

Regular/Public

July 7, 2008

President Baker called the meeting to order. Pastor John Beck offered the prayer. The Pledge was recited by all.

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

Aspiras moved and Landaw seconded that the minutes of the June 16, 2008 regular meeting and the June 23, 2008 special meeting be approved. Roll call vote. Ayes all. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller reported that on June 23rd there was a Finance Committee meeting for a workshop on the 2009 Annual Budget that took place after the special meeting for the second reading of that budget and it will be on third reading here tonight. I am also calling for another Finance Committee meeting prior to our next City Council meeting, Monday, July 21st, at 6:00 p.m. for the purpose of discussing the Capital Improvement account. There was some interest in that at the last Finance Committee meeting.

B. Utilities – Mr. Landaw had no report.

C. Health & Safety – Mr. Corfman thanked the firefighters and police for all their efforts for the parade and the festival; especially all the work that goes into it. It is a lot of work for all of them, but the Fire Association does an excellent job. I would like to remind that this Friday, July 11th at 5:00 p.m. there will be a seminar at Heartland Point and it is free. You get all the advice you want or questions answered about bike commuting, running your errands around town on bikes. There are a lot of myths about it; we are going to try to dispel that. It is much easier than people think and at \$4 a gallon gas it doesn't take long to pay for itself. A number of bike commuters will be there to answer questions. Mr. Vance and I will also be there, dedicated bike commuters that we are. Finally, I would like to thank the City of Orrville for the excellent reception for GOBA. I would like to thank John Lorson for an excellent job of organizing the City. The City did great. You see a lot of little towns on that ride and we definitely shined. There were some hard acts to follow, but we did well.

D. Parks and Recreation – Mr. Aspiras had a few comments to make. Adding to Mr. Corfman's thank you to last week's Orrville Celebration Week, 4th of July – special thank you to the Orrville Firefighter's Association for hosting a successful and fun week and as Mr. Corfman said, thank you to the Orrville Police Department, all of the city workers, the many businesses, and the Orrville citizens for also contributing. I did speak with Police Chief Carozza about the 4th of July week here in Orrville and he said "the night of the parade and fireworks went very well and within the parks it was one of the best years he has seen in a long while." I also spoke with Ron Ballentine, the City Safety Coordinator, and he mentioned he was very pleased with how well the week went. As far as anything that could have gone better, I was told by more than one city official and I witnessed this myself, that the trash and littering could have been improved and the recycling containers had many non-recycled items in them such as food items. There was some positive feedback that I did get concerning Orrville Park from outsiders and I will share a few things. I spoke with John Lorson also who spoke with many of the GOBA riders during their

Regular/Public

July 7, 2008

June 20th visit here in Orrville. Some of the GOBA riders said “they love Orr Park and being here in Orrville” and it was their favorite stop during their five city trip. John wanted me to pass this thank you on to the City Council, the Directors, and everyone else who helped make the Orrville GOBA visit a success. Mayor Handwerk had also told me that some of the out of town ASA softball teams that participated in last week’s tournament were very complimentary on our main diamond and its surroundings. I just want to add that Orrville is an excellent community that we all should be proud of. I know we all want to keep it an excellent community. The 2009 budget is a challenging one that includes cuts and postponements of some projects; mainly repairs and replacements within our parks and recreation area; therefore, I ask all citizens, including myself, to continually respect and take care of these parks and work together so we can enjoy it now and have it for the next generation. Finally, I would just like to announce there is a Parks and Recreation Committee meeting next Monday, July 14th, immediately after the Utility Board meeting; targeted for 6:45 p.m.

E. Transportation – Mr. Shupp had no report.

F. Planning – Mr. Vance had no report.

G. Ordinance & Personnel – Ms. Leathers had no report, but dittoed the comments made in regard to our 4th of July festival. I, as some of you know, work in Wooster and I went to work this morning and I had more than one person tell me that Orrville’s fireworks were much better than Wooster’s fireworks so I was proud of that as well and there were a lot of people from the Wooster area who visited our town, our city last week and they said the parade and the festival and everything is just top notch.

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Handwerk congratulated Jay Lax on his retirement from the Police Department after 30 years with our police force and we wish him a happy retirement. Also, along with the same sentiments everybody else, just congratulations to our Firefighter’s Association for such a great fireworks display and a great week at the 4th of July festivities. I don’t think a lot of people realize how much our different departments in the city work together for that from the beginning. A couple weeks ago I noticed our electric utilities guys out there getting all the electric poles out there and getting the hookups ready so all the equipment can be run out there and then also our service department with all the extra help they need to be picking up the trash and the extra help we get from the lifeguard staff and the pool staff and the park staff to help keep the place clean especially during the week long festival like that. Our police department and I know I talked to Chief Carozza also and he said it was a very good week as far as not having too many problems with anything that we don’t want out there such as fighting and so forth. We are glad for that. And all the extra hours the police force puts in and again also our firefighters. I can’t imagine there are any cities around of 9000 people that not only has a volunteer fire department like ours, but on that fire department has four certified pyrotechnicians that actually do the fireworks. We are not paying someone to come in and do those. Our guys do those themselves and not only are they setting that all up. Taking two or three days to do that after they go to New Castle, Pennsylvania, to pick them up; two hours each way; drive the trucks back; set all that stuff up. They are away from their families a lot so all of us can enjoy the festivities down there and so we certainly appreciate that. Our certified pyrotechnicians are Charles Beck and Todd Carr who actually made two trips to New Castle this

Regular/Public

July 7, 2008

week and our guys are doing Shreve's fireworks this coming weekend; Kevin Baldwin and of course Ron Ballentine. Again, we sure appreciate all the work that all the firefighters did so that all of us could enjoy the whole week like that and it was a great display of fireworks.

B. Safety Service Director- Director Jewell had a couple items for City Council and the general public. A couple weeks ago we became aware of the fact that we have gypsy moth invasion that has happened in Orrville. They have been moving this direction. They finally have been located here in Orrville mainly at our park and also there is one tree at the fire station and that is pretty heavily infested. The gypsy moth – I gave everyone an information sheet from the Department of Agriculture and it talks about the life cycle. Right now they are in the caterpillar stage and pretty soon they will be the actual moth stage and then they will be laying their eggs. We had someone from the Department of Agriculture come to Orr Park last week and take a look at what we have here. He said we really have what he would consider slight to moderate infestation here and we really don't have them very bad. He came up with some suggestions for us. One of those suggestions is that we look at an area, a contiguous area, that is around 50 acres which could be our park system and put in an application to have them come in and do a survey. After the leaves fall off of the trees they would come in and survey the egg masses and if they count a certain number of egg masses per acre; I think it was over 200; at that point we would be eligible for spraying next year and if we do the spraying program the Department of Agriculture right now has funding to pay for half of it and then the City would pay the other half. If that funding dries up then the city would be responsible for paying the whole thing if we choose to treat. I just wanted council members to be aware of it. I wanted the public to be aware of it. If you see those gypsy moths, you will know what they are. Once you have them they are pretty much there. It is just a matter of trying to control them and keep the population down. They will defoliate trees. They mainly like your hard wood trees. The ones at the park that were infested were oak trees. The gentleman from the Department of Agriculture said that a healthy tree can be totally defoliated two years and still survive so it is not such a thing that it would kill them in the first year, but if you have trees or other plants that are not healthy it could be an issue in that case. There is a website – ohioagriculture.gov/gypsymoth. There is additional information there about the programs and about the different pesticides they use to control the gypsy moth. As Mayor Handwerk mentioned, Jay Lax retired from the Police Department and he was Captain. He retired June 30th with over 30 years of service to the city. Then on July 1st Matt Birkbeck was sworn in as our new captain. If you have a chance to see Matt maybe you could congratulate him on his recent promotion. Everyone has mentioned what a great time we have on the 4th and I just want to echo what everyone else says about the fact that it takes all the different departments to make is a success. It is led off with the Firefighter's Association, the Parks Department, the Service Department, the Police Department, the Utilities Departments. It is really a good showcase for Orrville and I just want to thank everyone that was involved with that. I also want to thank everyone who was involved with GOBA. I thought it was fun to have the GOBA riders in town for day and I hope when they start looking in a few years for northeast Ohio maybe they will choose Orrville again. The last thing I wanted to mention was more of an alert for businesses regarding some recent breaking and enterings. We have had some B&E's here in town so I asked Chief Carozza if he would speak just a moment and bring you up-to-date on what's happening with the breaking and enterings.

Carozza: Over the last couple weeks we have had several burglaries within our community. We had two last night. What we are asking our citizens to do is if they see suspicious persons or vehicles after hours near a business if they would call. They could remain anonymous. It is not an inconvenience; actually it is extremely helpful. We are sharing our information with other law enforcement agencies because this is a countywide problem. Again, if you have any

Regular/Public

July 7, 2008

information, please don't hesitate to call us because we will follow up on every lead. Any questions?

Aspiras: Would this be like we are seeing commercial, residential, a mix of both?

Carozza: This is commercial within our community.

Vance: You mentioned Orrville is not alone in this; you have seen other communities experiencing the same thing?

Carozza: Yes. Smithville, Marshallville, the county, Wooster.

Vance: Any suggestions for what these businesses might be able to do to prevent this?

Carozza: To reduce their risk they can make sure their business is well lit outside after hours; keep their doors secure; install an alarm, but I would ask that they do their research first before they spend the money. Make sure they have the minimal amount of money necessary for opening money, if any at all, and if they have a safe make sure it is anchored to the floor.

Miller: Have they targeted businesses in certain areas at this point or is it an all over thing?

Carozza: Pretty much in the downtown district; in that general area. One business in particular off North Main Street. Thank you and again if any citizens have any information what so ever please don't hesitate to notify us. We have additional information on our police blog. If you go to the City's website and go to the police link and you click on the PD blog, there is information about some safety tips and additional information as well on that blog.

Corfman: What is the regular phone number?

Carozza: The regular business line is 684-5025. We also have a tip line 684-5151 and that is 24 hours a day; both numbers.

C. Utilities Director – Director Preising reported that our water well is completely drilled. We are in the process of doing the testing work on it. Preliminary tests look real good. It is not going to be a super producer or anything, but it looks like it is going to be as good as any of the wells that we have. That is just preliminary; we have some fairly lengthy amount of testing to do on it to verify that, but it looks like it is going to be okay.

D. Finance Director – Director Leggett reported he distributed two items prior to the meeting. The first was the Quarterly Investment Report which requires no action from council, but our investment policies require that a report be distributed to council every quarter. Please review that and if you have any questions on investments, give my office a call and we will try to answer those for you. Also, I passed out our 2007 Comprehensive Annual Financial Report. This is the financial report for the City of Orrville for the year 2007. It is audited. The audit letter signed by Mary Taylor, our State Auditor is in the report. Once again we were fortunate we had a clean audit. I am very pleased to report that. Again, if you have any questions on that documents, it is rather lengthy, but those are requirements we are under, but read through that and if you have any questions again give my office a call.

Landaw: Have you had your exit meeting with the auditor?

Leggett: The exit conference with the auditor has not been set yet. When that is set of course council will be invited to that. I have had some e-mails with the State Auditor's staff and they are running behind on that. That is usually done by now; it is usually done by June 30th, but we have not had that conference yet. Thank you for bringing that up.

E. Law Director - Director Lutz had not report.

F. President of Council – President Baker reported that his job during the daytime requires that every so often I get people from out of town that come to visit Orrville. They come to visit our business, but a lot of times, especially after they hear of my position with city council they make

Regular/Public

July 7, 2008

comments about Orrville. I had one fellow last week that made a comment that really struck home for me. We have our Bloomin Orrville and when he came into town; he was from Michigan which is usually a pretty green state; and he says how do you guys keep those flowers downtown so nice looking? He was commenting on how well our downtown looked and I think our Bloomin Orrville project is something the whole town can be proud of because people do notice it. A lot of time, if you are like me, you think well I will help out, I will donate a little bit, but a lot of people, especially the out of towners, notice it. We may get used to it, but those people coming in are not used to it and his comment was "how do you water those flowers all the time" and I said well we have a group of dedicated volunteers that help out with that all year long and we have something we can be proud of. I also had some comments about our 4th of July celebration. One person in particular said they had been to two other 4th of July celebration fireworks outside of our community and they said far and away Orrville's was the best. I think we have a lot to be proud of coming from a very small town when towns much bigger don't put on as good a show or show as much pride as we do.

Old Business:

RESOLUTION 27-08

Leathers moved and Landaw seconded that Resolution 27-08, a resolution approving the budget for the City of Orrville, Ohio for the calendar year 2009, and declaring an emergency, be placed on third reading. Roll call vote. Ayes all. Motion carried.

Miller: We have had three readings and the meeting and I think our questions have been answered so I think we can vote.

Leathers moved and Miller seconded that Resolution 27-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 34-08

Leathers moved and Aspiras seconded that Resolution 34-08, a resolution authorizing the City of Orrville, Ohio to participate in the Northeast Ohio Sourcing Office's ("NEO/SO'S") 2008-2009 Salt Program, to delegate the responsibility for the competitive bidding for the purchase of salt, and to establish the City's salt tonnage commitment for the 2008-2009 season, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Jewell: At the last meeting I was asked how many tons of salt we purchased last year. We purchased 850 tons. Now this year we have a commitment of 600 tons and we have to purchase at least 65% of that and no more than 110%. Right now our salt bin is full. We could not get another load of salt in there if we tried. Mr. Staley made his best estimate of how much we will need for next year and that is where he came up with the 600 tons.

Vance: I noticed all the salt is treated this year. Is that different from previous years?

Jewell: The salt that we are purchasing is treated with an anti-caking agent, but it is not treating with anything else.

Leathers: I just want to make it clear that the 110% maximum is just through this particular program. That doesn't mean that we aren't going to be able to buy salt. Is that correct?

Jewell: That is correct.

Leathers: I just think that needs to be clear for the public.

Jewell: Right. The beauty of this program is the fact that when we ordered it we got a really fast delivery. Many of the communities around us did not have that so it worked out very well. Up through that 110% we do get very good delivery. Now if we needed some beyond that, depending on where other communities are within the buying group there still may be some room within that or we can go onto the open market to purchase it.

Regular/Public

July 7, 2008

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 Landaw seconded that Resolution 34-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 35-08

Leathers moved and Corfman seconded that Resolution 35-08, a resolution authorizing the Board of Control to enter into a contract and/or contracts without bidding for the purchase of three (3) traffic signal preemption systems, to be installed at Hostetler & Main, Market & Vine, and High & Vine streets, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Baker: Any questions? I know Mrs. Jewell described this to us at the last meeting.

Vance: Mrs. Jewell, how long have these units that need to be replaced, how long have they not been functioning?

Jewell: The one at North Main and Hostetler Road I think it was late last year, possibly early this year, we have been having problems with it and it was this year that they determined that it was not functioning properly and would need to be totally replaced. The other two units, we have the preemption equipment purchased, but the cabinets that we have are not compatible with the equipment. The other intersections have never really functioned at all.

Vance: Just so everybody knows, the purpose of these is when volunteer firefighters responding to the fire department when their sirens are on the lights will turn green for them and red for the others. Is that right?

Jewell: That is right. When it does that there is an indicator light on the pole which will tell them the system has read their signal and the system will give them the right-of-way at the intersection. There is a light that comes on to let them know it did receive their signal. It will respond also to police department sirens. It is for emergency vehicles.

Landaw: I know it is a feature our emergency services want and really need, but we are paying a decent amount of money to provide this for how ever many years we have had emergency services responding with sirens and we have not needed this technology. I know it is moving us up to modern times with technology, but on the other hand I see it as something we could save money and not even do at all. I am in support of it. I will vote to support this, but as I sit here this evening I think really though it is something that we maybe could have done without and used the money for something else. I know we are trying to work things pretty tight.

Baker: As a person who has been on the receiving end of a vehicle that had their sirens and lights on and I had a green light and they hit me in the side and I spent some time in the hospital getting sewn up; these things are great. They are worth it and just because so far we have not had an accident that way. It has happened and I know for sure because I was one of them that it happened to. It is great technology. Something I whole heartedly support.

Miller: I just wonder if we could hear from the Chief since he is here with us tonight.

Carozza: I think it is very important to have the device. One of the things the courts have ruled is that the emergency vehicles have to exercise due regard for the safety of other folks and that means that even if we have lights and sirens on if we have a red light we have to come to a complete stop if that is necessary to make sure traffic is clear because if we run a red light, even with lights and sirens on, we are going to be held accountable because we didn't exercise due regard for the safety of others. If we get in an accident then obviously it is going to delay the response time for another police or fire vehicle to arrive at the scene. I think it is very important. If we have that green light, we have the right-of-way. It reduces the chance of getting in an accident.

Shupp: Mrs. Jewell, did they give you any idea of how long these units will last?

Regular/Public

July 7, 2008

Jewell: The unit that we are replacing at Hostetler Road is one of the first ones that we put in and I believe that was prior to 1996 so it is 12 years and that is the oldest one we have.

Shupp: So hopefully we can expect that long or longer out of these newer units?

Jewell: That is correct.

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 Corfman seconded that Resolution 35-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 36-08

Leathers moved and Landaw seconded that Resolution 36-08, a resolution authorizing and empowering the Board of Control to enter into an agreement and/or agreements with the state of Ohio Purchasing Cooperative, Department of Administrative Services to purchase one (1) model year 2008 or 2009 four-wheel drive, dual rear wheel, conventional cab and chassis truck, or in the alternative, to advertise for bids and enter into an agreement and/or agreements for said purchase to include an offset to the cost of said vehicles via a trade-in of a 1986 GMC one ton chassis truck, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Vance: Mrs. Jewell, this is part of our truck fleet I am assuming for the City. Could you describe what a front line truck is?

Jewell: A front line truck is the truck that puts the snow plow on and goes out when we are plowing snow; when we are salting. Today I heard them with the various front line trucks loading asphalt for a job they were doing. They will haul stone. In the fall they participate in leaf pick up. These are trucks we use year round for the various activities. We try to purchase the trucks so we have multiple uses for them. At the last meeting someone asked me the one we purposed to buy the size of that truck and it would also be a one ton.

Vance: Can you describe the condition of our vehicle fleet? Is this a truck that has been singled out as one that needs to be replaced? Is it an ongoing routine of replacing trucks?

Jewell: What they generally do is they look at our fleet. Several years ago they came up with a list and they said we should replace these trucks on a regular basis on a regular schedule. This truck right now is 22 years old. We have put this one off for a couple years and Mr. Staley original had money in his budget this year to replace two trucks which we said we did not have the capital funding to do that so we pulled back and he decided which one of the two was in the worse shape. This vehicle right here is the one they decided they really need to get out of the fleet if they want to have reliability. I can remember this past winter when we had the snow storm that hit us one morning and it lasted the entire day and went into the next day. These trucks have to be out there and all their parts on them are old. You just don't know what is going to break. I usually monitor on the radio frequency when they are out like that and listen. I know at one time we had three different vehicles down. One of those vehicles had slid into a ditch and there were two of them the mechanics had to work on because they had mechanical problems. What happens then you have that many less vehicles out on the road. We try to keep our roads open so that if there would be a fire or squad call we would have emergency access. These vehicles are out there all night long. We keep putting them off. We abandoned our "replace them on a regular schedule" a long time ago and we just replace them when they absolutely need it. I can get more information from Mr. Staley on this particular vehicle we are going to trade in. It doesn't need to be passed now, it can go to third reading and I can get some pictures for you if you would like. I know the last time we replaced a truck that was this old there were numerous patches in the floor of the truck where it had rusted through and we had patched it, but I don't know; I couldn't say that specifically about this one.

Regular/Public

July 7, 2008

Vance: Given our history of maintaining these trucks so well over so many years; I hope my car lasts this long. The heavy use they are seeing year round and then the critical nature of these trucks, especially in a snow storm like we had last year, an investment of \$50,000 if it lasts for this many years to me that is a good decision to make and I wouldn't want to be in the next snow storm and have our truck be broken down and knowing we had the opportunity to have another truck in service at an emergency situation like that knowing that we could have taken care of it and didn't.

Jewell: One other thing I wanted to mention. There were several times during that snow storm when they had calls either for police or emergency squad and they took a plow with them. The plow truck ran in front of the squad. In one case it was a squad and a police cruiser at the same call. We really need reliable equipment. We can wait until it breaks down and absolutely doesn't run, but we try to find a happy medium some place.

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 Landaw seconded that Resolution 36-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 37-08

Leathers moved and Landaw seconded that Resolution 37-08, a resolution authorizing the Board of Control to advertise for bids and enter into a contract and/or contracts for curb ramp improvements for South Main Street, including traffic signal pole relocation at Chestnut Street in the City of Orrville, Ohio, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Leathers moved and Shupp 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 Landaw seconded that Resolution 37-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 39-08

Leathers moved and Corfman seconded that Resolution 39-08, a resolution authorizing the Board of Control to advertise for bids and enter into contract and/or contracts for the resurfacing of Evergreen Drive and a portion of Crestview Drive, and the asphalt overlay of South Sunset Drive, West Hill Drive, and a portion of Crestview Drive, in the City of Orrville, Ohio, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Shupp: Mrs. Jewell, could you explain to everyone the difference between resurfacing and the asphalt overlay.

Jewell: The streets that we are going to put the asphalt overlay is a part of the program that we started several years ago. That program uses that additional \$5 motor vehicle license tax. We take that \$5 and put it into a separate fund and as the money builds up then we can overlay streets. We have done Maple Street, Jefferson, Kirk, South Elm, and Smucker Street. We started with the chip and seal streets that have curb and gutter. That would be the case with the ones we are going to do here. South Sunset, West Hill, and a portion of Crestview are chip and seal and they have curb and gutter so those streets will have an asphalt overlay on top of the existing chip and seal. The other portion of Crestview and Evergreen were newer streets; although put in in the 1970s and it is time for those to be rejuvenated and what we do is we mill of the top 2 1/2 to 3 inches and then we replace that with new asphalt. That is the difference.

While we were in that end of town and we were doing those overlays we also will do, with capital funds, the asphalt replacement on the other two streets.

Regular/Public

July 7, 2008

Shupp: So even the resurfacing will end up with an asphalt surface now that we have gone through the process over a couple of years where we milled it, ground it, and rolled it and chip and sealed it a couple years ago, but if it has curbs it will get asphalt resurfacing now.

Jewell: That is right.

Shupp: I had some people who thought they were going to get chip and seal again and I was pretty sure we were going to do asphalt on those areas because we have done this prior work to these streets.

Jewell: If they want to know what that will look like, if they drive down Smucker Street or the asphalt part of Maple Street. Those are pretty easy to see what that will look like.

Vance: How was this area chosen?

Jewell: What we looked at was first prioritizing all the chip and seal streets based on the ones that have curb and gutter. If they have curb and gutter we know they have a good profile so those are the ones we are going to start with. Eventually the thought is that all streets would have an asphalt overlay on them. It has probably been six or seven years ago that we came up with this list. I don't remember if we looked at traffic counts or not, but we looked at the various areas. I do remember specifically, we did Maple Street first because it does have a lot of traffic on it and we wanted to make sure the street was going to hold up before we started doing a lot of streets with that same system.

Vance: It sound like this is part of a plan to replace chip and seal residential streets with an asphalt overlay; is that correct?

Jewell: Yes.

Vance: Any idea how long it might take before we get to most of or all of the streets in the city limits.

Jewell: The estimate was 25 years with the \$5 tax.

Vance: And we are not on year 24 I assume?

Jewell: No. I think we are on about year four.

Leathers moved and Landaw 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 Landaw seconded that Resolution 39-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

New Business:

ORDINANCE M-08

Leathers moved and Landaw seconded that Ordinance M-08, an ordinance amending Section 151.14 of the Codified Ordinances of the City of Orrville, Ohio, relating to deferred compensation, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Leggett: Council should have received a memo from our Human Resource Manager, Mr. Forrer, in the mail explaining this ordinance and the reason we are requesting it. Mr. Forrer is on vacation this week so I am filling in for him in that regard. I will try to be brief. Section 151.14 is the section that allows the City to participate in the Ohio Deferred Compensation Plan and if you are not familiar with that, that is basically the governmental side of the 401K plans. If you work for a company that offers a 401K plan, municipal governments can't participate in those. We have our own section of the Revenue Code, Section 457. This ordinance I think was passed in 1987 and at that time the Ohio Deferred Compensation Plan was the only plan available to state municipal employees. The State of Ohio determined what that plan would be. The current plan is administered by Nationwide Insurance. It is a fine plan. We have about 75 out of 150 of our employees participate in it. It is a deferred compensation plan and you have a number of options as to how your investments are made. The pension reform act of 2002 was passed

Regular/Public

July 7, 2008

which allowed other groups to establish 457 plans which some did although there wasn't a whole lot of activity in that area. One company called Financial Network of America got together with several of the larger investment firms – Pacific Life, Prudential, Jenworth, Travelers, ING, and so forth and put together an agreement and formed a portion of their company that would allow them to come and reach agreements with municipals like us where they would take one payroll deduction slot in our payroll and then they would allow our employees to invest in a variety; almost an endless number of opportunities in some of these larger firms. This ordinance would allow the Mayor to enter into this agreement. It is a benefit for employees. There is no upfront cost to the City. There is no ongoing cost to the City other than the administrative time in our payroll department to withhold this money and distribute it to Financial Network of America to be processed as the individual employees wished. We had a couple meetings with the firm and the last time they were here a couple days meeting with the different departments to see if there was any interest. We had over 60 people who work for the City who expressed an interest in pursuing this type of opportunity for them. Because of that response that is why we are bringing this to Council. This company in no way gets any type of exclusive rights. If there was another firm that offered a similar thing, we could enter into additional agreements there. We have no guarantees. If they come in and make their final presentation to our employees and our employees say no we are not interested, that is the way it goes. That is really not the case. These meetings will all be at the discretion of our employees. It is like any other investment. It is just financial planning and investing and it is an opportunity for our employees to participate in this. I think that covers the highlights. There is no need to pass this on first reading.

Vance: It seems like it is a lot like a Roth 401K. Would that be accurate or not?

Leggett: I have no idea because I do not have a Roth 401K. It is very similar to a 401K in private industry except you have a tremendous amount of options because they don't deal with just one company. There are a number of companies you can deal with. For example, I have an old 401K from a previous employer. It was originally managed by Schwab. The employer decided to go to Fidelity. I had no say in that so my plan got switched to Fidelity. Now within Fidelity I have a number of options that I could move my investment, but I can't pick the company I want to go with. It doesn't have any income plan for when people retire and so forth. It does not have a loan opportunity, which some of these do. This plan offers a vast number of opportunities to our employees to pick and choose what they want to do that fits their individual. It is deferred compensation so it is tax exempt. It is taken out before taxes.

Vance: It is fundamentally different than the Roth than. The Roth is taxed.

Shupp: Are there any matching funds in this by the City?

Leggett: No.

Shupp: This is just an investment by the employee of his own earnings, correct?

Leggett: That is correct and that is currently how the Ohio Deferred Comp works too. There is no matching funds from the City in that and I think that is the big difference between a 401K and a 457. I don't know of any municipals that match any money like they do in a 401K.

Vance: Are there any advisors this company provides?

Leggett: Yes and much more so than you would get currently with Ohio Deferred Comp. Primarily because of Deferred Comps staff level. We do have people that will come and sit down with individuals from Deferred Comp now. This doesn't replace Ohio Deferred Comp. It is just in addition to. So people who want to stay in their current plan or more than welcome to stay. That option is still there. This office is in Twinsburg. The reference list is a lot of municipals and counties within Northeastern Ohio and yes we would have people come on a regular basis to sit down with individual and talk about the plan; more so than we would now.

Aspiras: Financial Network of America, they are going to administer this program at no cost to the City?

Regular/Public

July 7, 2008

Leggett: That is correct. Their cost, like many of these financial companies, they make a profit but they make it from the investment side.

Landaw: If a group of employees wanted to get involved in a different plan, other than the Ohio Plan or what FNA offers, then you would come to us again with a piece of legislation allowing another company to offer our employees.

Leggett: That would depend on a couple of factors. Number one, how many employees are we talking about. If we had these preliminary meetings and we had ten people come then I probably wouldn't be here with this legislation, but we had over 60. If we had a large number, such as 50 or 60 employees, say there is another plan they are interested in then yes we would strongly consider that. We have a number of what we call payroll slots in our payroll system now where we take money out and disperse to people. Some we are required to by law. Ones that we do that aren't required by law are like our Section 125 Plan which is our medical savings account; we have United Way contributions; we have the college advantage plan so our employees can save for college for their kids. Some of those are voluntary and this would be voluntary. We would also have to see that any new plan had advantages over the current one we had.

Lutz: This legislation would allow us to do another plan without coming back to Council because it authorizes that we can bring in other organizations other than for example FNA. If there are other plans that we think will be beneficial to the employees, this legislation allows us to provide that to them if there was sufficient interest.

Miller: So there is really no downside to the City on this thing, right? This is a company that is giving the employees who we are paying the option of investing that money with them another way. It has nothing to do with the City's money, right? We are talking about the employee's money.

Leggett: That is correct.

Miller: Maybe I am missing something really big here, but why does that require legislation?

Leggett: Prior to the Pension Reform Act of 2002 State and City entities were only allowed to participate in the Ohio Deferred Compensation Plan. This ordinance that we are amending here, Section 151.14, say that we can sign an agreement with the Ohio Deferred Compensation Plan. It doesn't give us the authority to sign with anyone else. Because when that ordinance was passed there was nobody else.

Lutz: Essentially this just adds a third paragraph allowing other organizations.

Leggett: The only cost is what our payroll clerk has to go through.

Aspiras: I did a little bit of research on 457's online and the major difference between a 401K and the 457 is no early withdrawal penalty. With the 401K it is 10% if you withdraw before 59 1/2 years. With this plan you can withdraw prior to that and not pay that 10% penalty. It is a nice option.

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 Aspiras seconded that Ordinance M-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 41-08

Leathers moved and Landaw seconded that Resolution 41-08, a resolution authorizing participation and ratifying prior participation of the City of Orrville, Wayne County, Ohio, with the Department of the Army, Corps of Engineers, for the design and construction of the City of Orrville Raw Water Main Improvements Project, and authorizing the Director of Utilities for the city of Orrville, and other appropriate city officials, to act for and on behalf of the City of Orrville, in executing, accepting or otherwise approving all documents, agreements, instruments, or

Regular/Public

July 7, 2008

other necessary papers required by the Department of the Army to implement said participation in the project, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Shupp: Is it normal to use the Corps of Engineers for something like this?

Preisig: I think on this particular one the Corps of Engineers administers it. The 594 Grant. They make some money off of doing this. Even though they are giving us \$640,000 they are going to keep about \$40,000 for doing what they do. So we are going to get about \$600,000. This allows them to keep the \$40,000 plus they have to do certain things and we have to do certain things. This is basically a federal program and federal programs are like federal programs they have a lot of paper and stuff. We didn't realize we had to do another resolution. We thought we had it covered with our current resolution, but they want this one.

Vance: It sounds like they just want to wash their hands of it. We are going to do the engineering, but then it is all yours.

Preisig: Basically not. Basically their agreement says whatever you do we are going to look at it and we are going to charge you for looking at it. They aren't just giving us the money, there are some strings attached.

Leathers moved and Shupp 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 41-08 be adopted as read. Roll call vote. Ayes all. Motion carried.

Good of the Order:

Vance: A few people asked how the fireworks are funded and the same with Bloomin Orrville really. It is all funded by donations. The City does not give money to that. Mr. Lutz, is there funding still needed for Bloomin Orrville?

Lutz: Yes, we can always use more funding. An easy way to fund is if you are on Orrville Utilities you can simply sign a form and \$1, \$2, \$5, or \$10 will just be added to your utility bill each month. You don't even have to see it; it just keeps going until you otherwise tell Main Street Orrville you want it to stop and it is a great way to donate. We prefer that way of donating because we can usually count on that year to year into the budget for Bloomin Orrville and as long as we are getting sufficient donations for Bloomin Orrville we plan to continually expand Bloomin Orrville and we have some ideas for next year. We encourage anybody who likes to make Orrville more beautiful to go ahead and contribute. We take direct donations also.

Leggett: If someone does want to use that process, that runs through the Main Street Orrville office.

Lutz: The Utility office does have the forms, but it gets run through the Main Street Office and those forms are also at different businesses throughout the downtown.

Vance: And online too, I believe.

Lutz: They are online too at the City's website and Main Street's.

Leathers moved and Aspiras seconded that the council meeting be adjourned. Ayes all. Motion carried. Council was adjourned at 8.40 p.m.

Tamra Peppard, Clerk of Council

Date

Regular/Public

July 7, 2008

Lyle Baker, President of Council