

Offered by _____

ORDINANCE NO. _____-2008 authorizing and directing the submission to the electors of the City of Akron of a proposal to amend the Charter of the City of Akron by the addition of a new Section 98 "Akron Scholarship Plan" to be voted upon at the election on November 4, 2008; and declaring an emergency.

WHEREAS, the Mayor and Council recognize that the youth of this City are the most valuable asset and resource of the City and represent the strength and the future of this community; and

WHEREAS, it is necessary to provide post secondary education and training to Akron resident students to continue their education because a high school diploma is no longer enough to secure a good paying job; and

WHEREAS, it is imperative that the entire community educate its youth because the cost of higher education is out of the reach of many high school graduates and their families; and

WHEREAS, the Mayor and Council believe it is in the best interest of the City and its residents to make scholarships available to every Akron resident student who desires to continue education beyond high school; and

WHEREAS, in order to establish a scholarship fund, a lease of the sewer system, with proper protections for rate payers and residents, will provide the necessary funds.

NOW, THEREFORE, BE IT ENACTED by the City of Akron:

Section 1. That Council hereby authorizes and directs the submission to the electors of the City of Akron at the election to be held at the usual places of voting in the City of Akron on November 4, 2008, between the hours of 6:30 a.m. and 7:30 p.m. Eastern Standard Time of that day, of a proposal to amend the Charter of the City of Akron.

Section 2. That it is the desire and request of this Council that the ballot question for the proposed amendment referred to in Section 1 of this ordinance shall be substantially in the following form:

PROPOSED CHARTER AMENDMENT

CITY OF AKRON

A Majority Affirmative Vote is

Necessary for Passage

Shall we, the People of the City of Akron, establish a Scholarship Fund for Akron resident students by amending the Charter to add a new SECTION 98 AKRON SCHOLARSHIP PLAN, which shall include the following protections:

1. The Scholarship Fund shall **only** be used to provide scholarships to resident students who attend an approved college, university, trade or technical school and the Fund shall be managed by the Akron Community Foundation;
2. The Director of Public Service will be authorized to enter into a lease, and **not a sale**, of the Akron Sewer System and to deposit the net proceeds into the Scholarship Fund;
3. The lease shall **guarantee a cap** on rate increases, and require compliance with all environmental laws and with operating and maintenance standards issued by the City.

YES

NO

Section 3. That the Charter of the City of Akron shall be amended and/or supplemented upon passage of the proposed Charter amendment referred to in Section 1 of this ordinance to read as follows:

SECTION 98. AKRON SCHOLARSHIP PLAN

We, the People of the City of Akron, do hereby establish a Scholarship Fund for Akron resident students who attend an approved college, university, trade or technical school. The Akron Community Foundation shall manage the Fund, the assets of which shall be generated by revenues from the lease, and not the sale, of the sewer system. The lease shall contain a guaranteed cap on rate increases and require the sewer system to be in compliance with all environmental laws and operating and maintenance standards issued by the City.

A. Scholarship

The People of the City of Akron, notwithstanding any other provision of this Charter, hereby authorize the establishment of a Scholarship Fund for the sole benefit of Akron resident students. All of the money from the lease, and not sale, of the sewer system, shall be deposited, after repayment of any outstanding bonds and loans and other obligations of the sewer system, into the Scholarship Fund, under the following conditions:

1. The Director of Finance shall negotiate and enter into a contract with the Akron Community Foundation to manage the Fund.

2. The City shall first repay any and all outstanding loans, bonds and obligations of the system from the lease proceeds. The City shall transmit the remainder of the lease proceeds to the Akron Community Foundation to be managed and used to provide scholarships to Akron resident students.
3. The Scholarship Fund shall **only** be used to make scholarships available to Akron resident students who have attended Approved Akron Schools (Akron public schools and approved private non-profit schools in Akron) and qualify for admission to and attend an accredited and approved college, university, trade or technical school.
4. To assure all other available public and private scholarship funds are obtained, applicants for scholarships must file required financial aid forms and apply for other scholarships and grants as a condition of receiving scholarships.
5. Akron resident students who accept a Scholarship and live or work in Akron for 30 years after graduation will have no additional scholarship repayment obligation beyond their normal City of Akron income taxes. If a scholarship recipient no longer lives or works in Akron after graduating or leaving school, the recipient will be required to repay the scholarship.
6. The City will negotiate and enter into cooperative agreements with participating universities, colleges and technical and trade schools, which will include a condition that the school will provide favorable tuition, costs and fees.
7. An Akron Scholarship Plan Board, which will include a citizen from each ward, will be appointed by the Mayor, with the consent of City Council, to oversee the management and operation of the Akron Scholarship Plan pursuant to policies, rules and regulations established by the Mayor and approved by City Council.
8. Any time restrictions in the policies, rules and regulations shall be extended for Akron resident students serving in the military.
9. The money in the Fund may not be used for any other purpose without voter approval as specifically provided within this subsection. Upon determination by the Mayor that the lease proceeds are no longer needed for scholarships because other sources provide, in whole or in part, post-secondary education to Akron resident students, the Mayor shall present a plan to Council for its approval of an alternate use of the proceeds. The alternate plan shall then be submitted to the voters for their approval.

B. Lease of Sewer System

The People of the City of Akron, notwithstanding any other provision of this Charter, hereby direct and authorize the Director of Public Service to negotiate and enter into a lease, and not a sale, of the sewer system for the sole purpose of generating revenue for the Project Scholarship Fund created in Subsection A which will be used to provide scholarships to Akron resident students. The lease shall contain the following protections:

1. Sewer rates will be capped at a 3.9% average annual rate adjustment for normal operations, maintenance, and capital improvements. The annual adjustment will be calculated using a formula similar to the current Rate Adjustment Formula and based on a rolling ten year period. Any Federal or State EPA mandated expenditures for capital improvements will be separately approved by the Mayor and City Council.
2. The lessee must comply with all laws and regulations including, but not limited to, those of the Ohio Environmental Protection Agency and the United States Environmental Protection Agency.
3. The lessee must comply with all operating and maintenance standards required by the Director of Public Service.
4. The term of the lease will not exceed ninety-nine years.

C Miscellaneous Provisions

1. Subsection B herein is self-executing and authorizes all actions of the Director of Public Service in negotiating and entering into the lease notwithstanding any other provisions of the Charter. No other provision of the Charter will apply to limit the ability of the Director of Public Service to negotiate and enter into such lease or limit or impose any condition upon or restrict the establishment of the Scholarship Fund. This lease, by definition, shall not be a franchise and will not be subject to any Charter provisions concerning franchises. This Section 98 of the Charter is not subject to referendum because the People of the City of Akron have enacted it by vote of the people.
2. If the Akron Community Foundation is unable or unwilling to carry out its responsibilities under this Section, a similar independent organization shall manage the Fund. In the event that any part of this section shall be determined by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the section as a whole or any part thereof other than the part so declared to be invalid or unconstitutional.

