

## RECORD OF PROCEEDINGS

Minutes of

Regular/Public

Meeting

BEAR GRAPHICS 800-325-8094 FORM NO. 10148

Held

MARCH 5, 2018

20

Council President Baker called the meeting to order and led the prayer. The pledge was recited.

Roll call: Shupp, Wilson, Aspiras Jr., Hamsher, Aspiras Sr., Corfman and Lorson were present.

Aspiras Sr. moved to accept the minutes as documented of the last regular meeting on February 20, 2018. Wilson seconded. Roll call vote; all yeas; motion carried.

**Standing Committee Reports:** No committees met.

**Administrative Reports:**

**Mayor Handwerk:** The March Employee of the Month is Mitch Zimmerman of the police department. Mitch began his career at the police department in May of 2001. He was also a member of the Ohio National Guard and served two deployments, one from 2008 to 2009 in Egypt and a second in Afghanistan from 2011 to 2012. Mitch serves as the department's School Resource Officer (SRO) and has been in that role since 2014. In addition, while serving in that role, he successfully advocated for the return of the Drug and Alcohol Resistance Education (D.A.R.E.) program. He became a certified D.A.R.E. officer in the fall of 2016. He teaches the course to 7<sup>th</sup> graders and is looking forward to possibly expanding that to other grade levels in the future. Additionally, Mitch is a firearms instructor, A.L.I.C.E. (active shooter) instructor and sniper for the Special Response Team (SRT). His hobbies include hunting, fishing, riding his beloved Harley Davidson, boating, camping and coaching wrestling. Mitch, his wife Deb and their 6 children reside in Orrville. Every time we do this, they get to pick wherever they want to eat and we did a very unusual one this week. Mitch wanted to eat at the high school cafeteria. He wanted to stay at the school based on all the things that have been going on the last few weeks. He didn't want to be away. Also, Director Brediger and I went to D.C. to see Senator Portman, Senator Brown and Congressman Renacci's aide. We got our message across regarding transmission costs and Build America Bonds change of interest is some pretty big numbers. Lastly, our high school wrestling team successfully is sending two wrestlers to the State tournament this week: Cameron Vanbrunt and Sam Auble. Congratulations to them and Coach Brent Steiner and all the other folks that help with the wrestling program.

**Safety Service Department Steve Wheeler:** The Bowman Building demolition began today. It is moving along quite well. The back portion of the building is gone. They will work on the front of the building tomorrow. We look forward to that project being completed in the next day or two. Street Department is working on potholes and also tree work and preparing for spring projects.

**Utility Director Brediger:** A couple weeks ago we did do some EPA emissions testing on Boiler 13. Those results were well below our state permitted limits. The outage last Thursday night due to high winds, ice and snow caused a couple pretty good sized trees to come down on one of our circuits. Crews were out until about 3:30 am and two crews out the balance of that and wrapped up about 6:30 am. Mayor, Bob Auten – Wastewater Superintendent, and I met with Smith Dairy to discuss issues they are having at their wastewater treatment plant. We heard their plans to mitigate some of the recent problems that they've been experiencing and we are looking forward to seeing those go into effect. The Mayor mentioned we were in Washington last week with over 1200 APPA representatives. We met with elected officials and focused on two issues (see handout – on file) the impact the sequestration is having on our financing costs related to the Build America Bonds they issued for our Prairie State and hydro projects and the escalating costs from the transmission side of our world. Our transmission costs have increased from about \$1M in 2012 and this year they're projected to be close to \$7.5M. When we first entered into this transmission world that was thrust upon us, those costs were about a quarter of a million dollars (\$250,000). That's about 40% of our purchased power costs on an annual basis and that is a big part of why our rates are where they're at. The other handout puts those costs on a bar chart along with the credits that we receive by being able to operate the power plant during these peak transmission periods. In those beginning years the credits actually exceeds those transmission cost. In the latter part of the three years the fees have been increasing and the credits have been decreasing. We have no recourse over these costs nor do we have any say in how they are developed. We really don't know what kind of value they bring to us other than the transmission owners/operators are spending about \$20 Billion a year on these things and they are receiving about 10-12% return on their investment. These costs, from our customer perspective, are a direct pass through. They don't get marked up. They don't get absorbed. On the bond issues, the other white paper, discusses the impact of the Build America Bond incentives that were promised by Congress. With this latest sequestration, our finance costs are projected to cost us an additional \$1.9M. That's about \$73M for all the members that are involved in these two projects and additional interest costs on these two projects could exceed an additional \$30M. We did convey these figures to our elected officials. Once you get up to the million dollar range it starts catching their attention. During our APPA business meeting we heard about work they will be doing with Federal Agencies on oversight on hydro re-licensing, smart grid, cyber security, workforce development and the pole attachment issues that we've been dealing with related to the small cell

BEAR GRAPHICS 800-325-8094 FORM NO 10148

Held \_\_\_\_\_ MARCH 5, 2018 \_\_\_\_\_ 20\_\_\_\_\_

technology. We were not surprised to learn that with this being election year, most of the political decisions will be based on a backdrop of getting re-elected. Which means our jobs get a little bit harder and our expectations will be just a little lower from Washington this year. We did discuss the President's infrastructure plan, some pipeline permitting issues and future financing hurdles. The environmental arena has been pretty quiet.

Finance Director Strimlan: Income tax reminders: you are required to file a City of Orrville income tax return if you are a resident age 18 and over. Non-residents that work in Orrville that do not have City tax withheld by their employer are required to file. Non-residents or residents who own rental property in Orrville. Resident and non-resident businesses that are located in or that do business within Orrville. Retirees with earned income which includes wages, rental or self-employment income. Retirees are not required to file if they only have non-taxable income which would include Social Security, retirement, disability, 401K or interest and dividend income. Also new last year and continuing this year, tax payers that owe \$200 or more with their 2017 return are required to file a 2018 declaration and make quarterly estimated tax payments to the City. Our forms are available on line, in City Hall or at the Orrville Public Library. We can also mail forms at tax payers request if you call into the income tax department. The filing deadline this year is April 17 with postmarks by that date to avoid penalty. Our City tax office will be open M-F 8-4:30 to assist tax payers with any City tax return questions they might have.

Law Director Kirkbride: We did receive an unfavorable ruling in Franklin County on the HB49 local income tax that I apprised you about. We passed a provisional ordinance at our last meeting hoping that we would get a more favorable outcome than we did. There is a group discussion with the attorneys tomorrow that I will be participating in so more information may be coming as far as an appeal or what the next steps are.

Council President Baker: Next week daylight savings begins so turn your clocks forward next Saturday evening.

**New Business**

Lorson moved that Resolution 3-18 be placed on first reading. Aspiras Sr. seconded. Roll call vote; all yeas; motion carried **RESOLUTION 3-18**, 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, 2018, and declaring an emergency.

Discussion: Final Appropriations booklets were distributed and can be found online under Finance Depart. There were some changes from the 2018 budget that we prepared last year. Those were driven by the Utility in the form of working capital transfers, purchased power and coal. The tax supported side changes to grants, capital, and special revenue funds to support additional projects. Those changes can be discussed at the workshop on Monday, March 12 following the Utility Board meeting. Appropriations total \$62.5M; \$45M for the enterprise funds, \$8M for the general fund and \$9.5M for the tax supported funds. This legislation needs to go three readings.

Superintendent John Scott presented the Service Department Annual Report.

Question/Answers: We have a full year on the dugouts, how have those been doing? Maintenance wise they are great. We haven't had any maintenance issues. I've heard both sides of it but for the most part, I've heard it's great. Pothole at High Street and Ella needs filled. It is an ongoing project. We are looking to do something a little more permanent fix on it in another month or so.

Hamsher moved to adjourn the council meeting; Corfman seconded. Roll call vote; all yeas; motion carried. Council adjourned at 8:11 p.m.

\_\_\_\_\_  
Jeanne Gault, Clerk of Council

\_\_\_\_\_, 2018  
Date

\_\_\_\_\_  
Lyle Baker, President of Council