

Regular/Public

June 18, 2007

Prior to council's regular meeting, public hearing was held prior to the regular meeting regarding the 2008 Budget.

President Handwerk called the meeting to order. Pastor Barbara Holzhauser offered the prayer. The Pledge was recited by all.

Roll call: Purdy, Miller, Landaw, Baker, Weaver, and Leathers were present. Corfman was excused.

Weaver moved and Baker seconded that the June 4, 2007 minutes be approved as corrected. Roll call vote. Ayes all. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller reported the first reading of 2008 Budget will be tonight. Next Monday, June 25th, there will be a special meeting of council after Utility Board for second reading. The third reading will be July 2nd. I would also like to schedule a short Financial Committee meeting next Monday after the special meeting of council to discuss the proposed changes in our investment policy. This is in reference to Director Leggett's memo dated June 12th.

B. Utilities – Mr. Landaw had no report.

C. Health & Safety – Mr. Corfman was absent. Mr. Weaver reported on Mr. Corfman's behalf he would like to have a meeting on July 2nd at 7:00 p.m. before council meeting pertaining to the noise issue at the dehydrator plant.

D. Parks and Recreation – Mr. Weaver had no report, but invited everyone to enjoy the park, swimming pool, and all the facilities.

E. Transportation – Mr. Baker had no report.

F. Planning – Mr. Purdy had no report.

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

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Steiner reported that Thursday, June 2nd, he attended the Impact Awards for Northeast Ohio dinner along with Becky Jewell, Jenni Reusser, and Mike Hedberg. Orrville received one of four awards for job creation in Northeast Ohio. Team NEO (Northeast Ohio) of which there are 16 counties involved with the largest cities being Cleveland, Akron, Canton, and Youngstown. We felt quite proud of receiving this award and except on behalf of our industrial community and the City of Orrville.

B. Safety Service Director- Director Jewell had no report.

C. Utilities Director – Director Preising advised he would neither himself or Mr. Auten would be in attendance at the special meeting on June 25th. Mr. Auten is giving a paper for a wastewater convention in Columbus and I will be at the APPA meetings.

D. Finance Director – Director Leggett reiterated that if anyone has any questions on memo concerning investment policy or on the budget or on anything on the debt legislation that is going to be coming June 2nd please call him.

E. Law Director - Director Lutz reported that he and Mr. Preising are still trying to salvage some monies from Pike Island so we might be presenting legislation at the next meeting which we will probably be asking to be passed on first reading because of the FERC we are running out of time where they are going to terminate the license. There are some parties involved now that we are a little more comfortable with that will actually take some action if we can get the transfer agreement. Landaw: There is definitely no way we want to be involved in this project?

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Preisig: This is a for-profit entity that is going to build it and we would probably prefer not to. At some point in time there may be a power purchase agreement that we might be interested in if they wanted to sell some power, but at this point we would just like to get our money.

Weaver: How much have we spent on this?

Preisig: Several years ago we spent somewhere between \$300,000 and \$400,000 working on some of that stuff. If you escalate that to 2007 dollars it is somewhat over \$1 million. We are trying to get \$1 million plus out of this.

Leggett: We did some work several years ago where we went back and dug up some of the old files. At that time we were looking at selling our interest for somewhere around \$1 million to \$1.2 million and that was going to be a profitable situation for us. We still have all those files. Actually when all those things transpired, I did go back a research some old files. There are a lot of files on Pike Island. It would be nice to recapture that.

F. President of Council – President Handwerk had no report.

Old Business:

Resolution 21-07

Leathers moved and Landaw seconded that Resolution 21-07, a resolution authorizing the Director of Utilities of the City of Orrville to execute a hydro developmental cost sharing agreement with American Municipal Power-Ohio, Inc., and declaring an emergency, be placed on third reading. Roll call vote. Ayes all. Motion carried.

Landaw: Director Preisig handed out the PowerPoint presentation that was made from AMP-Ohio. I really don't have anything to add to this plus the Utility Board obviously recommends it by sending it to us. I encourage us to go through with this study. I am concerned how we are going to fund and how it will affect our rates over the years, but that is what this study is going to show us. I encourage us to go ahead with this. I believe it was approximately \$42,000 for the study.

Leathers moved and Baker seconded that Resolution 21-07 be adopted as read. Roll call vote. Ayes all. Motion carried.

Resolution 23-07

Leathers moved and Weaver seconded that Resolution 23-07, a resolution authorizing the Board of Control to enter into a contract and/or contracts for the purchase of real estate to develop a new industrial park located in the City of Orrville, Ohio, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Handwerk: Any questions on this?

Baker: Do we need to have a public hearing on this?

Leggett: No. Please make sure if you get any questions from anybody about this, that you make sure you let us know. It is a very straight forward deal. If there are any questions or concerns make sure we know.

Baker: Something I saw, but I am not sure of the exact date. There was an article in the paper talking about what is happening on the south side of town and mention was made of an industrial park in that area and I don't believe that to be true. I just want to make sure that is not true.

Jewell: That is industrially zoned land. There are no plans at this time for that to be an industrial park.

New Business:

Ordinance J-07

Leathers moved and Miller seconded that Ordinance J-07, an ordinance amending and supplementing the Codified Ordinances of the City of Orrville, Ohio to add Chapter 726 – Amusement Arcades, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Miller: I am sure Mr. Corfman would address this if he were here. I just thought I would say a few things. The actual ordinance and the Chapter 726 is really straight forward. The games of skill we are referring to are the casino like slot machines where the difference is the tumblers don't stop automatically. I am not sure how that is skill and what is involved in that is skill, but there is a definition by Ohio law as to what that is and the machines have to be inspected for that to be determined. So if these are not games of skill it is a form of gambling with cash payments going out and therefore that would be illegal by Ohio law. The State has allowed these gaming parlors to go unregulated up to this point. Last November the outgoing Attorney General Petro issued a formal opinion saying that the machines are illegal because they are "programmed to guarantee a minimum rate of return to the operator regardless of the player's skill." Of course, he was the outgoing Attorney General. Now Governor Strickland and Attorney General Dan are looking at taking steps towards state regulation of this particular administration. But in our area the cities of Tallmadge, Garfield, Kent, Akron, and even Rittman among others have taken steps to regulate these businesses. The is unprecedented. There are regulations for alcohol, tobacco, adult entertainment business so we also

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want to be proactive in this particular area. This legislation is similar to Tallmadge's ordinance which has been in affect for about a year or so. So there you have some background on this.

Lutz: This was modeled after Tallmadge. Some of the verbage was taken out of it because they had actually experienced crime. I added National Gambling and Tax Study which I e-mail the link to everybody. I recommend everyone review Chapter 7 of that study because it talks about the effects of gambling. I would also note that there are some administrative burdens in Chapter 726 if it is passed. There is a Board of Appeals that has to be in place if a license is revoked or not granted. I don't see any issue with if the Board of Zoning take on that role. I don't think we have a rush of gambling appeals in this area.

Purdy: This ordinance will affect all of them right? Not just the new establishments, but the ones that have been in existence.

Lutz: Well I think the only one in existence currently is the one on Main Street. The other ones have went out. So there is only one that I am aware of.

Handwerk: Let's talk about the administrative burden. Fees collected would be able to be used to cover that would they not?

Lutz: Sure for the initial cost. I don't if they would be enough. We would have to wait and see if we would have to hire someone. We would have to hire someone of course to inspect. We thought it would be appropriate for a committee to take a look at this and make sure all the things are appropriate for us.

Miller: I think we will leave that to Mr. Corfman.

Landaw: Would we grandfather the current business in? Would we give them so many days to meet the requirements?

Lutz: Right.

Steiner: Isn't there a problem when a business...I mean, they came in as a legal business whether morally anybody agrees with that or not it was. The state had not ruled on it. They come in as a legitimate business, have an investment, their in business and now we are going to start saying well your business plan is going to have to be modified because we are going to take \$1000 from you up front and \$100 a month per machine. Isn't there anything wrong with that?

Lutz: From a moral standard?

Steiner: No, from a legal standpoint?

Lutz: I think we should do it just like the state can do it. The state comes in and decides they are going to regulate it. We have to keep in mind also that the state could preempt whatever we pass.

Steiner: Well the state has no clue what they are doing. June 6th I get something from the Attorney General telling me that they are going to send inspectors out to put seals on every machine and they are going to be inspected that way. Two weeks later now they are going to go to a general assembly and tried to get them so they can't have cash payouts. So if they pass that that will effectively kill the machines. People aren't there to take home stuffed animals and stuff. They are there to try and make some money.

Lutz: I will verify whether the existing business has to be grandfathered in.

Steiner: I can see it being used in the future. But I got a feeling that something like the general assembly is going to shut this thing down. If they do just the cash thing, it is going to shut them down. In my opinion.

Miller: If you look what Rittman is doing. They are considering whether to grandfather the business in or not. So I guess based on that it would be up to us. It appears to me that would be our decision.

Lutz: Before next meeting I will verify whether we have to grandfather them or not.

Handwerk: That is why we have three readings. Any other questions?

Baker: Under our definition in here. I just want to understand this does not include games that are similar to what is out at Putt-n-Stuff. By this definition, if you use money for a token. There are no cash payouts.

Lutz: That is why I think it would be appropriate to have this looked at closer. I strongly urge all council members to review that site.

Handwerk: Would this affect any of the games they do at the Fourth of July event?

Lutz: No.

Ordinance K-07

Leathers moved and Landaw seconded that Ordinance K-07, an ordinance amending Section 155.02 of Chapter 155 of the Codified Ordinances of the City of Orrville, Ohio relating to bidding procedures, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Lutz: This is just adding a seventh exemption to the bidding requirements. Section 155.02, Paragraph C.7.

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

Leathers moved and Weaver seconded that Ordinance K-07 be adopted as read. Roll call vote. Ayes all. Motion carried.

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Resolution 24-07

Leathers moved and Miller seconded that Resolution 24-07, a resolution approving the budget for the City of Orrville, Ohio for the calendar year 2008, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Handwerk: We talked about this tonight and we will have our special meeting on that next week.

Resolution 25-07

Leathers moved and Landaw seconded that Resolution 25-07, a resolution authorizing the Board of Control to enter into a contract and/or contracts for engineering the new industrial park from the design phase through construction administration, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Purdy: Even though we haven't purchased it yet, we have legislation for design?

Jewell: This is just the first reading. We will purchase it first.

Resolution 26-07

Leathers moved and Weaver seconded that Resolution 26-07, a resolution to oppose SB 117, proposed legislation to de-regulate the cable industry in the State of Ohio, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Lutz: I have some information I provided to council through my e-mail. The way I understand it is if you have AT&T in your area that you could actually have less competition. It would be more of a monopoly to Armstrong. I think that is the way I am understanding that. As it is currently written I think it would be appropriate to pass saying we oppose the legislation as currently written.

Handwerk: I know Mr. Corfman was in favor of this. He told me that before he left.

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

Leathers moved and Baker seconded that Resolution 26-07 be adopted as read. Roll call vote. Ayes all. Motion carried.

Resolution 27-07

Leathers moved and Landaw seconded that Resolution 27-07, a resolution authorizing the Public Utilities Board of Control to advertise for bids and enter into a contract and/or contracts for repair and upgrade of the power plant cooling towers, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Landaw: Director Preising's June 12th memo explains this very well. Estimated \$\$225,000 to repair and upgrade the cooling towers at the power plant. There are two additional parts of the project that we are not going to be approving – internal fire protection system for \$30,000 and asbestos abatement for \$23,000. The Public Utility Board has already approved those two portions and recommend we approve this legislation and get these repairs done. Some parts are in very rough shape. It will be in the fall during the fall outage.

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

Leathers moved and Baker seconded that Resolution 27-07 be adopted as read. Roll call vote. Ayes all. Motion carried.

Good of the Order: None.

Baker moved and Leathers seconded that the council meeting be adjourned. Ayes all. Motion carried. Council was adjourned at 8:05 p.m.

Tamra Peppard, Clerk of Council

Date

Dave Handwerk, President of Council