

Regular/Public

June 2, 2008

President Baker called the meeting to order. Councilman Dennis Landaw offered the prayer. The Pledge was recited by all.

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

Aspiras moved and Vance seconded that the May 19, 2008 regular meeting minutes be approved. Roll call vote. Ayes all. Motion carried.

**Public Comment:** None

**Standing Committee Reports:**

A. Finance – Mr. Miller reminded everyone the first reading of the 2009 Budget will be at the next meeting, June 16<sup>th</sup>, and there will be a Public Hearing prior to that on that budget with a second reading and special meeting and workshop June 23<sup>rd</sup>. The third reading will be on July 7<sup>th</sup>. I would also like to welcome David Jones who is filming for us now. Welcome David. Good to have you with us.

B. Utilities – Mr. Landaw reported there was a workshop with the Public Utility Board last week over the legislation we have tonight. I want to thank Council for attending the workshop and all the Utility Board that was there and all of our Directors and other members of our staff that were there. It was a real good workshop with a lot of information. I will speak to the legislation when we get to it.

C. Health & Safety – Mr. Corfman reminded Council and Council President that he will not be at the next meeting as he will be on GOBA. On a bicycle related notes, on July 11<sup>th</sup> at 5pm there will be a seminar/assembly or whatever you want to call it called Bike Commuting Debunking the Myths. I have arranged that and it will be at Heartland Point. We will have several local bike commuters that are experienced with this and they will answer a lot of questions. I encourage the public to look into that. Orrville is a very bicycle friendly town. You can get around quite a bit; not just riding to work, but you can also run your errands on bike. Every time you see a bicycle rider he is saving you – if gas is really controlled by supply and demand – he is helping drive the price of gas back down for you if you are driving. It will be John Lorson, Carrie Wenger, Keith Feeman, myself, and if I can get Mr. Vance arranged we will have five bike commuters there.

D. Parks and Recreation – Mr. Aspiras congratulated the Orrville High School Class of 2008. As we know the school season is over for the year so I want to provide an update for the Orrville Parks and encourage the public to enjoy them. I will start with Orr Park. We now have the new bleachers completed at the main ball diamond along with the handicap pads. The Orr Pool is open for the season. The renovation is currently scheduled to start some time after the July 4<sup>th</sup> week. As far as Gailey and Hilltop, we are just about complete with the new playground equipment installation. I was talking with Director Jewell earlier and we believe this should be complete within the next two weeks. As far as Lenore, there are no changes as BP is still working on the disposition on the nearby underground tanks. We are working on trying to open that as soon as we can. As far as Mill Street, plans are to clean this up. I did mention this at the Council meeting last month that we will be looking at the North Street School equipment and brining that over to Mill Street. This equipment is still in good shape. As far as Beaver Street, we

Regular/Public

June 2, 2008

have relocated some playground equipment from the Oak Street School. There is boarder ties with pebble stone around the base and that is for the public and you can start enjoying that. I would like to remind the public about the GOBA and Relay for Life which are running in parallel on Friday, June 20<sup>th</sup>. Orrville will just about double its population that day so it is going to be a busy day and busy weekend. I would like to announce the Parks and Rec Committee meeting Monday, June 9<sup>th</sup>, at 6pm at Schmid Hall. This is in regard to a piece of legislation up for second reading tonight – Resolution 25-08 the renovation of Schmid Hall. Finally, I would like to mention that today is my 24<sup>th</sup> wedding anniversary and I would like to thank my wife, Holly, for the 24 great years and she is in the back of the room so I can officially say I have spent the evening with her.

E. Transportation – Mr. Shupp had no report.

F. Planning – Mr. Vance had no report, but commented on how attractive the new bleachers are at Orr Park and thank Mr. Aspiras, Mrs. Jewell, and Mr. Cross for the work they did on that project. I think it looks great and it is a real attractive feature for our town as people are driving through.

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

**Special Committee Reports:** None.

**Administrative Reports:**

A. Mayor - Mayor Handwerk congratulated the OHS track teams, both men's and women's track teams that qualified many individuals for the State Track Meet this weekend. Our girls actually were regional champions as a team which puts them in very good position to go down there and perhaps bring back a state championship if all things go well. Hopefully that will happen and hopefully we will have the problem of figuring out how to get another state championship sign out there on one of our signs. Number two – commercial recycling is under way downtown in our downtown business district. Our recycling bins were distributed to some of our businesses last week so they will be starting with that this week. I think we have about five businesses right now that have signed up for that; with some more I think that are going to be doing that very soon. Lastly, we had our first Green Team meeting last Thursday at Maibach Ford's meeting room. We had about 25 people in attendance for that meeting and we had some real good conversation. Our main emphasis right now is on recycling and some things we can do even better than we are doing now and also our anti-litter campaign. We will be talking about some other things later too. Our next meeting is scheduled for June 24<sup>th</sup> at 7pm at the Farmhouse at Wayne College. If you missed the first meeting, that certainly doesn't mean you can't come to the second meeting. We welcome anyone who would like to come.

B. Safety Service Director- Director Jewell had no report, but will speak to the legislation.  
Baker: I do have one question. We are at the end of the school year now; someone asked me if we were going to get the times put up on the signs on Hostetler Road by the time school starts back up.

Jewell: Those signs were ordered a couple weeks ago. Since they are special made it takes a little bit to get here, but they will be up before school.

C. Utilities Director – Director Preising was absent.

D. Finance Director – Director Leggett reported that prior to the meeting he distributed a memo

Regular/Public

June 2, 2008

concerning the bond anticipation notes that will be on your agenda at the next council meeting. This is basically the same information you got at the last council meeting. Similar to the information you got two council meetings ago. The reason for that is to make sure council is comfortable with this debt issuance because it takes awhile for these legislations to be prepared because the fairly lengthy ordinances are prepared by our bond council. So therefore they could not be ready tonight, but we would like to have passage of these at the next meeting providing council is comfortable with the various Water Utility legislation you have on your agenda this evening. I just wanted to present that information for you again. If anyone does have any concerns or questions on that matter, please let me know. In Mr. Preising's absence I will speak to some of the legislation later this evening. Most of the items are scheduled to go two readings at least. The only item we would like to have passed tonight is Resolution 30-08 which is for the engineering. That is because the engineers are prepared to start and so we have a time slot. If we wait another couple weeks they will probably get started but they may fill in the time with something else.

Vance: Mr. Leggett since we are talking about taking on new debt, maybe you could just kind of refresh for us here council and for our community the City's financial condition and are you comfortable taking on new debt given our financial condition.

Leggett: Absolutely. One thing I have always said, the Utility Department has been in debt for some time. They work off debt and they take on new debt. Debt is not necessarily a bad thing; especially for a municipality and municipal utility in particular. Most of that debt is tied up in revenue bonds which is tied to the revenue and the Utilities have a very solid stream of revenue and they have the ability to adjust their rates and they have a very captive customer base. So debt is not necessarily a bad thing, especially for Utilities. There are two ways to cover major capital projects; number one is to have high rates that accumulate holding capital over a period of time and we do a little bit of that. The Water Utility was able last year to transfer about \$600,000 excess working capital into their reserve funds and that money will be used for what we call some of their smaller projects. I hate to use the term \$600,000 and smaller projects mixed in the same sentence, but the Water Utility is somewhat unique in that they don't generate a tremendous amount of revenue – about \$3,300,000 a year. Yet when they take on a project it becomes very expensive as we learned last year with the Market Street and South Main Street water projects. Those projects were well over \$1 million. If we had waited to accumulate the money for that, those things still would not be done. So the only way to do some of that is to borrow. This is a very good time to borrow. As you see in my memo the current interest rate on bond anticipation notes is somewhere between 2.3 and 2.75 percent. This is a very favorable interest rate, plus these things are being done are very futuristic. There is a big difference between borrowing for current expenses and looking into the future. Additional raw water supply, motor sophisticated control systems, boosting the water cooling or water utility to get us a higher EPA rating. When we do need more water in the future, we don't step back and make major capital improvements in order to obtain that rating. So while these things might be very smart things to do; to look down the road. There are communities that haven't done that and someone will pay for that. I think these amounts at this debt level and the note is a good, because next year at this time we can roll over the entire amount; we can payoff \$50,000, \$100,000, \$200,000 or whatever the economic condition dictates is the amount we have to pay off. The only thing is you can only roll this note 20 times. The City is in good financial shape too.

E. Law Director - Director Lutz had not report.

F. President of Council – President Baker had several questions particularly for the Law Director. One is at the end of our resolutions frequently it will say declaring an emergency and many times people don't understand that does not mean that something is immediately going to

Regular/Public

June 2, 2008

fall apart and break. Is there a reason we have to say emergency rather than just saying we are going to waive the 30 day waiting period.

Lutz: I don't know if there is legally technically a requirement to say an emergency. That is my understanding that there is. That is language every City and every Village uses to pass legislation where they waive that 30 day waiting period. I can research that to find out for sure, but I believe that is a requirement.

Baker: I frequently get that question asked...what is the big emergency? Usually I respond there is no emergency we are just not going to wait 30 days for the resolution to take affect.

Lutz: By law there is a 30 day waiting period. To be able to waive that it technically is supposed to be an emergency, which just means you can't simply just state for the health, welfare, and safety you also have to state an additional reason why you need it passed and into effect sooner than that 30 day waiting period.

Leggett: If I may just add to that. For just an example when dealing with our budget and our appropriations we always declare that as an emergency and the reason for that is that way we have up until pretty close to the deadline to pass that legislation and work with more current numbers. If we didn't use that language, such as in appropriations they have to be submitted by March 30 we would have to have them done by February and we would be working with numbers from clear back in December. There are some very important times when waiving that 30 day waiting period is a real benefit to everyone. You get much more current information; especially from a financial standpoint.

**Old Business:**

**RESOLUTION 25-08**

Leathers moved and Landaw seconded that Resolution 25-08, a resolution authorizing the General Board of Control to advertise for bids and enter into a contract and/or contracts for the addition to and renovation of Schmid Hall in the City of Orrville, Ohio, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Aspiras: Just as a reminder as I mentioned in committee report, The committee is going to have a meeting Monday, June 9<sup>th</sup>, at 6pm to take a look at this more in depth.

**RESOLUTION 26-08**

Leathers moved and Corfman seconded that Resolution 26-08, a resolution to approve the form and authorize the execution of a supplemental power sales agreement and/or agreements with American Municipal Power-Ohio, Inc., and declaring an emergency, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Landaw: This was covered in our workshop last week. This is to purchase through an AMP-Ohio project up to 14 megawatts of power. We wouldn't even be able to purchase this power for 15-20 years. It is just authorizing our Director to enter an agreement to purchase this power. We have looked ahead and forecasted if depending what regulations would come down and how they might affect our coal fired power plant, depending what costs might be added on to our power plant at that time they may want to go out and purchase power and this would give us the opportunity and ability to do that and to get locked into it now.

Leathers moved and Aspiras seconded 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 26-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

**New Business:**

**RESOLUTION 28-08**

Regular/Public

June 2, 2008

Leathers moved and Landaw seconded that Resolution 28-08, a resolution authorizing the Safety-Service Director to rescind the Community Reinvestment Area Agreement between the City of Orrville, Ohio and Jarrett Companies, dated November 29, 2005, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Jewell: This resolution will allow us as a status to rescind the agreement on the CRA we have with Jarrett Companies. This would be for the building they own across the street from their PackShip facility. This building was the old Volvo plant and had offices on the front of it and was in need of quite a few repairs and facelift when they purchased it. They were not sure what they were going to do to it; whether that would add to the value so at the time they entered into the CRA agreement. In the meantime, they did demolish the offices that were on the front. They made every investment in the building they said they would make, but the value of the building actually went down because of the fact that they did that demolition. They have not received any benefit from this. They pay a fee of \$250 every year and they have to fill out all the paperwork and come in for two review meetings. They now feel comfortable their taxes are not going to go up as a result of this project so there is no point in having the agreement. This would allow us to rescind that agreement. There is no rush to pass this piece of legislation because it will be effective whenever it gets passed. Your next piece of legislation actually gives the authorization of the TIRC to rescind this agreement at Jarrett's request.

Leathers moved and Corfman seconded 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 Vance seconded that Resolution 28-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 29-08

Leathers moved and Landaw seconded that Resolution 29-08, a resolution to accept the recommendations of the Orrville Tax Incentive Review Council regarding the tax abatements for companies located in the City of Orrville, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Jewell: Just a quick mention on this. There are five agreements on here which are Enterprise Zone Agreements. Those recommendations come to us from the TIRC to continue those agreements that would be Smith Dairy, Orrville Chick Hatchery, American Weather-Seal, and Bekaert. Also GRI Holding and Round Top Windows. Those are all recommendations to continue. We have the two CRA agreements out there. Those recommendations come from the Housing Council to the TIRC and then to City Council. That would be for CLS Holdings which is the Stoller Floors property and that one is to continue and then of course we just dealt with the Jarrett Companies and that was to rescind. Once the recommendations are passed by City Council and they are forwarded onto the State of Ohio, they have copies of all of these, they have copies of the annual report we file every year, and then we also send them copies of the minutes from the meetings. They make sure the City is doing their due diligence and I think we do a really good job getting the State their information.

Leathers moved and Aspiras seconded 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 29-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 30-08

Regular/Public

June 2, 2008

Leathers moved and Landaw seconded that Resolution 30-08, a resolution authorizing the Director of Utilities to enter into a contract and/or contracts, without bidding, for engineering services for major water system projects, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Lutz: There are several pieces of legislation for the Department of Utilities. These next two are the ones asking to be passed... (Inaudible)

Aspiras: I know Director Preising is not here tonight. All this hinges on the success of the well testing? I am not sure if that was conducted yet; if we have the results.

McGrew: It was just started.

Leggett: ...(Inaudible)...This engineering work, whether the rest of these projects go forward or not, is going to be necessary for us to move our well water sources eastward. So this is something we should be doing anyway. There is money in the Utility Reserve Fund to do this. (not verbatim...inaudible).

Miller: I would like to address Mr. Leggett. It is my understanding that these next four resolutions on the water projects; which I think are great and I think we should do them, but these are included in the coverage of the bonds we are issuing. Is that correct?

Leggett: Yes.

Miller: To fund them?

Leggett: Yes.

Miller: Does it strike anybody else that this would be a little bit out of order to pass any of this before we actually have passed the funding for it; not that I doubt we would, but I am talking about the rules of order.

Leggett: (inaudible)

Miller: It just seems to me and I believe these projects are going to go through and the funding is going to go through. The point remains that we don't have the funding on the docket tonight and we are approving something that is within that funding and we haven't approved the funding yet. My only point is that to me that still seems like it is out of order; not that we shouldn't do it or that we won't do it; it just seems out of order to me. Does that strike anyone else that way?

Leggett: That is totally up to council...(inaudible)..that is totally up to your discretion.

Corfman: It is my understanding the only delay in the funding is the fact the bond council has to write that ordinance and we can't write that in house and that is the reason it is not ready tonight. Right?

Leggett: (inaudible)...Mr. Miller has an excellent point. This whole thing encompasses \$7 million. We can do things to get the process moving if council is comfortable with that. If they are not, then you shouldn't move forward.

Corfman: This is what we can do now. It is just the length of time it takes to write that note is why it takes the extra two weeks. It is not that we are piece-mealing it. It is all one central project. It has been talked about for a number of years.

Lutz: (inaudible)

Miller: I just want to make sure my point is clear. It is not that I have anything against these things. I believe they are going to pass; they should pass; the funding should pass. My point is the funding is not on the docket and we are passing some of this included in that funding without having passed the funding. My only point is in my opinion it is out of order. That is just my opinion.

Aspiras: My question would be to Mr. McGrew. Getting back to the well, I know I talked to Director Preising after the Utility meeting last Monday and I know there are at least two pieces of legislation on here dependent upon the success of the well and are we at risk if we move forward with these legislations if we get negative results with the well drill?

McGrew: (inaudible)

Regular/Public

June 2, 2008

Landaw: I understand Mr. Miller's point and I agree it does kind of seem like we are getting the cart before the horse to some extent, but in light of the whole project and what we are trying to do I am comfortable getting the cart before the horse I guess this time. The way I look at it is it good for our whole community, but I understand Mr. Miller's point and it makes very good sense. I am willing to do something a little bit backwards just to keep this whole project moving and get this engineering to begin. One thing I remember that sticks in my mind from the workshop and comments made by Director Preising is that some of these bids come in less; we are going to be able to do more feet of pipe and things like that. We are still working with the same amount of money. If the bids come in less we are going to get more for our money.

Leathers: My understanding is from the discussion and what I read, in this engineering most of it has to be done anyway. Whether any of these projects go forward or not, this has got to be done. Mr. Leggett has assured us the money for this is in the Water Reserve Fund and they are going to do it whether those other projects go through or not; it has got to be done. From what I understand from Mr. Preising is that this is a very flexible project as a whole. Parts can be done when and if they see viable and how things come through. It is not totally cut in stone. They have plans and desires, but nothing is really cut in stone as to what is exactly going to be done and exactly when. I really don't have a problem if the money is there. We are going to have to do this anyway. We might as well get started and not put the grant in jeopardy.

Miller: Are we putting the grant in jeopardy if we don't do this tonight.

Leggett: Probably not. We have until October. It is not like if you don't pass this tonight the grant is gone. They would just have to start later...(inaudible)...They are ready to start. The people are there...(inaudible)...

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

Leathers moved and Landaw seconded that Resolution 30-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 31-08

Leathers moved and Corfman seconded that Resolution 31-08, a resolution authorizing the Public Utilities Board of Control to bid and enter into a contract and/or contracts for materials and labor to increase the throughput of the raw water main, by utilizing 594 Matching Grant Funds and Bond Anticipation Notes to complete several projects, and declaring an emergency be placed on first reading. Roll call vote. Ayes all. Motion carried.

Lutz: Just some clarification of...(inaudible)...Mr. Miller's point was that these four pieces of legislation all tie to that grant, but that is not exactly correct. 31-08 lists the projects...(inaudible)...the third one is to install the tie to the well. We may not have funds from the grant to do that third one, so 32-08 is if there are not the Utility Department has requested to contract for just the materials and do it themselves; where with this one if it is under the grant a contractor will be hired to do it.

RESOLUTION 32-08

Leathers moved and Vance seconded that Resolution 32-08, a resolution authorizing the Public Utilities Board of Control to bid and enter into a contract and/or contracts to purchase materials for completion of the new raw water main to the new well field, be placed on first reading. Roll call vote. Ayes all. Motion carried.

RESOLUTION 33-08

Regular/Public

June 2, 2008

Leathers moved and Aspiras seconded that Resolution 33-08, a resolution authorizing the Director of Utilities to enter into a contract and/or contracts for upgrade of the Water Plant control system, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Landaw: This will upgrade the controls, computers, and computer software at the Water Plant. Our Wastewater Plant and Electric Plant have a similar system that has been working very well from the reports we have been given. It is just going to continue to further our Water Department to put this good technology into use.

**Good of the Order:** None.

Corfman moved and Leathers seconded that the council meeting be adjourned. Ayes all. Motion carried. Council was adjourned at 8.20 p.m.

\_\_\_\_\_  
Tamra Peppard, Clerk of Council

\_\_\_\_\_  
Date

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