massillon and for the preservation of the public health, safety and welfare of the community. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS _____ DAY OF _____ 2008

ATTEST: _____

MARY BETH BAILEY, CLERK OF COUNCIL

GLENN E. GAMBER, PRESIDENT

APPROVED: _____

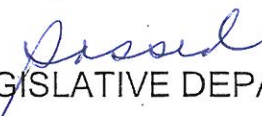
FRANCIS H. CICCHINELLI, JR, MAYOR

DATE: NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS


LEGISLATIVE DEPARTMENT

ORDINANCE NO. 133 - 2008

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE reducing the appropriation in the 1409 Municipal Road Fund, of the City of Massillon, for the year ending December 31, 2008, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The appropriations are hereby reduced in the 1409 Municipal Road Fund, for the year ending December 31, 2008, as follows:

\$158,000.00 from an account entitled "Lincoln Way Project" 1409.435.2399

Section 2:

This Ordinance is hereby declared to be an emergency measure, for the efficient operation of the various departments of the City of Massillon and for the preservation of the public health, safety and welfare of the community and for the additional reason that the appropriation needs to be reduced because of an audit procedure. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED IN COUNCIL THIS _____ DAY OF _____ 2008

APPROVED: _____
MARY BETH BAILEY, CLERK OF COUNCIL

GLENN E. GAMBER, PRESIDENT

APPROVED: _____

FRANCIS H. CICCHINELLI, JR, MAYOR

DATE: NOVEMBER 3, 2008

CLERK: MARY BETH BAILEY

MASSILLON CITY COUNCIL
CITY OF MASSILLON, OHIO
GLENN E. GAMBER, PRESIDENT

COUNCIL CHAMBERS

Passed
LEGISLATIVE DEPARTMENT

ORDINANCE NO. 134 - 2008

BY: FINANCE COMMITTEE

TITLE: AN ORDINANCE adopting the Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office, and declaring an emergency.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MASSILLON, STATE OF OHIO, THAT:

Section 1:

The Council of the City of Massillon, Ohio, hereby finds that it is necessary to adopt the Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office at the conclusion of the recent audit.

Section 2:

The Capital Asset Policy Manual as recommended by the State of Ohio Auditor's Office at the conclusion of the recent audit to help track capital assets of the City of Massillon.

(SEE ATTACHED EXHIBIT HERETO)

Section 3:

This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety, and welfare of the community, and for the reason that it is necessary for the City of Massillon to better track the capital assets of the city. Provided it receives the affirmative vote of two-thirds of the elected members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

CAPITAL ASSET POLICY MANUAL

FOR THE CITY OF MASSILLON, OHIO

I. INTRODUCTION

The purpose of this manual is to address the creation and maintenance of the Capital Assets Tracking System for the City of Massillon.

A capital asset accounting system is a system of policies, procedures and methods for recording and reporting monetary amounts associated with capital asset transactions.

A capital asset management system is a system of methods, policies and procedures, which address the acquisition, use, control, protection, maintenance and disposal of assets.

II. RESPONSIBILITY

The City of Massillon Auditor's Office is responsible for the development and maintenance of Capital Assets. The Auditor's office shall develop procedures to insure compliance with all capital asset policies. The Auditor's office shall work in cooperation with the fiscal officers under the control of each City elected official, department, or board in order to insure control over the City's capital assets.

III. PURPOSE

Financial Statement Information

The Governmental Accounting Standards Board (GASB) requires capital asset reporting in order for a governmental entity to be in conformity with generally accepted accounting principles (GAAP). A Capital Assets Tracking System will enable the City to prepare financial statements according to GAAP and prepare additional schedules for inclusion in the Comprehensive Annual Financial Report (CAFR).

Control and Accountability

Capital Asset Tracking System can be used to maintain information regarding the location, responsible party and condition of public property. The system permits loss, theft, or damage to property to be identified by a comparison of the assets on hand and their present condition to the information found in the capital asset records.

Accounting for Depreciation

The amount of accumulated depreciation plus the amount of depreciation expense for the current period must be maintained for reporting purposes.

IV. CAPITAL ASSET DEFINITION

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.¹ The City will not capitalize software.

Categorization

The City will maintain the following categories of capital assets:

1. Land (land & easements)
2. Land Improvements
3. Buildings & Improvements
4. Equipment (vehicles, machinery, equipment, furniture, works of art and historical treasures.)
5. Infrastructure (Governmental Activities Infrastructure not reported until FYE 2006)
6. Construction in Progress (CIP)

Capitalization Threshold

The City will only consider items with an initial value of at least the following dollar amounts to be a capital asset for reporting purposes:

- | | |
|-----------------------------------|--|
| 1. Land (land & easements) | \$0 |
| 2. Land Improvements | \$0 |
| 3. Buildings & Improvements | \$5,000 |
| 4. Equipment | \$5,000 |
| 5. Infrastructure | \$100,000 |
| 6. Construction in Progress (CIP) | \$5,000 total project cost for City Buildings & Improvements
\$100,000 total project cost for Infrastructure. |

This will be applied to each item rather to groups of items.

¹ Governmental Accounting Standards Board (GASB) Statement 34 ¶19.

Useful life

Items must be determined to have a useful life of at least five years to be considered a capital asset.

V. ACQUISITIONS

Subsequent Acquisitions

The following are the types of acquisitions of capital assets

1. Purchases
2. Donations
3. Capital Leases
4. Transfers-In

Purchases

The City Auditor's Office will monitor all of the City's capital outlay accounts throughout the year to determine if capital assets are being purchased. Any expenditure over the capitalization threshold will be reviewed (on both a cash and accrual basis). For each item that is determined by the City Auditor's Office to be a capital asset the Auditor's office will enter all of the information maintained by the Capital Assets Tracking System.

Donations

Each City elected official, department, or board will be responsible for completing the necessary form for any donated item and submitting it to the City Auditor's Office so that the donated item may be added to the capital asset listing.

Capital Leases

Each department or board will be responsible for completing the necessary form for each new lease and submitting it to the City Auditor's Office. A review of each lease is necessary to determine whether the lease should be classified as an operating lease or a capital lease. If it is determined that the lease is capital in nature the item will be added to the capital asset listing.

Transfers-In

Each department or board will be responsible for completing the necessary form for each asset transferred-in from another city department, or board and submitting it to the Auditor's Office so that the transfer item may be added to the capital asset listing.

VI. INITIAL VALUING OF ASSETS

Capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition – such as freight and transportation charges, site preparation costs, and professional fees. Donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.²

Sources of Cost Data

Sources of acquisition cost include: vendor invoices, vouchers, canceled checks, check copies, check registers, expenditure journals, construction contracts, purchase contracts, contract payment records, real estate closing documents, purchase requisitions, purchase orders, general ledger accounts, inventory cards, legislative minutes, maintenance records, annual and capital budgets, appropriation documents, insurance values, price lists, certificates of title, and, for land and buildings, the city auditor.

Expenditure vouchers, real estate closing documents, construction contracts and canceled checks are the most reliable cost sources.

Legislative minutes, appropriation and budget documents are good sources of data, particularly for land, buildings, and other costly assets. Adjustments must be made for amounts budgeted but not spent. This data should be supported by other documents, such as vouchers.

Salvage Value

Assets acquired prior to 2005 were assigned a salvage value ranging from ten to twenty percent (10-20%). The city will maintain the salvage values on these particular assets. However, assets acquired subsequent to 2004 will not be assigned a salvage value upon initial purchase and instead the salvage value will be determined upon the related assets' disposal or termination of service.

Cost of Land and Land Improvements

Items included as part of the acquisition cost for land are items such as: purchase price, legal and title fees, appraisal fees, site preparation, including demolition of existing buildings.

Sometimes the purchaser of land assumes certain obligations related to the land, such as liens on the property. In such situations, the cost of the land is the cash paid for it, plus the liens or other liabilities. In addition, if an improvement is permanent in nature, such as landscaping, then the item is properly chargeable to the land account. Improvements with limited lives, such as driveways, walks, fences, and parking lots, are best recorded separately as land improvements so they can be depreciated (expensed) over their estimated lives, if appropriate.

² GASB 34 ¶18.

Cost of Buildings

The cost of buildings should include all expenditures related directly to their acquisition or construction. These costs include (1) purchase price, (2) direct materials, direct labor and overhead (indirect) costs incurred during construction, and (3) fees, such as attorneys, architects/engineers and building permits. Generally, governments contract to have their buildings constructed. All costs incurred, from excavation to completion of the buildings, are generally considered part of the building cost.

Construction in Progress (CIP)

Construction in progress is a construction project that has not been substantially completed (as determined by the City Engineer or Chief Building Official). The total cost of the construction should be tracked by project and contractor for inclusion in the City's capital asset tracking system.

When the project has been determined to be substantially complete, the costs should be moved out of construction in progress and into a regular fixed asset classification.

The definition of *total cost* for this purpose shall mean *all* cost associated with getting the asset ready for use (whether or not the project's fund pays for the cost or not). The cost should be tracked by responsible board, department or elected official throughout the life of the project (until completed). At the end of each year, during construction, the cost should be accumulated for that year's total amount of CIP to be "added" to the project for that year. If the project is completed in the current year, the total costs for the project through all years of construction should be accumulated for their "disposal" from CIP and their "addition" to fixed assets. Information included in the CIP tracking should be project ID (esp. if own fund), cost, what fund paid, project start date, and source of construction funds.

Cost of Equipment

The cost of equipment includes the purchase price, freight and handling charges, insurance on the equipment while in transit, cost of special foundations if required, assembling and installation costs, and costs of conduction trial runs. Costs thus include all expenditures incurred in acquiring the equipment and preparing it for use, plus the market value of any trade-ins or exchanges. (See section entitled Special Cost Considerations).

Special Cost Considerations

Special cost considerations arise when dealing with group purchases, trade-ins, gifts, cash discounts and purchases on deferred payment plans:

Group Purchases

If several dissimilar assets are purchased for a lump sum, the total amount paid should be allocated to each individual asset on the basis of its fair market value (FMV). This is accomplished by use of the equation:

$$\text{ASSET Y} = (\text{TOTAL COST OF ASSETS}) * (\text{TOTAL FMV/FMV OF Y})$$

Multiple Like Purchases

If several similar assets are purchased for a lump-sum, the total amount paid should be allocated to each individual asset on the basis of its fair market value (FMV). These assets are to be individually recorded within the fixed asset management system to properly track each individual item and should be assigned an asset tracking number by the respective department. (i.e. mdt terminal for police cruiser, printers, etc..)

Trade-Ins

The cost of the asset acquired when payment includes both cash and a trade-in is the sum of the cash paid plus the book value (cost minus accumulated depreciation) of the asset traded-in.

Gifts

Assets acquired by gift should be recorded on the basis of their estimated fair market value at the time of acquisition.

Cash Discounts

Assets should be recorded net of any quantity or trade discounts received. The asset is recorded at a cost equal to the amount of cash paid, not the gross amount of the invoice.

Purchase on Deferred Payment Plan

Assets purchased on long-term credit contracts should be recorded at the present value of the payments to be made - the cash equivalent price of the asset. An asset, therefore, that requires five annual payments of \$1,000 should not be recorded originally at \$5,000. The cash equivalent price (present value) would be an amount less than \$5,000 because of the time value of the money involved. This value of money over time is represented by the interest rate.

Multi-Department Assets

If an asset is purchased and/or used/maintained by multiple departments the Auditor's Office will determine under which department the asset will be reported.

Foreclosure

Property received by the City through foreclosure will be recorded at fair market value.

VII. COSTS SUBSEQUENT TO ACQUISITION

After capital assets are acquired and made ready for use, additional costs are incurred that range from ordinary repair costs to significant additions. Accountants for the most part have adopted the position that costs incurred to achieve greater future benefits should be capitalized, whereas expenditures that simply maintain a given level of services should be expensed. In addition, most expenditures below the capitalization threshold are not capitalized.

The distinction between a capital expenditure and an expense is not always quickly determinable. Generally, the major types of expenditures incurred relative to existing assets are:

1. Additions - Increase or extension of existing assets.
2. Improvements and Replacements - Substitution of an improved asset for an existing one.
3. Repairs - Expenditures that maintain assets in condition for operation.

Additions

Any additions to assets are capitalized because a new asset has been created that increases the ability to provide service.

Accounting for changes related to the existing structure must also be considered. The cost that is incurred to tear down a wall of the old structure to make room for the addition would normally be expensed and the cost of the wall subtracted from the cost of the original structure. Although theoretically correct, this may not be possible or necessary due to the inability to establish a cost for the wall being torn down or because the cost would be immaterial to the total cost of the old structure. However, when significant changes to the existing structure are made as the result of an addition, a determination should be made whether to capitalize the cost of the changes. If a significant portion of the old structure is torn down, the cost of the demolished portion should be removed from the capital asset records.

Improvements and Replacements

An improvement is the substitution of a better asset for the one currently used, while a replacement is the substitution of a similar asset for the one being used.

Sometimes it is difficult to differentiate improvements and replacements from normal repairs. If the expenditure increased the future service potential of the asset, it should be capitalized. If the expenditure maintains the existing level of service, it should be expensed/expended as a normal repair.

To capitalize expenditure as an improvement or replacement, record the new asset being acquired and remove the old asset from the capital asset records.

Repairs

Ordinary repairs are expenditures made to maintain assets in operating condition; they are charged in the period in which they are incurred on the basis that it is the only period benefited. Replacement of minor parts, lubricating and adjusting of equipment, repainting, and cleaning are examples of the type of maintenance charges that occur regularly and are treated as ordinary operating expenses. It is often difficult to distinguish a repair from an improvement or replacement. The major consideration is whether the expenditure increases the future service potential. If a major repair, such as an overhaul, occurs, several periods will benefit and the cost should be handled as an addition, improvement, or replacement, depending on the type of repair made.

VIII. DISPOSITION OF CAPITAL ASSETS

All disposals are to go through the process of the City auction through the Mayor's Office. The department disposing of the asset should send notification to the Auditor's Office for any asset disposed which is maintained on the Capital Asset Tracking System.

IX. DEPRECIATION

The usefulness of most assets, other than land, declines over time and some type of write-down or write-off of cost is needed to indicate that the usefulness of an asset has declined. Depreciation is the term most often used to indicate that tangible assets have declined in service potential.

Capital assets should be depreciated over their estimated useful lives unless they are inexhaustible. Inexhaustible capital assets such as land should not be depreciated. Inactive (or idle) assets will be depreciated in order to maintain a reasonable book value however their depreciation expense will not be reported in the years in which they are inactive status.

Assets acquired prior to 2008 were assigned a salvage value ranging from ten to twenty percent (10-20%). The city will maintain the salvage values on these particular assets. However, assets acquired subsequent to 2007 will not be assigned a salvage value upon initial purchase and instead the salvage value will be determined upon the related assets' disposal or termination of service.

The method used for calculating depreciation will be the "straight-line basis" method with a full year expense in the year of acquisition. This method incorporates the total cost of the asset less any salvageable value over the useful life of the asset.

Useful lives for different capital asset classes are as follows:

- | | |
|----------------------|----------|
| 1. Land | N/A |
| 2. Easements | N/A |
| 3. Land Improvements | 20 years |
| 4. Buildings | 40 years |