

VILLAGE OF MADISON  
Regular Council Meeting  
May 23, 2022

**RECORD OF PROCEEDINGS**

Mayor Britton called the meeting to order at 7:00PM.

Mayor Britton invited all in attendance to join in the Pledge of Allegiance to the Flag. Mayor Britton requested that everyone observe a moment of silence. Mayor Britton asked that we keep Jesse Dowler and Irene Hummel's family in your thoughts due to their passing. Council Members Mr. Adams, Mr. Donaldson, Ms. Drown, Mr. Lee and Mr. Vest were in attendance. Also in attendance were Administrator Mr. Bailey, Law Director Mr. Szeman, Fiscal Officer Kristie Crockett, Village Engineer Eric Haibach and Chief of Police Troy McIntosh.

**PUBLIC HEARING:** None

**MINUTES**

Mayor Britton announced minutes to be approved for the Council Meeting held on May 9, 2022. Motion for approval made by Mr. Vest, seconded by Mr. Adams.

Questions/Discussions – None

Roll call on approval, 4 yeas. 1 abstention. Mr. Donaldson abstained. Motion carried.

**FIRST HEARING OF PERSONS BEFORE COUNCIL:** None

**PAY ORDINANCE**

Mayor Britton presented Pay Ordinance No. 2468: \$ 43,568.40 for payroll and \$16,321.41 for current and upcoming expenses, for a total of \$ 59,889.81.

Motion for approval made by Mr. Lee, seconded by Mr. Vest.

Questions/Discussions – Councilman Vest had a few questions which were addressed by Administrator Bailey.

Roll call on approval, 5 yeas. Motion carried.

**OLD LEGISLATION:**

**ORDINANCE 9-2022: AN ORDINANCE AMENDING THE CODIFIED ORDINANCES OF MADISON VILLAGE, OHIO, SECTION 131.11(a) TO ADD ADDITIONAL YEARS OF SERVICE AND CORRESPONDING INCREASED PAID VACATION LEAVE FOR FULL TIME EMPLOYEES (2<sup>nd</sup> Reading)**

Mr. Vest expressed his concerns regarding vacation carryover. Discussion took place regarding a provision for vacation carryover.

**NEW LEGISLATION:**

**RESOLUTION 10-2022: A RESOLUTION REQUESTING THE LAKE COUNTY AUDITOR TO MAKE ADVANCE PAYMENTS OF TAXES PURSUANT TO OHIO REVISED CODE 321.34, AND DECLARING AN EMERGENCY. (1<sup>st</sup> Reading)**

A motion for suspension was made by Mr. Donaldson, seconded by Mr. Vest.

Questions/Discussion: None

Roll call on the motion: 5 yeas. Motion passed.

A motion for passage was made by Mr. Lee, seconded by Mr. Vest.

Questions/Discussions: See attached Memorandum of Understanding (MOU) for details.

Roll call on the motion: 5 yeas. Motion carried.

**PURCHASE ORDERS AND OTHER APPROVAL PERMITTED BY MOTION:**

A purchase order in the amount of \$8,554.00 to Ryan Heating & Cooling for radiant heating tubes for the last garage bay at 81 Samuel Street.

Motion for approval made by Mr. Vest, seconded by Mr. Donaldson.

Questions/Discussion: None

Roll call on the motion: 5 yeas. Motion carried.

**ADMINISTRATOR'S REPORT:**

➤ **Engineer's report –**

Mr. Haibach reported that we are currently out to bid for the Sanitary Sewer Project. The bid opening is May 27, 2022 at noon. Currently there are 3 Contractors that are plan holders.

He is also working on putting together an OPWC application for this year's round of funding to repave Middle Ridge Road. His current cost estimate, which doesn't include sidewalks, is \$500,000.00. He added that when reviewing the application, he will look at the cost of adding a bicycle path.

➤ **Fiscal Officer's report –**

Mrs. Crockett reported that the audit is complete, the Auditor is finishing up the final paperwork which should arrive next week for the Mayor and the Finance Committee to sign off on. She stated the audit went nice and smooth, and she is not anticipating any findings.

Administrator Bailey added that when talking with the Auditors, they felt that the Village had the most responsible expenditures of COVID money that they had seen.

➤ **Police Chief's report –**

Chief McIntosh reported that Ms. Anderson attended a 6-hour training class on Public Records Law updates.

The second radar sign arrived, once programmed he anticipates both radar signs being up by Memorial Day.

The LEADS audit was rescheduled for the end of the week.

School ends on Thursday May 25, 2022. This will help with staffing as the SRO Officer will be back on the road.

They are planning Memorial Day Parade. During the parade, there will not be parking on both sides of Main Street.

In closing, he reported that Safety Town will start on June 13, 2022.

➤ **Administrator's report –**

Administrator Bailey reported that the line up for the Memorial Day Parade is at 10:30 at South Elementary.

Thursday June 2, 2022 the Outdoor Market and the Concerts in the Park will start.

**COMMISSION AND COMMITTEE REPORTS:** None

**NEW BUSINESS**

Discussion took place regarding fireworks. Law Director Szeman asked that consumers educate themselves on this issue. Our legislation prohibits discharge of fireworks.

**FINAL HEARING OF PERSONS BEFORE COUNCIL:**

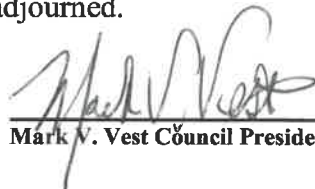
Bill DeBus/The News Herald: Mr. DeBus asked for clarification from Mr. Szeman regarding the state law and fireworks which was provided.

**Mayor's Report: -**

**ADJOURNMENT**

Motion to adjourn at 7:50 pm made by Mr. Donaldson, seconded by Mr. Lee.  
Roll call on adjournment, 5 yeas. Meeting adjourned.

  
\_\_\_\_\_  
Sam Britton Jr., Mayor

  
\_\_\_\_\_  
Mark V. Vest Council President

6/27/2022  
DATE

Attested:

  
\_\_\_\_\_  
Kristie M. Crockett, Fiscal Officer

6-27-2022  
DATE

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into as of the 31<sup>st</sup> day of May, 2022 (the "Effective Date"), by and between the Village of Madison, Ohio (the "Village"), the Warren County Port Authority (the "Port"), and The Vineyard Hotel Group, LLC ("Vineyard") (each of the Village, the Port, and Vineyard is referred to as a "Party" and together as the "Parties").

The Madison Energy Special Improvement District (the "District") was formed pursuant to a Petition for Creation of Energy Special Improvement District and for Special Assessments for Special Energy Improvement Projects (the "Petition") dated as of November 4, 2019, submitted by Vineyard to the Village and Resolution 10-2019 passed on November 4, 2019, by the Village Council of the Village (the "Council") in furtherance of a property assessed clean energy (PACE) loan secured by special assessment on real property owned by Vineyard located at 171 Water Tower Drive, Madison Village, Ohio (the "Property").

The Village is a chartered municipality and is the participating political subdivision, and, at the request of Vineyard in the Petition, the Council adopted Resolution 10-2019, Ordinance 32-2019, and Ordinance 33-2019 on November 4, 2019, to levy the special assessments (the "Special Assessments") on the Property. On November 6, 2019, Ordinance 32-2019 and Ordinance 33-2019 were certified to the County Auditor of Lake County, Ohio, to cause the inclusion of the Special Assessments on the tax bills for the Property. A certified copy of Ordinance 33-2019 is included herewith.

Pursuant to that certain Energy Project Cooperative Agreement (the "Original Energy Project Cooperative Agreement") dated as of November 25, 2019, by and among the District, Vineyard, the Village, and the Northeast Ohio Public Energy Council ("NOPEC") the Village agreed to receive the Special Assessments into its treasury for deposit into a special fund (the "ESID fund") established for this purpose. The Village then agreed to disburse those funds in accordance with the Energy Project Cooperative Agreement.

NOPEC assigned to the Port all of its duties and obligations under the Energy Project Cooperative Agreement pursuant to that certain Assignment and Assumption of Energy Project Cooperative Agreement and Special Assessment Agreement (together with the Original Energy Project Cooperative Agreement, the "Energy Project Cooperative Agreement") dated as of November 3, 2021, by and between NOPEC and the Port.

The Special Assessments are due and payable by property owners at the same time real property taxes are due. The Lake County Auditor prepares the tax list and duplicate to include, among other things, the amount of all real property taxes, special assessments, and other governmental charges to be collected from the owners of each parcel of real property. The Lake County Treasurer then prepares and sends tax bills to each owner of each parcel of real property in the County, which includes the property taxes, special assessments, and other governmental charges due. For further clarification, Vineyard's most recent tax bill for the Property is included

herewith both to illustrate how real property taxes and special assessments appear as well as to explain the confusion that resulted in this MOU.

The Property is subject to a certain real property tax exemption created by the Village and known as the Water Tower Tax Incentive District (the "TID"). The effect of the TID is a 75% abatement of the real property taxes otherwise owed by Vineyard for the post-development increased valuation of its property. The Village's enabling legislation imposed no service payments in lieu (the "Service Payments").

The Lake County Auditor properly reduced Vineyard's real property tax obligation in accordance with the TID exemption. It further properly showed that no Service Payments were owed.

Due to some error or omission, the Lake County Auditor subsequently changed its records such that the Service Payments from Vineyard were shown to be due in the full amount of the real property tax exemption even though no Service Payments as and for the TID were ever imposed by the Village.

Vineyard, not being aware of this change, paid its tax bill for the first half payment for collection year 2022 under the belief that Special Assessments were being timely remitted together with other real property taxes and assessments due. However, the Lake County Auditor applied the monies paid to real property taxes, special assessments, and as and for the TID service payments. The result was a short pay in the Lake County Auditor's records for the Special Assessment installment due with the property tax bill in the first half of collection year 2022.

The Village received the first half fiscal year's settlement from Lake County and thereupon discovered that funds as and for Service Payments were received. Such Service Payment funds are required by law to be deposited into a special fund, which the Village had not even created due to having no need in the absence of Service Payments being required.

The various parties engaged in lengthy discussions with respect to how to resolve the matter. During the pendency of those discussions, Vineyard, fearing that it may be declared in default on the Energy Project Cooperative Agreement, made payment of the Special Assessment installment due in the first half of collection year 2022 directly to the Port on May 17, 2022. The Port acknowledges receipt of those funds in the total amount of Forty-Five Thousand Eight Hundred Fifty-Five Dollars and Ninety-Seven Cents (\$45,855.97), which amount equals the amount due for the installment of the Special Assessment due in the first half of collection year 2022.

The Lake County Auditor and Village, with the concurrence of the State Auditor's office, found a resolution to the incorrectly assessed Service Payments whereby the Village would retain the Service Payments without credit to any specific fund until the second half tax settlement of collection year 2022. The second half tax settlement of collection year 2022 would be reduced by the amount of the Service Payments, at which time the Village could treat the Service Payments as and for non-TID taxes and deposit them into its general fund. The County further agreed to advance the Village as and for the Special Assessment installment due in the second half of

collection year 2022 the amount of Forty-Five Thousand Eight Hundred Fifty-Five Dollars and Ninety-Seven Cents (\$45,855.97), which the Village received on May 27, 2022.

Vineyard desires to be reimbursed for the direct payment to the Port of \$45,855.97 on May 17, 2022. The Village has no objection except that various provisions of the Energy Project Cooperative Agreement and related agreements are implicated by that request. The Port, having been made aware of the situation, has agreed to waive any claim it has to the Forty-Five Thousand Eight Hundred Fifty-Five Dollars and Ninety-Seven Cents (\$45,855.97) of Special Assessments for the installment due with the first half of collection year 2022 now on deposit with the Village and consent to the Village distributing those funds to Vineyard as and for reimbursement of the direct payment Vineyard made to the Port on May 17, 2022.

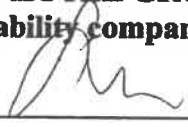
Specifically, the Sections 2.2(c), 2.2(d), 2.3, and 4.7 of the Energy Project Cooperative Agreement, a copy of which is included herewith, are at issue and their operation is and shall be hereby waived upon agreement of the parties, but solely with respect to the single installment of the Special Assessments due for the first half of collection year 2022 so as to allow and consent to the Village's distribution to Vineyard of the Forty-Five Thousand Eight Hundred Fifty-Five Dollars and Ninety-Seven Cents (\$45,855.97) currently on deposit with the Village from the distribution of funds from Lake County in the first half of collection year 2022.

The Port's consent and waiver detailed in this MOU is provided solely as a courtesy and without consideration. It shall in no way affect the Port's right to enforce such terms in the future, nor shall it be a waiver of any other provisions of the Energy Project Cooperative Agreement or any related agreement except as expressly provided for by this MOU and solely with respect to that limited effect.

[Signature Page Follows.]

Date: May 31, 2022

**Property Owner:**  
**THE VINEYARD HOTEL GROUP LLC**  
**an Ohio limited liability company**

By:   
Name: Shawn Neece  
Title: Member

**Investor:**  
**WARREN COUNTY PORT AUTHORITY**

By: \_\_\_\_\_  
Martin Russell, Executive Director

**VILLAGE OF MADISON**  
**an Ohio chartered municipality**

By: \_\_\_\_\_  
Dwayne Bailey, Village Administrator

Approved by: \_\_\_\_\_  
Joseph P. Szeman, Director of Law

Date: May 31, 2022

**Property Owner:**  
**THE VINEYARD HOTEL GROUP LLC**  
an Ohio limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_


Title: \_\_\_\_\_

**Investor:**  
**WARREN COUNTY PORT AUTHORITY**

By:   
Martin Russell, Executive Director

**VILLAGE OF MADISON**  
an Ohio chartered municipality

By:   
Dwayne Bailey, Village Administrator

Approved by:   
Joseph P. Szeman, Director of Law



**MICHAEL ZUREN  
TREASURER  
LAKE COUNTY TREASURER  
105 MAIN STREET  
PAINESVILLE, OH 44077**

**REAL PROPERTY  
2nd HALF 2021  
DUE 07/20/2022**

PARCEL LOCATION: 171 WATER TOWER DR

PARCEL ID: 02-A-002-0-00-025-0

TAX DISTRICT: MADISON VILLAGE

OWNER NAME: VINEYARD HOTEL GROUP LLC

999  
THE VINEYARD HOTEL  
GROUP LLC  
529 W PROSPECT RD SUITE 101  
ASHTABULA OH 44004

STUB #

LEGAL INFORMATION:  
TRACT 9 LOT 1

Gross Tax Rate 102.99 Non Business Credit Factor .078632 Acres 2.301  
Reduction Factor .274558734 Owner Occupancy Credit Factor 0.19658 Class C  
Effective Tax Rate 74.713195 LUC 411

APPRAISED VALUE		
Land	Improvement	Total
179,740	1,269,280	1,449,020

TAX VALUES	
Gross Taxes	52,232.40
Reduction Factor	-14,340.84
Subtotal	37,891.56
Non Business Credit	0.00
Owner Occupancy Credit	0.00
Homestead Reduction	0.00
CAUV Recoupment	0.00
Current Net Real Estate Taxes	37,891.56
Current Special Assessments	99,108.42
Current TIF Taxes	99,574.04
Current Adjustments	0.00
Current Net Taxes & Asmts (YEAR)	236,574.02
Current Net Taxes & Asmts (HALF)	118,287.00
Penalties	11,828.71
Interest	0.00
Prior Year Adjustments	99,188.60
Delinquent Real Estate Taxes	0.00
Delinquent Special Assessments	0.00
<b>FULL YEAR TOTAL</b>	<b>347,591.33</b>
<b>PAYMENTS</b>	<b>68,500.00</b>
<b>OTHER CREDITS</b>	<b>0.00</b>
<b>BALANCE DUE</b>	<b>279,091.33</b>

CURRENT TAX DISTRIBUTION	
Lake County	5,031.01
Madison Twp	481.80
Madison Lsd (Lake Co.)	17,112.17
Madison Corp	2,822.48
Auburn Jvsd	760.73
Madison Fire Dist	4,920.42
Lakeland Community College	1,720.49
Metropolitan Park District	1,564.00
Lake County Financing Distri	2,424.09
Madison Public Library	1,054.36
Special Assessment TIF	104,063.85
<b>Total</b>	<b>246,508.15</b>

TAXABLE VALUE		
Land	Improvement	Total
62,910	444,250	507,160

HOMESTEAD	CAUV Value	TIF Value
	0	1,332,750

*TIF TAX VALUES -FULL YEAR	
Project Number	T0029
PUBLIC INFRASTR UCTURE	
Gross Taxes	137,280.02
Reduction Factor	-37,685.98
Subtotal	99,574.04
Non Business Credit	0.00
Homestead Reduction	0.00
Owner Occupancy Credit	99,574.04

SPECIAL ASSESSMENT		
Proj# and Description	Delinquent	Current
19901-STORMWATER	0.00	997.88
30102-LIGHTS MADISON VIL	0.00	3,979.72
37019-ENERGY IMPROV - M/	0.00	99,188.67
<b>Total</b>	<b>0.00</b>	<b>104,063.85</b>

**TO AVOID 10% PENALTY  
PAY ON OR BEFORE  
07/20/22**

If you need a stamped receipt, return entire bill with a self - addressed stamped envelope. No receipt will be returned unless requested

\*Tax Increment Financing - portion of your taxes reallocated to the municipality.

Return Bottom Portion with Payment

**MICHAEL ZUREN  
TREASURER  
LAKE COUNTY TREASURER  
105 MAIN STREET  
PAINESVILLE, OH 44077**

**REAL PROPERTY  
2nd HALF 2021  
DUE 07/20/2022**

PARCEL LOCATION: 171 WATER TOWER DR  
OWNER NAME: VINEYARD HOTEL GROUP LLC

PARCEL ID: 02-A-002-0-00-025-0  
MAKE CHECK PAYABLE TO:  
**MICHAEL ZUREN, LAKE COUNTY TREASURER**

TaxBill prepared on 05/23/22  
Page/Line:  
999  
THE VINEYARD HOTEL  
GROUP LLC  
529 W PROSPECT RD SUITE 101  
ASHTABULA OH 44004

STUB #  
PAY THIS AMOUNT  
**BALANCE DUE: \$279,091.33**