

Regular/Public

February 22, 2011

President Baker called the regular meeting to order. Pastor Randy Gehres of Christ United Church of Christ offered the prayer. The Pledge was recited by all.

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

Corfman moved and Aspiras seconded that the minutes of the February 7, 2011 regular meeting be approved. Roll call vote. Ayes all, except Miller abstained. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller had no report.

B. Utilities – Mr. Vance advised that Mr. Brediger may speak to this as well, but I just want to let council know that the long awaited EPA ruling is officially expected to release on Monday. I am sure Mr. Brediger has known what it contains for some time. There are some efforts in the legislature to try to delay its implementation and oddly enough on Monday we will actually be in Washington, D.C. I am joining Mr. Brediger and the Mayor and Ms. Strimlan for an American Public Power Association legislative rally. So we will learn a lot more about that and have the opportunity to interact with other public power communities across the nation. We will also be meeting with Senator Rob Portman and our new representative Jim Renacci as well and get their views. We have already seen Mr. Portman get involved with this issue so we will have a chance to talk with him some more. I am encouraged in one way, when we were there a year ago I think you could call our representative's knowledge of this issue uneven. I don't know if everybody was as onboard as others, but this year I think there is a lot more engagement from the Congress on the enactment of this new ruling from the EPA that would have a significant impact on our power plant here. A lot more to learn next week and we will give an update at our next meeting.

C. Health & Safety – Mr. Corfman had no report.

D. Parks and Recreation – Mr. Aspiras had no report.

E. Transportation – Mr. Shupp had no report, but stated the crews did a great job on the snow storm yesterday once again. Keep up the good work.

F. Planning – Mr. Hamsher had no report, but wished luck to the basketball and wrestling teams as they enter the tournament season. The girls had a wonderful win last night. The boys will start up soon and wrestling is in the middle of the beginning.

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

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Handwerk reported our Design Review Board has one member that would like to step down due to some scheduling conflicts and that would be Karrie McAllister and I would like to ask Council's approval tonight to replace her with Marie Moore who is an attorney and she has an office here in downtown. She would like to be a member of the Design Review Board if Council approves.

Aspiras moved and Leathers seconded the appointment of Marie Moore to the Design Review Board. Roll call vote. Ayes all. Motion carried.

Handwerk: Also tonight I asked Karen Troxell of Armstrong Utilities to come down from Medina. She is visiting with us tonight to see if there might be any questions that she could answer from any

Regular/Public

February 22, 2011

council members concerning really anything whether it is the recent increase or Big 10 network questions or any kind of questions you might have. I know I try to answer a few of those sometimes and there is a lot more behind a lot of the answers than what it would seem. Karen I don't know if you want to come to the podium and see if anybody has any questions they would like to ask or if they don't maybe just explain a few of those things as far as the rate increase coming up, how that will affect different people, different packages that they might have with Armstrong. Maybe also the Big 10 network situation.

Troxell: Mr. President, Mayor, and Council members it is a pleasure to be here. I think it has been probably 3-4 years since I have come and answered any questions so it was definitely time to return. There have been some changes with our company. If I start talking too much just go like this and I will shorten things up. We provide within the community various services. Telephone service which started 4-5 years ago and it is unique to the fact that you pay one price and with that you get unlimited long distance calling along with about 12 other features that come along with the package. Depending if you just have telephone alone or you add that one with another service or you have all three services and bundle it there are changes in prices and it becomes bundled into a more value package. We have our internet service and it definitely, in the last ten years that we have been able to offer it, has gained in popularity. In fact in our Orrville and Medina systems we are getting very close to 100% of our customers that have the internet services. In fact we expect to go over 100% because for those people that don't have our basic video services they may just have our internet services and decide that is enough and if they want to see any video programming they can watch it on the internet or whatever. It started about 10 years ago and we have never changed the price once although we have increased the value with the speeds. I would say for the last ten years we have increased speeds probably five out of ten years and never raised the price on that. We have also added on the technology which gives us the capacity to add even more speed and for our business customers right now we have added on to our enterprise package up to 50 Megs downstream, which is huge – 10 downstream and 5 upstream. Our residential and business packages are available for anyone to have. So if you are a resident that does a lot of video streaming and a lot of gaming and you just want to go faster and faster you can get the 50 Meg. We have different speeds, different choices depending not only on the price, but also the speed that you feel is necessary for the use that you of the internet. Then we get with the video services. We have been offering that for well over 25 years here in Orrville and it certainly has changed along the way too with the number of programs we have available. We have also added on digital programming and HD programming. For those people that are not familiar with video on demand, if you pay your basic and then add on a box as little as \$2.95 you can also have available video on demand which really blows out additional programming and opportunities. I think that we are going to come to a time that we don't have to wait until Tuesday night as eight o'clock to watch that special program, but eventually although the programming is going to be when you want to watch it. We are moving on in our capacity where VOD is continuing to grow. Right now our top three video viewing programs are all children's programs. Also, with video on demand if you have a couple boxes in your house and you start a movie and you started in the living room and decide I am heading to bed you can pick it up on your TV upstairs and continue on with your movie. There are a lot of different options that we have been adding and we add them because that is what our customers want. So we are excited about all of those changes. Now, we are having a price increase as of March 2nd. For those people that have bundled services, that would be the telephone, internet, and video, they will not see any increase on their video bill. The \$2.50 increase is just packed into part of the value of having the bundled services. We have also added on another thing that if you are a brand new customer with Armstrong and we have a promotion and let's say that the promotion for all three services is \$99. After that promotion is over and we went to regular pricing for that bundle we have decided that sometimes that is a little bit too much of a hike right away so we have started a step program that you step into not quite the full cost of that package, but we will give you a little time to work into it as well. We did increase on our variety package which is the digital package and that has 133 additional channels. We have raised that \$1 and we also raised \$2 on the first premium channel that you would start with. Why did we increase the video? Basically it is because why are they increasing

Regular/Public

February 22, 2011

costs at the grocery store and why is my gas bill higher then it should be, the cost to do business has risen. There are a lot of factors that go into that. Also, we are the middle man as far as providing you TV service. Our programmers negotiate prices for us to be able to carry them and pass them on to you. The most popular programs are generally the most expensive and we don't negotiate yearly with everyone. Usually we negotiate a two or three year contract, but they kind of overlap and we have a bunch one year and a bunch the next year and then we start all over again. Questions?

Aspiras: Thanks for coming down. I sent a letter to the main office about two years ago and I had some citizens in Orrville ask me some questions as far as ONN and the Big 10. The response I got two years ago was that ONN was close to bringing that to Orrville area and the Big 10 was not that close. Can you give us an update today?

Troxell: ONN is available on a video package so you can get that if you get a specific package. Big 10 is not available.

Aspiras: The ONN at the time and it still is not with the base package and that is what my question was.

Troxell: No. The fact is that ONN being a local programming generally the cost is higher and in negotiations the best we could do was to be able for those people that really wanted it to be able to have it available to them in a package. The Big 10 has been a disappointment for all of you that we don't have it especially in Ohio with OSU and all of the OSU fans. (Ms. Troxell gave an in-depth explanation of the Big 10 availability but essentially what it boils down to is that we do not have it and it does not to appear to be changing.)

Corfman: I would like to compliment Armstrong on their support. You call at almost any time, especially with the internet and you have difficulties, the 800 numbers are just outstanding people. I have had it for years, as long as they have had internet in Orrville, and it has just been outstanding. Whether you are setting up a new computer or if you are trying to figure out what else is going wrong, they have done an outstanding job and I would like to compliment them on their service.

Troxell: I appreciate that. I do want to say that there are ways of saving a little. If a customer goes from the paper bill and they go to direct billing they can save a dollar. Also, we have just started a program called My Savings. It is sort of a rewards program and we are just starting it. We have employed a company and we are not making a cent on this. In fact we are paying them for the program. It is an opportunity that when you go and shop of saving money when you shop at certain merchants you get a kickback on your bill. It is just in the starting stages. We have a lot of national companies that are engaged in this program and we have hired someone that is going to different merchants within the area and talking to them if they would like to get onboard. Kind of a win-win. What we would like to do is drive customers to shop locally and this gives local merchants an opportunity to get introduced to the community. If you go into ArmstrongOneWire.com you can see what that program is all about.

(Note: Ms. Troxell's comments are not verbatim.)

Vance: If anyone is watching this on TV they can know that this is a service that Armstrong provides for our community – local TV programming. I remember sometime back when the Wooster City Council was looking to have their meetings videotaped, they were under the impression that we were paying \$350 per meeting to have them taped and we pay nothing at all. Wooster City Council is paying to have them taped. That is part of Armstrong's commitment to our community is the local TV programming. I just want to express our appreciation for that.

Handwerk: Thank you for coming down tonight.

Troxell: I would be glad to come any other time. Just give me an invite.

B. Safety Service Director- Director Wheeler reported the Service Department has filled a service worker vacancy with the hiring of Ronald Taylor. He is scheduled to start March 7th. Our Service Department also started filling potholes last week and unfortunately the winter weather returned so we ask everyone to be patient. We hope once the winter weather breaks we will get back out there on the potholes. A brief update for you on the truck route and I will send a schedule out to you in the next couple days outlining some of the details. The preliminary engineering study is on its way, which is sort of the final study piece of it. It is scheduled to be completed by April to early May. At that time, part of that engineering study will come back with a recommendation on what plans, if any,

Regular/Public

February 22, 2011

to implement as part of the truck route project. That will come back to the Mayor and I as well as to Council for you to look out with an action recommendation within that study. If Council approves the recommendation, then they will move forward with final design, right-of-way acquisition, and bidding that is expected to take up to 18 months, with potential construction in 2013. That is the schedule and I will send you a much more detailed schedule via e-mail tomorrow.

C. Utilities Director – Director Brediger reported the utility customers should have received the 2010 water quality report in the mail probably within the past billing cycle. This is a report that we are required to submit complements of the Ohio EPA. In this report we monitor and report on 14 parameters. All 14 of those parameters came back with no violations which has been our history in many, many years. If anybody had any questions on that, just feel free to contact our office or Todd Fetty, our superintendent at our water plant. If you look at all the parameters and you see where our levels are at and how low they are compared to the standards, you will get a good appreciation for the great work that Mr. Fetty and his department are doing down there. The EPA ruling that Mr. Vance spoke about is scheduled to come out tomorrow afternoon. Needless to say, we will be spending a lot of time with that the balance of the week and over the weekend and that will be one of the issues that we will be speaking with with our state senators and representatives next week when we are in the meeting with the rest of our APPA members. Don't have any ideas where those rules are going to be at. We have seen bits and pieces of it over the past several months, but the more substantive issues that are going to cause us the most heartburn they have been holding those pretty close to the vest. Really everything after those really won't matter too much unless we can get some relief on a handful of the major issues on that. As soon as we have had a chance to digest that we will be reporting back to this council and the utility board.

Vance: You sent out some information about this ruling and I don't know if I understood it correctly so perhaps you could clarify it for all of us. My understanding was that the EPA issued the ruling I guess it was today, but you will get it tomorrow. Is that right? I thought maybe it was next Monday.

Brediger: They signed it this week. We won't get a look at it until tomorrow.

Vance: The legislature has expressed some interest in, is it trying to delay the implementation of the ruling or the enforcement of the ruling or as it stands now the ruling goes into effect tomorrow? How is that working?

Brediger: Well the legislature has expressed an interest in delaying the rule making in order to give the EPA more time. The legislature is in support of EPA's request for more time to do the amount of leg work behind this rule that required them to delay it the first time. The EPA Administrator Jackson has said we don't need any more time, we don't need any more help, the rule is coming out this week period.

Vance: Is this being published this week or when is the actual effective date?

Brediger: The effective date will be when it is published. Now we will get a copy of this rule, but it does not go into effect probably until it gets registered in what they call the Federal Register. At that time, the clock starts ticking.

Vance: Then there is a compliance period of how many years?

Brediger: Yes, the compliance period of 3 years after that rule is officially published in the Federal Register and that will probably be sometimes next week. We will get a look at it, there will be copies of that circulating around EPA staff and going out and they will officially print it in the Federal Register to make this process formal. The legislature can make all sorts of requests to the EPA to ask for extensions, only the federal court can grant those extensions. Anything our Congress wants to do, they can make all the suggestions they want but it is the court system that establishes the time table. Only the court that can grant an extension.

Vance: The EPA would have to go to court to ask for that extension?

Brediger: Yes. As of right now there is no interest in doing that. That will be one of the items we will be talking about. Regardless of how this rule looks when we get a peek at it later on this week, this rule will be litigated by one side or the other. There are some other options in relief that will be pursued after the rule comes out, but while those negotiations or discussions or lawsuits are going on the three year time period is still ticking down and only the federal court can stop that calendar from moving forward.

Regular/Public

February 22, 2011

Vance: So the task for you and the utility board will be to try to decide what you can wait on versus what you need to begin to plan for?

Brediger: We will be pursuing a number of avenues, both the ones we feel may be able to be influenced and those that aren't. We cannot afford to wait until we see if we can get more relief on this. We will be pursuing multiple paths to deal with this thing along a number of different timeframes.

D. Finance Director – Director Strimlan updated Council on our final note ordinances. Our Bond Council is currently working on legislation for the next council meeting. It is the note ordinances that council has seen for several years now; however, this year the notes will look a little different than they have in the past. The electric utility will be paying off the portion of the note from the electric revenue bonds. They will also be paying off the portion of the note from the precipitator improvement notes. So the ordinance that will be before you will only be for the water utility in the amount of \$1.4 million so I wanted to put you on notice before that legislation comes before you so you know what to expect. I will get a memo out to each detailing the specifics before the council meeting so if you have any questions once you receive it give me a call.

E. Law Director - Director VanSickle had no report.

F. President of Council – President Baker congratulated out street department and Mr. Wheeler. make sure those guys are well taken care of. They have done a fantastic job this winter.

Old Business: None.

New Business:

Police Chief Carozza presented the Police Department's annual report.

Good of the Order: None.

Leathers moved and Hamsher seconded to adjourn the council meeting. Roll call vote. Ayes all. Motion carried. Council was adjourned at 8:45 p.m.

Tamra Peppard, Clerk of Council

Date

Lyle Baker, President of Council