

Regular/Public

December 19, 2011

President Baker called the regular meeting to order. Pastor Newton Brenneman of the New Hope Church offered the prayer. The Pledge was recited by all.

Roll call: Shupp, Miller, Vance, Hamsher, Aspiras, Corfman, and Leathers were present.

Leathers moved and Aspiras seconded that Jeanne Gault be appointed acting clerk. Roll call vote. Ayes all. Motion carried.

Corfman moved and Shupp seconded that the minutes of the December 5, 2011 regular meeting be approved. Roll call vote. Ayes all. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller reported there is a potpourri of finance items on the agenda tonight and we will address them as they occur including the third reading of the temporary appropriations which is tonight.

B. Utilities – Mr. Vance had no report.

C. Health & Safety – Mr. Corfman congratulated Mike Cherson as Firefighter of the Year for 2011. It was awarded at the firefighter banquet earlier this month.

D. Parks and Recreation – Mr. Aspiras thanked the Orrville Veterinary Clinic and the Orrville Pet Spa and Resort for the Maple tree donation to the dog park and if there is anyone out there that is still interested, any individual business, please get ahold of City Hall. I would just like to say to all of Orrville happy holidays, Merry Christmas, and a blessed New Year.

E. Transportation – Mr. Shupp had no report, but wished everyone happy holidays.

F. Planning – Mr. Hamsher had no report.

G. Ordinance & Personnel – Ms. Leathers had no report.

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Handwerk reported he knows there are those of you out there that like snow, but I must say it has been very nice so far this winter. I think we have only had the salt crew out maybe one time this past Saturday night I suppose. So that is definitely a benefit to the City as far as cost savings and also I don't mind not shoveling snow at all. Hopefully we will continue that a little bit. Maybe we will have a little bit of snow for Christmas and that is enough. I would also like to wish everyone a Merry Christmas and a Buckeye New Year.

B. Safety Service Director- Director Wheeler reported Christmas tree pick up is scheduled to begin Tuesday, January 3rd and continue through Friday, January 6th. Please leave your tree in the devil strip free of decorations. Shop with a Cop was held on December 10th. Twenty-five local children received \$100 to purchase toys and gifts for family. Special thanks to Josh Hunt for his hard work coordinating the event and to Gionino's, Quota Club, Orrville Mother's Club 4 for all their efforts, as well as to the respective police officers, firemen, and city staff that donate their time and money as

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well to a really tremendous event that when you experience it, it really reminds you of the true meaning of Christmas. Finally, we have experienced a rash of burglaries and attempted burglaries. I want to remind everyone to lock your doors and windows and call 911 if you see any suspicious activity or any suspicious persons. I would also like to wish all of Orrville happy holidays and Merry Christmas.

C. Utilities Director – Director Brediger reported just a few updates on some of our long term power projects. The commissioning of the Fremont Natural Gas Plant is going rather well. We have had that facility up to full capacity several times over the past few weeks. We are anticipating that facility going into commercial operation before the end of January. Commissioning out at the Prairie State Plant on Unit One is also going real well. Unit One is expected to be online and commissioned before the end of February. Two of our hydro projects, Smith and Will Island, will be awarding the powerhouse contracts for both of those projects. That will be the last major contract awarded on those hydro projects and those will be in the neighborhood of roughly \$200M each. Those projects are also going along rather well. The earliest project will come on board late 2013. The major inspection on Turbine Generator Eleven is also going along rather well. We expect to have that unit put together and ready for startup right around the first of the year. We expect that unit to be in service hopefully no later than mid-January, but the inspection and repairs on that unit have been pretty much as planned. The last couple weeks have been a flurry of e-mails coming out of my office and from OMEA concerning a House and Senate Bill that had some language in there that some industrial utilities was interjecting some language that would have required customers switching from investor-owned utilities to municipal facilities to pay a switching fee. There were a huge grass roots effort, the mayor's office, a lot of elected officials made a lot of phone calls to our State Representatives and State Senators. Over the weekend that language, or late last week that language was removed from that Bill. That Bill is in front of the Governor's office and he is expected to sign that. Everybody that reached out down to Columbus to our elected officials I thank you for that. That could have had some pretty serious repercussions for this community and some constitutional issues from just a general municipal government overall. The last item is right after the first of the year we will be having some discussions with the Public Utility Boards on water fees. You heard Ms. Strimlan discuss in the State of the City address tonight that we are evaluating the revenues from the Water Department and we will be bringing some proposals for some fee changes right after the first of the year.

Corfman: I would like to thank Director Brediger for the tour of the Power Plant that we got on the turbine rebuild after the Utility Board meeting last Monday. It was very informative and definitely good to see everything as it is all laid out and how all that works. Several others were also there, but again thank you for that tour.

D. Finance Director – Director Strimlan report there are several items on the agenda tonight under new business. In fact I think I have all the items so I will refer to those as they come up and the only thing I would ask from Council is that I distributed the Fund Balance Report for the period ending November 30th prior to tonight's meeting and I would ask for a motion to approve that report subject to audit. Miller moved and Hamsher seconded. Roll call vote. Ayes all. Motion carried.

E. Law Director - Director VanSickle had no report; however, would like to address Council briefly when it considers Ordinance K-11.

F. President of Council – President Baker reported we have received a petition to vacate an alley and I will give that to our Clerk so she can send that on to the Planning Commission. Also, those of you on Council who have keys to the old office those keys need to be brought in and turned in since the offices have been changed at City Hall. If you do have keys now, they don't fit the lock that they should. So you need to bring those in and give those to our Clerk. I would also like to thank Mr. Brediger for the tour of the Power Plant. At one time I had a background in electricity and I was

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impressed. I enjoyed that. What I was working with though were a lot smaller. They were diesel generated and 150KW items that our good Uncle Sam and the Army people have a chance to work with all around the world, but our Power Plant is very nice. When tours are offered again I encourage anyone to go through. There are a lot of things to see, some things you may not understand but there is a lot of things you will understand and you will know why it is important for us to keep our power plant here.

Old Business:

RESOLUTION 43-11

Leathers moved and Miller seconded that Resolution 43-11, a resolution to make appropriations for current expenses and other expenditures of the City of Orrville, State of Ohio, during the fiscal year ending December 31, 2012, and declaring an emergency, be placed on third reading. Roll call vote.

Baker: This was our third reading. Any further discussion? I see none.

Leathers moved and Miller seconded that Resolution 43-11 be adopted as read. Roll call vote. Ayes all. Motion carried.

New Business:

ORDINANCE J-11

Leathers moved and Aspiras seconded that Ordinance J-11, an ordinance allocating municipal investment earnings pro rata among the separate funds maintained by the City of Orrville and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Strimlan: I outlined the contents of this ordinance in my memo to you. This is simply a housekeeping item that was requested by the State Auditor's office. The City is traditionally allocated investment interest to all the entitled funds based on the average daily balances; however, the Ohio Revised Code is specific in their interest distribution unless it is expressly provided otherwise. So this legislation is intended to allow us to allocate the interest based on the average daily balances in all of our funds.

Leathers moved and Hamsher that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

Leathers moved and Miller seconded that Ordinance J-11 be adopted as read. Roll call vote. Ayes all. Motion carried.

ORDINANCE K-11

Leathers moved and Corfman seconded that Ordinance K-11, an ordinance amending the City of Orrville's annual vacation and sick leave conversion plans relative to bargaining unit employees and non-bargaining employees and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

VanSickle: Council has in front of it the ordinance concerning the conversion plan and I did submit a memo detailing why we are doing this. I guess I would point out first of all to Council that this ordinance does not change the substantive nature of the plan. It doesn't give any additional benefits or take any benefits away. It is simply to clarify so the OPER system is satisfied as to the interpretation of our plan. That is why we have made these minor changes to the plan. That is why it is here and if you have any questions I would be more than willing to answer them.

Miller: Is this something you need tonight for the end of the year?

VanSickle: We would like this to be effective before January 1 so yes.

Shupp: So basically this is just some technical changes that we are making. We are not changing any of the payout, the amounts, or how it is done.

VanSickle: That is correct. It changes nothing with regard to the substantive nature of the plan. It simply clarifies how the plan is being interpreted which is in accordance with how the City has administered the plan previously.

Leathers moved and Hamsher that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

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Leathers moved and Aspiras seconded that Ordinance K-11 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 49-11

Leathers moved and Miller seconded that Resolution 49-11, a resolution strongly opposing any efforts by the State of Ohio or any other third party central collection entity to take control of municipal income tax collection, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Strimlan: As I spoke earlier in our State of the City address, the State is currently studying the feasibility of consolidating and centralizing the collection of income tax, municipal income tax. We do believe this would be detrimental to the City of Orrville. We believe that code enforcement, personal service to our residents, that would all be at stake, but most importantly are the timeliness of the tax deposits and the fees that the State would charge us for this service without the municipality's input. I have asked Dave Nussbaum, our Income Tax Administrator to join us this evening in case you have any specific questions. There are a lot of unknowns on this. We will provide information as we receive it, but in its current content we would be opposed to any efforts to centralize this collection. Shupp: Have you been in contact with Ron Amstutz and some of our other representatives in Columbus? Do you have any of their feelings on this situation?

Strimlan: It is interesting that you mentioned that. Mr. Wheeler and myself on Friday attended a luncheon meeting in Richfield and he couldn't give us any real specifics on this effort other than they are certainly exploring it. They are looking at it as a way to have some uniformity with the tax codes and municipalities to some extent would be okay with that in and of itself, but would like the collections to stay local. We are just really unclear on what uniformity they are trying to present. They looked at that several years ago in 2003 and came up with quite a few things. We haven't really gotten any answers in response to your question.

Miller: I think it is noteworthy to say that if this is passed this is not going to be a choice. This is going to be a mandate. We will have to go along with it. Municipalities have not really been contacted about their feelings for these things and I think the bottom line in our case at least is that we can do it better and cheaper than we can sending it out. There will be a collection fee for it. Other councils like Creston have done legislation like this strongly opposing this and I just think it is a bad bill. I would urge Council to move this legislation.

Vance: There are some other provisions that are being talked about as well. Is there any reason we are not taking a position on some of the other proposals that are bundled in with this such as how to handle net operating losses or the twelve day temporary presence rule?

Strimlan: That would all be a part of this and again we are okay with the uniformity as long as they have some input from the municipalities. It is our understanding from the Municipal League that those discussions have ended and they are trying to open that line of communication again so that we do have a voice in this decision or we have a seat at the table at least while these decisions are being made.

Vance: Would the administration be opposed to including language in this resolution that would urge the legislature or whomever we are addressing this to, the governor or tax administrator on this list, to not just say we strongly oppose but here is the option that we would like you to pursue namely to include the Ohio Municipal League in these discussions or to consider other options that are available to deal with this. I think we do need to recognize that we have over 500 taxing systems or entities in Ohio which is more than any other state in the country and it does create difficulties for businesses who are trying to deal with their taxation system in various municipalities. I think we could recognize that and offer the approaches that we would like to take that would remain revenue neutral. My preference would be to include language in the resolution that would say we strongly oppose this and we would like for you to pursue these options as well as part of the resolution. That might give it two subjects so that might not be a valid resolution, but that would be my preference.

Baker: Mr. VanSickle, what would it take to change the resolution if we were to do what Mr. Vance is asking? Would it need to come back again?

VanSickle: It would need to come back again with an amendment to include that language.

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Handwerk: We actually just want them to leave us alone. This past year it has been one thing after another from the State. None of which has been benefiting cities and municipalities and so we are doing just fine with our tax collection and we would like them to just stay out of it is the bottom line. So I don't think we are real interested in changing that too much. Ms. Strimlan you might have some other areas you wouldn't mind changing, but we certainly don't want to put across out there that we are okay with some of this because I don't think we are.

Strimlan: Right.

Vance: My suggestion would not be to say we are okay with these provisions we are talking about, but the fact is if they are discussing it and they want to address the fact that there are over 500 different sets of rules and regulations and forms and filing deadlines that exist within the State of Ohio and want to make it easier for businesses to be able to file their taxes, then we might be able to suggest alternate ways they can accomplish that. Primarily among them would be to include the Ohio Municipal League in these discussions. The tax commissioner for the State of Ohio is on record today saying there are no discussions scheduled. So according to the Ohio Municipal League that is not the case, there are discussions taking place. I think I would like to say yes we strongly oppose this but also at the same time say here is what we would like you to do as you are going forward instead of saying you are not having discussions when you are.

Handwerk: I think the concern we have right now is just getting something out there right away because we want them to know now that we oppose this. If we have to take another couple weeks and come back to council to put something else in there, that is a few more weeks we haven't spoken our feelings.

Vance: They are on recess anyway.

Corfman: I think it is not just a timeliness issue, but I don't think we could come up with one thing that we would want them to do. To get us to all agree on that I don't think it is going to come for a while either. I think for the timeliness issue we should move forward with what we have.

Aspiras: If I understand this correctly, the peril I am hearing from the State side is uniformity and I am hearing Ms. Strimlan say she is not really sure what that means. I have been here four years and I can't tell you how many awards the City has gotten including its accounting practices which also includes tax collection. Mary Taylor herself was here to present us with an award so if it isn't broke, don't fix it. I would urge Council to pass this. I mean if we need to look at something later on if the State should come back with more detail maybe we can respond to that. I think this resolution, if I am correct, simply says we are okay where we are at just leave us alone for now. It is just a voice. There is no legislation at the State level now or even a bill being introduced, correct?

Strimlan: Right, to the best of our knowledge.

Baker: Does anyone else have any comments?

Strimlan: I just wanted to let you know that aside from Creston we are not alone in these efforts. This entire stack of papers here are copies of other municipalities that have prepared resolutions and ordinances of a very similar nature...Troy, Athens..again we are not alone. The other thing I would like to defer to Mr. Nussbaum if he has any comments he would like to make this evening with regard to these efforts by the State.

Nussbaum: No. I believe at this time we are just choosing sides. Our side is to state our interest in continuing to enforce our own tax code and not have a third party. I think that is what this legislation is for, just to show that we are not in favor of the State simplifying the collections.

Shupp: I agree with the other council members. I think we should pass this now and we can always do a follow up resolution that has more details from some of the other communities like you are talking about possibly later just as reinforcement once we get more specific and we can do that in January if we come up with something else. I think we need to get the statement out now that we are against this situation. Possibly we can start doing the State's tax collection and then we will send it to them in 90 days.

Leathers moved and Corfman that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

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Leathers moved and Miller seconded that Resolution 49-11 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 50-11

Leathers moved and Corfman seconded that Resolution 50-11, a resolution to make appropriations for current expenses and other expenditures of the City of Orrville, State of Ohio, during the fiscal year ending December 31, 2011, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Strimlan: Again this was outlined in my memo to you. These are reductions to appropriations for several of the funds. The gas tax, the solid waste, health insurance, and also our grants funds. If you recall when you read the management letter from the State Auditor there is a test for compliance with the Ohio Revised Code Section 5705.36 where the State compares actual receipts plus the unencumbered fund balances at year end compared to appropriations and I gave the example in my memo to you about the grants fund. We are not doing the work for the loop road thus the revenue is not coming in so we need to reduce the appropriations and the revenue.

Corfman: I believe we are passing this so we would make sure this is our last meeting of the year.

Leathers moved and Shupp that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

Leathers moved and Corfman seconded that Resolution 50-11 be adopted as read. Roll call vote. Ayes all. Motion carried.

Good of the Order:

Leathers: Once again we have approached the holiday season and the manufacturing classes in the Technology and Engineering Departments at Orrville High School have been very busy. Twenty-two students designed, produced, assembly, and printed graphics on thirty-five pieces of an off-road dump truck. This took 4680 individual parts which is 115 parts per toy. 1351 class periods were spent building these toys. That is 1013 hours in sixteen weeks. They achieved a 97.07% quality percentage. Half of these toys were delivered Friday to the Marines for Toys for Tots and half of them are being delivered to Pre-K and kindergarten programs in the Orrville area. One set, as well as student-developed documentation binder will be entered in State and Technology Engineering competitions and in the past these projects have received Best of Show at both the Ohio State Fair and the Technology Engineering Conferences for the State of Ohio. The toys I am mentioning are across the room at the table there. The off-road dump truck was made by the manufacturing class. The smaller toy was made by the freshmen industrial technology classes. I just wanted to commend those students for their contribution to needy children at Christmas and also for their hard work.

Corfman: I would like to congratulate Council on the conclusion of another good legislative session and outstanding work for the last two years with this group and Merry Christmas.

Leathers moved and Hamsher seconded to adjourn the council meeting. Roll call vote. Ayes all. Motion carried. Council was adjourned at 8:04 p.m.

Jeanne Gault, Acting Clerk of Council

Date

Lyle Baker, President of Council