

JACKSON CITY COUNCIL
Regular Session
September 27, 2010
7:00 p.m.

Call to Order..... President Speakman
Pledge of Allegiance..... Mr. Smith
Opening Prayer..... Mr. Powell
Roll Call
Approval of Minutes

September 13, 2010

VISITORS

COMMITTEE REPORTS:

- Utility - Brown, Smith, Adams
- Budget & Finance – Adams, Powell, Elliott
- Police, Fire & Traffic - Smith, Colby, Elliott
- Service – Elliott, Colby, Fain
- Railroad – Fain, Smith, Powell
- Building/Recreation – Colby, Fain, Brown
- City Auditor
- Law Director
- Mayor
- Service/Safety Director

ORDINANCES AND RESOLUTIONS

CORRESPONDENCE

OLD BUSINESS

NEW BUSINESS

ADJOURN

JACKSON CITY COUNCIL

Minutes from
September 13, 2010
7:00 p.m.
Regular Session

Jackson City Council met in regular session on Monday, September 13, 2010 at 7:00 p.m. at the Jackson City Council chambers. President Ron Speakman called the meeting to order. The Pledge of Allegiance was given, led by Mrs. Brown. The Prayer was given, led by Mr. Powell.

A roll call was taken as follows:

- Mr. Adams – absent
- Mr. Brown – present
- Mr. Elliott – present
- Mr. Smith – present
- Mr. Fain – present
- Mr. Powell - present
- Mrs. Colby – present

Mr. Fain made a motion to approve the minutes from the August 23, 2010 meeting Regular session, seconded by Mr. Powell. In a voice vote, all Council agreed.

Mr. Smith made a motion to excuse Mr. Adams, seconded by Mr. Powell. In a voice vote, all Council agreed.

VISITORS

Jennifer Route, Esq., was present representing US Rail. Ms. Route discussed a meeting held on August 27th with ORDC, those attending included shippers of US Rail, all expressed satisfaction. Ohio Basic Minerals and Aluchem stated they were integral to their business and it helps to bring more business. She passed out letters, see attached. Mayor Heath had requested a list of all requirements needed if and when a new provider was needed. Despite litigation, US Rail works hard for its shippers; they do not want to put them in the middle. John Buttles was present at the meeting and in the area to view the Meridian building to possibly locate here. Please consider these letters to help, settle please. Work together to improve the community and bring new business to the area. Mr. Smith asked attended from the city. Mayor Heath replied Mr. Fain, Mr. Speakman, Mr. Sheward, Mr. Detty and himself. Mr. Smith asked if it was attended by all customers. Mayor Heath stated not all, the purpose to see when litigation is settled and what will happen. If we change, will have a quality operator in here to run the line. Received inquiries about wheat/ethanol. Would like a sworn statement for the jobs, which they will only come if US Rail is the provider. Spoke with ORDC, we want to keep the railroad, we have shippers help to develop a plan. Mr. Speakman stopped the discussion due to ongoing litigation.

COMMITTEE REPORTS

UTILITY

Mr. Brown stated the ordinance for base rates is not here, utility department wanted to do a dry run with new figures. Will present at next meeting. RCAP will be doing sewer rate studies, CT Consultants were contacted but were expensive.

BUDGET & FINANCE

Mr. Powell scheduled a meeting for Tuesday, September 21st at 6:00 p.m. for rents and right of ways, or any other matter that comes before this committee.

POLICE, FIRE & TRAFFIC

Mr. Sheward stated that ordinance 75-10 was for the brush truck, turning the mini pumper over to Fire Fighters Association and let them sell. Intention to take the money from that sell and pay down loan on the new truck. The new truck will be here within two weeks. Mrs. Colby asked if there were guidelines for them selling. Mr. Sheward replied no.

SERVICE – No Report

RAILROAD – No Report

BUILDING/RECREATION – No Report

CITY AUDITOR – No Report

Mr. Humphreys passed out his monthly report. Maximus summary report should have been given to all members via email. Mrs. Sexton stated she would send again to those who did not receive.

LAW DIRECTOR

Mr. Detty gave his report, see attached.

MAYOR

Mayor Heath stated before we start the sewer rate study, RCAP will hold a meeting with all council to give a plan. At the ORDC meeting last Thursday, unused funds from the tunnel were allowed to be used toward the stimulus upgrade. The water tower/broadband, no one has approached specifically. This is a benefit to the city and the county. It is in the best interest to approve and an advantage to both and for new business. Business looks at the counties as a whole. Best opportunity to do this, will gain some revenue. Mrs. Colby asked how many communities approved. Mr. Brady stated the commissioners and the City of Wellston is in process and Oak Hill and Coalton are waiting on proposal.

SAFETY/SERVICE DIRECTOR

Mr. Sheward stated Kelly Landrum was requesting new electric service on existing property. Mrs. Colby stated they are supposed to come and ask, per ordinance. Mr. Smith made a motion to approve utilities for Mrs. Landrum, seconded by Mr. Elliott. Mr. Sheward stated Kyle Musick of 27 ½ Ohio Street was requesting a water tap just outside city limits, there is an existing tap on the property this will go to a trailer. Mr. Brown asked if he had other city utilities. Mr. Sheward replied electric. Mr. Smith made a motion to approve a water tap for Mr. Musick, seconded by Mr. Elliott. In a voice vote, all Council agreed.

Mr. Sheward stated Ordinance No. 74-10 was the paving bid no. 2, withdrawn earlier for Robin Hill, rebid with new specs, awarded to Cox Paving, Please approve this contract, and they will be doing all at once. He did receive three bids if anyone would like to see. Ordinance 75-10 is for the mini pumper, as they did purchase. The transfers in the electric department, for professional services, this is to hire a company to do MERK/FERK reporting. Federal government makes it a requirement to report. More than enough work for both myself and Mr. Woltz. Paving of 776 starts tomorrow, grinding and pave the next day. City limits to Cardos, this state project, Shelly and Sands is the contractor. The Amish Barns on Main Street, would like to put in an office trailer. Cannot find regulations, will be put on a foundation. Should this go through committee or let council decide. Mr. Fain suggested to the committee. Mr. Sheward ask Zoning. Mr. Brown stated he will notify Council. Mr. Fain commented on the semi trucks using Chillicothe Street by the school. 10-20 per hour. Mr. Sheward stated he will review. Mayor Heath asked Mr. Brady if every town would be used to get the entire county. Mr. Brady stated he did not know yet. Mayor Heath stated if we grant. Mr. Brady stated they will come back for funding. Mayor Heath stated if not true county wide effort we can withdraw. Mr. Powell stated this is a benefit to the city, could benefit the Police. Mr. Brady stated yes.

ORINANCES AND RESOLUTIONS

ORDINANCE NO. 64-10

AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT BETWEEN THE CITY OF JACKSON, OHIO, AND THE JACKSON COUNTY ECONOMIC DEVELOPMENT BOARD, FOR MARKETING BROADBAND UPON CITY OWNED WATER TOWERS, AND DECLARING AN EMERGENCY.

Third Reading

In a roll call vote to adopt the ordinance, Council voted as follows:

Mr. Adams – absent
Mr. Brown – yes

Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – abstain, professional conflict
Mr. Powell – yes
Mrs. Colby – yes

ORDINANCE NO. 64-10 DULY ADOPTED

ORDINANCE NO. 73-10

AN ORDINANCE ACCEPTING REAL PROPERTY FOR THE PURPOSES OF PUBLIC STREETS, DEDICATING THE REAL PROPERTY AS PUBLIC STREETS AND NAMING THE STREETS ELM STREET AND CHERRY STREET.

First Reading

Mr. Smith made a motion to approve, seconded by Mr. Fain. In a voice vote, all members agreed.

Mr. Detty requested a first reading. Mr. Smith stated this was at committee six month ago. Discussed, this was past administration, current administration, all stated they met requirements. They deserve a response. Mr. Speakman stated this goes back further. Mr. Smith stated legal aspects were cleared up. Mrs. Colby asked about core drilling. Mr. Sheward not done by the city.

ORDINACNE NO. 75-10

AN ORDINAANCE AUTHORIZING THE TRANSFER OF THE 1981 CHEVROLET CHASSIS, PIERCE FIRE BODY MINI-PUMPER TO THE CITY FIREFIGHTERS ASSOCIATION, AND DECLARING AN EMERGENCY.

First Reading

Mr. Smith made a motion to adopt, seconded by Mr. Brown. In a voice vote, all members agreed.

Mr. Powell made a motion to suspend the rules, seconded by Mr. Brown. In a roll call vote, Council voted as follows.

Mr. Adams – absent
Mr. Brown – yes
Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – yes
Mr. Powell – yes
Mrs. Colby – no

ORDINACNE NO. 76-10

AN ORDINANCE MOVING APPROPRIATIONS IN THE ELECTRIC FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Brown made a motion to adopt, seconded by Mr. Smith. In a voice vote, all members agreed.

Mrs. Colby asked the auditor to explain. Mr. Sheward stated he explained earlier, OMEA, we do this every year, we ended up short. Mr. Speakman stated this has been done every year and prior to 1976. Mr. Brown replied it is customary to pay.

Mr. Smith made a motion to suspend the rules, seconded by Mr. Brown. In a roll call vote, Council voted as follows.

Mr. Adams – absent
Mr. Brown – yes
Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – yes
Mr. Powell – yes
Mrs. Colby – no

ORDINACNE NO. 77-10

AN ORDINANCE MOVING APPROPRIATIONS IN THE ELECTRIC FUND, AND DECLARING AN EMERGENCY.

First Reading

Mr. Smith made a motion to adopt, seconded by Mr. Brown. In a voice vote, all members agreed.

Mrs. Colby asked what the emergency is. Mr. Sheward stated this is a requirement of the federal government. The reports grew and grew, more complex and very time consuming, we are hiring a consultant to do. Mrs. Colby asked the amount for that. Mr. Smith asked when the reports were due. Mr. Sheward replied constant; this will take us through year end. \$500 per month plus initial charge. Mr. Fain asked if they need anything else. Mr. Sheward stated he hopes not, it was up to Larry told him to pick what was most important.

Mr. Elliott made a motion to suspend the rules, seconded by Mr. Brown. In a roll call vote, Council voted as follows.

Mr. Adams – absent
Mr. Brown – yes
Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – yes
Mr. Powell – yes
Mrs. Colby – no

RESOLUTION NO. 18-10

RESOLUTION ACCEPTING THE AMOUNTS AND RATES AS DETERMINED BY THE BUDGET COMMISSION AND AUTHORIZING THE NECESSARY TAX LEVIES AND CERTIFYING THEM TO THE COUNTY AUDITOR.

First Reading

Mr. Fain made a motion to adopt, seconded by Mr. Elliott. In a voice vote, all members agreed.

Mr. Elliott made a motion to suspend the rules, seconded by Mr. Smith. In a roll call vote, Council voted as follows.

Mr. Adams – absent
Mr. Brown – yes
Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – yes
Mr. Powell – yes
Mrs. Colby – yes

In a roll call to adopt the resolution, Council voted as follows:

Mr. Adams – absent
Mr. Brown – yes
Mr. Elliott – yes
Mr. Smith – yes
Mr. Fain – yes
Mr. Powell – yes
Mrs. Colby – yes

CORRESPONDENCE

Council received a thank you card from the Heath family.

OLD BUSINESS

NEW BUSINESS

ADJOURN

Mr. Smith made a motion to adjourn, seconded by Mr. Fain. In a voice vote, all Council agreed. Council adjourned at 7:50 p.m.

Tera Brown
Tera Brown
Clerk
Date 9-27-10

Ronald B. Speakman
Ron Speakman
Council President
Date 9/27/10



September 13, 2010

Mayor Randy Heath
City of Jackson
145 Broadway St.
Jackson, OH 45640

Mr. Heath;

Chad Bayha and I attended the ORDC shippers' meeting in Jackson on 8/27/2010. We would like to reiterate our position regarding US Rail's service. It is our belief that US Rail has been very responsive to AluChem's delivery requirements.

As the Corporate Purchasing Manager for AluChem, Inc., I have worked with the CSX, UP, NS, as well as various shortline Railroads. Generally speaking, I have found that railroads typically conduct their businesses without concern for their customers. US Rail is the exception as they strive to work with AluChem to improve our supply chain.

Communication is critical and US Rail has established several means of communication with the plant, as well as, the corporate office. It has taken time to develop this rapport which is an integral step of our transportation process and we would prefer that US Rail remains as our shortline carrier.

Sincerely,

Myra Glenkler-Daugherty, C.P.M.
Purchasing & C.S. Mgr.

Cc: Marion Hall
Jennifer L. Route, Esq.

JVC Metals Co., LLC

DEALER IN SCRAP IRON & METALS

P.O. BOX 377

OAK HILL, OH 45656-0377

PHONE: (740) 682-7768

FAX: (740) 682-6353

SEPT. 10, 2010

CITY OF JACKSON
COUNCIL MEMBERS
JACKSON, OH. 45640

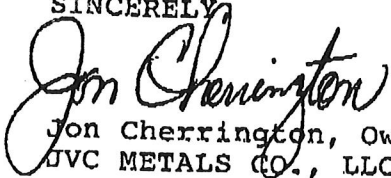
RE: US RAIL

TO WHOM IT MAY CONCERN:

JVC METALS CO., LLC IS WRITING THIS LETTER IN ORDER TO EXPRESS OUR SATISFACTION WITH US RAIL AS THE OPERATOR OF THE SHORT LINE. WE FEEL THAT IT IS VERY IMPORTANT TO OUR COMPANY TO HAVE US RAIL BECAUSE, KNOWING THAT WE CAN DEPEND ON THEM, WE HAVE BEEN ABLE TO OBTAIN CONTRACTS THAT HAVE INCREASED OUR BUSINESS. ALSO, WE ARE CONTINUING TO WORK WITH THEM TO DEVELOP OUR BUSINESS EVEN MORE. THEREFORE, WE ARE ASKING THAT THE CITY RETAIN US RAIL AS THE OPERATOR.

THANK YOU.

SINCERELY



Jon Cherrington, Owner
JVC METALS CO., LLC



September 1, 2010

*Re: Concerns Regarding Potential Changes in Rail Service
Jackson, OH Rail Line
Ohio Basic Minerals, LLC*

Ohio Basic Minerals, LLC (OBM) has been a part of the Jackson, Ohio community for approximately two years. OBM has made a long term commitment to the area and is attempting to create new sustained jobs to support OBM plants in and around the Jackson, OH community.

OBM has several concerns regarding any potential changes to the rail service on the Jackson rail line. The current level of service performed by U.S. Rail has been extremely valuable to OBM. Any potential changes in rail service could be detrimental to OBM's ability to compete in a very competitive market. OBM believes that any potential changes in rail service must maintain or exceed the current level.

As mentioned earlier, U.S. Rail works with OBM to ensure that OBM remains competitive. Some of the services provided by U.S. Rail are as follows:

- U.S. Rail acts as OBM's rail logistics manager by negotiating competitive rail rates with all the Class 1 railroads and other short line railroads.
- U.S. Rail has offered fair and favorable rail rates, which allows OBM to offer competitive rates to potential customers.
- U.S. Rail has offered to supply a private rail car fleet, which OBM is not able to supply on its own.
- U.S. Rail has offered to supply locomotive power to the OBM facility as often as needed for switching or shipments.
- U.S. Rail has assisted OBM in constructing a rail spur into the OBM facility and will assist, if needed, on any potential extensions.

1700 Broadway, Suite 2020 Denver, CO 80290
TEL (720) 407-7030 Fax (720) 407-7041



- U.S. Rail has worked with OBM to negotiate and secure state and federal funding to establish, expand, and to be in compliance with all regulatory agencies regarding rail use.
- U.S. Rail is locally owned and operated, which allows for direct communication with senior management.

Regards,

Mike Chalcraft
Ohio Basic Minerals, LLC & Worthington Minerals, LLC
614-787-5205
Mikechalcraft.wm@gmail.com

Jennifer Route

From: Bill LeFever [Bill.LeFever@genmills.com]
Sent: Monday, September 13, 2010 8:37 AM
To: rheath@jacksonohio.us; jennifer@richardmlewis.com
Subject: General Mills reply re: rail interactions

As discussed in our meeting, below is a list of tasks/expectations my planner/warehouse staff provided re: their US Rail interactions. This list is not necessarily fully inclusive. It was requested to provide a list in some format to facilitate any effort by the city to identify alternate providers and understand the scope of our relationship with US Rail. I'm not providing this information as a statement of preference to either side of your dispute.

Regardless of any decisions made between US Rail and the city, our base expectation would remain consistent service levels and communication.

- Provider should maintain lines of communication and serve as an interface with CSX (long haul carrier)
- Provider should share (in a timely manner) any holidays, non-work days, other limitations to regular delivery to our plant.
- Provider available for weekend deliveries. Willingness also for emergency delivery/pickups.
- Provider able to spot rail cars to our plant unload door as requested (not normal situation)
- Provider should adhere to overall, basic General Mills transportation requirements.
- Provider should be able to communicate rail car ETA to plant.
- Provider should have a means for 24/7 communication to include phone, fax and email.
- Provider should know plant delivery date needs and achieve the same.
- Assuming we will incur periodic charges/penalties (e.g. demurrage), we expect open communication and reconciliation support with any disputed charges. We also expect timely submission to GMI accounts payable, any charges incurred.
- Ensure scheduled inspection, maintenance, and repair of tracks to minimize risk to plant.
- Willingness to have calls/meetings on an as needed basis to resolve concerns, share information, et al.

Not all of the above occur on a regular basis, some are probably more ad hoc. If further detail is needed, please let me know. Thanks.

Bill LeFever
Logistics Manager - Wellston OH
(p) 740.286.9261
(c) 740.418.7645
email: bill.lefever@genmills.com

JOHN L. "JACK" DETTY

Jackson City Law Director

145 Broadway Street

Jackson, Ohio 45640

Phone: 740-286-2201

Fax: 740-286-3492

jdetty@jacksonohio.us

Jackson City Council

September 13, 2010

REPORT OF THE LAW DIRECTOR

The following is the Report of the Law Director:

• **ORDINANCES/RESOLUTIONS**

- Ordinances 73-10 is the ordinance to accept the streets at Jackson Run Subdivision. This was prepared at the request of Councilman Smith. I assume it will go for three readings.
- Ordinance 74-10 is an ordinance to award the paving contract for Robin Hill Lane. The Service Director can answer any questions on this matter you may have.
- Ordinance 75-10 is an ordinance to return the old mini-pumper back to the Firefighters Association. This was part of the process when the new mini-pumper was purchased.
- Ordinance 76-10 and 77-10 are ordinances moving appropriations in the Electric Fund. The Auditor's Office or Service Director can answer any questions concerning this matter.
- Resolution 18-10 is a resolution accepting amounts and rates as determined by the County Budget Commission.

• **RAILROAD – Fenton Rigging v US Rail and City Suit**

- A pretrial is set on this matter for Wednesday, September 15, 2010.
- I will keep you informed as this matter progresses.

- **CITY v U.S. RAIL**

- Another round of depositions are scheduled for October 11, 2010.
- I will keep you informed as this matter progresses.

- **HORVATH COMMUNICATIONS**

- The suit in Federal Court has been dismissed.

- **HOLZER BONDS**

- At the September 27 meeting there will be an ordinance for Holzer bonds, very similar to what was done last year.
- These bonds will in no way obligate the City, as the City is merely a pass through.
- A representative from Holzer and/or the Legal Firm handling the bonds will be present at the September 27 meeting to answer any questions.

*Thank you for your service, and
if at any time you have any questions or would like to
discuss any issues with me please feel free to stop
by my office, or call me at 710-1214.*

John L. "Jack" Detty