

Regular/Public

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President Baker called the regular meeting to order.

Pastor Newton Brenneman from New Hope Church offered the prayer. The Pledge was recited by all.

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

Aspiras moved and Hamsher seconded that the minutes of the March 5, 2012, regular meeting be approved as submitted. Roll call vote. All ayes. Motion carried.

Corfman moved and Hamsher seconded that the minutes of the March 12, 2012, special meeting be approved as submitted. Roll call vote. Leathers abstained. All ayes. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller reported in tonight’s old business we have third reading on our Final Appropriations which we will vote on tonight. And in new business, we have a couple of finance items that will be addressed at that particular point in time. Also want to give kudos to Director Strimlan and her staff for the City of Orrville receiving a couple of awards here that we actually have received. It’s a Certificate of Achievement for Excellence in Financial Reporting presented to the City of Orrville for its Annual Financial Report fiscal year ended 2010. This is from the Government Finance Officers Association. And also from the Ohio Auditor of State, an Award with Distinction presented to the City of Orrville for excellence in financial reporting for the Comprehensive Annual Fiscal Report for the fiscal year ended 2010. So, congratulations, and on your birthday, no less. I just had to say that. Strimlan: Thank you.

B. Utilities – Mr. Vance had no report.

C. Health & Safety – Mr. Corfman announced Healthy and Safety will have a meeting on April 2nd at 6:45 to discuss the police dog. We will have some guests here to help explain this. It shouldn’t take us too long. It’s at 6:45. That’s right before the next City Council meeting.

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

E. Transportation – Mr. Shupp had no report.

F. Planning – Mr. Hamsher had no report.

G. Ordinance & Personnel – Ms. Leathers had no Ordinance & Personnel report but I would like to thank Mr. Brediger and Mr. Handwerk for being travel partners, excellent travel partners, as we went to Washington DC last week for the APPA Legislative Rally. We were able to meet with Senator Portman and Senator Brown and also with Congressman Renacci’s people. I was very impressed with how well respected the City of Orrville, especially our Utilities Department, the reception we received and how well respected that we are. It made me very proud to be from Orrville. Thank you.

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Handwerk announced that a young man came into the office this afternoon, Matthew Jarvis, that wanted to know if I would announce that April is Autism Awareness Month. In case anybody wasn’t aware of that, that is the case. And also along with Ms. Leather’s on our Washington trip, I would like to thank Mr. Brediger. He kind of serves as our guide as we make that trip every year and he did a particularly fine job this year of making sure we had good weather too. That was about perfect. And it carried over right into Ohio so that is great. Thank you very much.
Hamsher: Because of his sunny personality.

B. Safety Service Director- Director Wheeler announced that Severe Weather Awareness Week is March 25-March 31. Part of this is a statewide tornado drill scheduled for Wednesday, March 28, at 9:50AM. We will participate in that statewide tornado drill. We did receive written confirmation today that we

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have been approved for a \$472,000 grant from the Ohio Public Work Commission for the reconstruction of Mineral Springs. We knew this was imminent but it was nice to see it in writing. Our Street Department is out filling potholes. If you see any that we might have missed, please call 330-684-5060 to report any potholes, but they are out and about. And also our compost center will be open every Wednesday starting April 11. The times are from 7:30AM to 11:15AM and then 12:15PM to 3:00PM.

C. Utilities Director – Director Brediger passed out a couple of handouts to Council. One was on the number of items that were in our briefing package for our visits to the Hill last week. And the second one discusses some updates on AMP, the organization, some of the projects that it's involved in. So if you see anything in there that sparks your interest, let me know. I'll just echo what Ms. Leathers and the Mayor commented on our trip to Washington last week, those visits, you don't go there with a lot of high hopes of changing everything by the time you do get back. It's a lot about the relationships and keeping our face out in front of our elected officials on the Hill and we were very well represented. I think we had 45-50 of the participants from Ohio alone and close to 1,000 participants throughout the country attended the conference and rally. So it's good to get to Washington to see what our folks are doing and to give them some insights and some updates on a couple issues that are important to us back home.

D. Finance Director – Director Strimlan distributed a schedule for an AMP Finance and Accounting subcommittee meeting. Our Finance Department along with Orrville Utilities in conjunction with American Municipal Power will be hosting the Finance and Accounting subcommittee meeting on March 29th from 8:30-3 in the afternoon at Heartland Point. I'd encourage all of Council to attend if you have time. Some of the topics we'll be discussing are the importance of a cash reserve policy, interest rates and markets, we'll be brought up to date on wind and solar projects, also the Fremont Energy Center update and some changes or proposed changes to the AMP credit scoring policy. If you'd like to attend, if you could just let me know by March 23rd, I'd appreciate it. As you know, we did have our pre-audit meeting with representatives from the State Auditor's Office. Prior to tonight's meeting I did distribute a copy of the engagement letter to you so you have it for your records. As you know we don't have a choice, they decide they are going to do the audit for us, we agree to let them do that and we have to sign the letter agreeing to the terms, as well as an estimation of the fees for 2011. They agree to approximately \$35,000 or not to exceed that amount. And that is all I have for this evening. I do have some legislation that will be coming up and I'll speak to that as it comes up on the agenda.

E. Law Director - Director VanSickle had no report.

F. President of Council – President Baker had no report for City Council but extended congratulations to the Orrville Boys and Girls Club. Their auction seats are full for this coming weekend. So, if you didn't get your registration in, you may need to call someone and ask them to bid on an item for you.

Old Business:

ADMINISTRATIVE ORDER 01-12

Leathers: Administrative Order 1-12, an administrative order granting authority to the Public Utilities Board of the City of Orrville, Ohio, to increase water utility fees by six percent (6%) per year for a three (3) year period beginning fiscal year 2012.

Vance: I just wanted to say a couple of things. This is the fifth reading and so it will go in effect after tonight's meeting. We don't need to vote on it. But if this were legislation, we would be prohibited from suspending the rules and voting on it without three readings. And so I simply applied the same logic to this Administrative Order going ahead and letting it go five readings. The Utilities Committee and rest of Council met with Mr. Brediger and we discussed the necessity for this rate increase and given the amount of work that's been done, I think we feel very fortunate to have lower rates than a number of communities in the surrounding area and at the same time have an upgraded infrastructure which many communities do not even though they are paying higher rates. This is a 6% increase on Water rates and just to put that in perspective a little bit, right now the Village of Dalton is looking at a 6% increase for water AND sewer, this is water only. Given the fact that we've had major upgrades done to our water system combined with still reasonable rates, we are going to be well prepared for years into the future with the system that we have now at a reasonable rate for residents.

RESOLUTION 9-12

Leathers moved and Miller seconded that Resolution 9-12 be placed on third reading. Roll call vote. All ayes. Motion carried.

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RESOLUTION 9-12, A RESOLUTION TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF ORRVILLE, STATE OF OHIO, DURING THE FISCAL YEAR ENDING DECEMBER 31, 2012, AND DECLARING AN EMERGENCY.

Baker: Anyone have any questions or comments? Last week we had our workshop where we had a chance to look at it line-by-line. I see no questions.

Leathers moved that Ordinance G-12 be adopted as read. Miller seconded. Roll call vote. All ayes. Motion carried.

Leathers: That concludes tonight's old business, sir.

New Business:

Gault: The fiscal officer's certificate for Ordinance I-12 is on file.

Leathers moved and Miller seconded that Ordinance I-12 be placed on first reading. Roll call vote. All ayes. Motion carried.

Gault: The fiscal officer's certificate for Ordinance I-12 is on file.

ORDINANCE I-12, AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF \$1,300,000 NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF PAYING COSTS OF IMPROVING THE MUNICIPAL WATER SYSTEM BY THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THAT SYSTEM INCLUDING, BUT NOT LIMITED TO, THE DEVELOPMENT OF A NEW WELL FIELD, EXTENDING RAW WATER MAINS TO THAT WELL FIELD, CONSTRUCTING A BUILDING AND A BOOSTER STATION IN CONNECTION THEREWITH AND IMPROVING THE SITE THEREOF, UPGRADING THE CONTROL SYSTEM AT THE WATER PLANT, INCREASING THE CAPACITY OF AND OTHERWISE IMPROVING AND UPGRADING EXISTING RAW WATER MAINS, INSTALLING ADDITIONAL PUMPING CAPACITY AND WATER MAINS, UPGRADING EXISTING WATER MAINS, AND OTHERWISE IMPROVING THAT SYSTEM, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO, AND DECLARING AN EMERGENCY.

Baker: Ms. Strimlan or Mr. Brediger, do either of you have any comments for us?

Strimlan: I can briefly comment. This is the same note that council seen for many years. It's a note that was originally issued in 2008 to finance the water utility projects. We roll it over every year. Last year it was \$1.4 million. Again, we are paying down \$100,000 as we have for the past several years. The ordinance provides that the notes will mature a year from the issuance date. The interest is defined within parameters set forth in Sec. 3. The only two items that are different from years previous, Sec. 6, if you'll note, this ordinance permits the City to offer the notes as an investment for the Treasury of the City or of the Utilities in addition to going out and selling those at private sale or to market, whichever will be more advantageous to the Water Utility. The other item that's different, in Sec. 11, it allows us to retain Squire, Sanders and Dempsey as our bond council. Previously that was a separate document, we've incorporated all of that into this document. This doesn't have to be passed tonight. We can roll over the notes 90 days prior to their expiration. However, the sooner that council can pass this, it allows us that much flexibility in trying to either work this out with our internal treasury investments or negotiate a rate with an independent financial institution or take these to market.

Leathers moved that the rules, regulations, and statutes requiring a reading of an ordinance on three separate days be suspended. Hamsher seconded. Roll call vote. All ayes. Motion carried.

Leathers moved that Ordinance I-12 be adopted as read. Miller seconded. Roll call vote. All ayes. Motion carried.

Aspiras: Before we read the next Ordinance J-12, I would like to make a motion to make some corrections to reflect our March 12th meeting, our discussions and our outcomes from that meeting. That would be under Sec. 1, it references Sec. 181.09. Actually should read 181.14. 181.14 is Allocation of Funds. That is the correct section of the ordinance. Codified Ordinance Sec. 181.09 is the investigative powers and penalty. The other thing if you look down at 181, the Allocation of Funds, under Sec. B and Sec. C, it says 75% and 25%. We need to change the word and just prior to that to 75 and 25, currently it says 70 and 30. So that would match our discussion and outcome from the March 12 meeting. So I make a motion to amend this Ordinance J-12. Corfman seconded. Roll call vote. Ayes all. Motion carried.

Leathers moved to place Ordinance J-12 on first reading. Miller seconded. Roll call vote. Ayes all. Motion carried.

ORDINANCE J-12, AN ORDINANCE AMENDING SECTION ~~181.09~~—181.14 OF THE CODIFIED ORDINANCES OF THE CITY OF ORRVILLE, OHIO, AND DECLARING AN EMERGENCY.

Hamsher: A couple comments, we had our meeting last week to discuss this and Orrville is a unique small town. The June 1, 2010, issue of the Akron Beacon Journal did an investigation of the area cities and viewed that Orrville was one of four towns in about a four county area to increase revenue without

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a tax increase. Three of those towns were because the, as they put it, the cities went on a hiring binge. We have a very conservative administration, our citizens are very civic minded, our tax receipts are increasing, the general fund is healthy today because of teamwork shown by City officials and citizens of Orrville. Currently, 80% of our tax receipts goes to the General Fund. We send the other 20% to a fund for Capital Improvements. Capital Improvements include projects such as street repair, storm sewer repairs, playground equipment, vehicles for our City departments and sidewalk repairs things which help make Orrville a great place to be. We have the ability right now to fund several street projects by utilizing our savings account that is our General Fund. Recently Ms. Strimlan provided a 5-year forecast to council. At our current level of operation, discount to the uncertainty of our State funding dollars, we are projected to stay in the black, the positive, for the next 5-8 years. We take into consideration the possible reduction of State funding and the ambiguity of how the EPA mandates will affect the operation of our power plant and its impact on our City are in the black period, the positive period, about a year or two less. If we do go to 75/25% split as is proposed tonight, that is where 75% of our tax receipts go to General Fund for daily City operations, and 25% goes in Capital Improvements, projections are we will be in the red as early as 2015. I can't, in good conscience, vote for budgetary issue that possibly puts Orrville operating at a projected deficit. I urge Council to reconsider their support of this allocation adjustment. Thank you, sir.

Miller: The particular 80/20 split we have right now, has been that way since 2004 and we have been very fortunate to have a very good General Fund balance for a while now. This is something that we've really been watching for about a year and according to our research and projections it seems like this would be a good time to move that percentage to 75/25 to allow for more capital projects. Specifically to get some more streets fixed which we all know certainly needs to be done. The change, this particular change, would make it easier for Steve Wheeler to plan his capital projects in the next couple years and the General Fund would still have a healthy balance in that time. We'd obviously keep a close eye on it and it can be changed if need be. History shows that we've changed this split every two or three years in the past. It does not have to be passed on first reading tonight. We can have another meeting if Council chooses to discuss this further. I would like to certainly give Ms. Strimlan and Mr. Wheeler an opportunity to comment on this if they so desire.

Baker: Does Ms. Strimlan or Mr. Wheeler have any comments? No?

Vance: I'm comfortable with this arrangement that we have reached. In my view, it's a compromise. There are those of us on Council who would prefer simply to do a one-time transfer and not adjust the ratio the 80/20 split. That would be my preference. Because then we can continue funding the General Fund at the current rate that we are now. There are others on Council who would like to make this split maybe 70/30, maybe even further. And so, in my view, I will support the 75/25 split which is a smaller split than what some council members wanted. With an eye to being able to transfer an additional amount when we know some real costs for some of the paving projects that we have in mind. I anticipate that this time next year, whether or not we adjust the split, or do a transfer, that we're going to be financially at around the exact same number as we would either way we choose to go this time next year. So, we can then re-evaluate where we are and make any adjustments that we need to at that time but if we do a 75/25 split and then transfer an additional amount perhaps sometime in the near future or if we do a larger split, the math works out to about the same a year from now. So, we're going to be in the same place either direction that we go. The most important thing is that we use these funds to their maximum use and still maintain adequate reserves. At this point we are at about 6 months, the action that we're taking now, puts us at about 5 months reserve and I'm still comfortable with that. A generally accepted rule is about 3 months reserve so we are still doing okay that way. We're still in a time of economic volatility so I think it's a good idea for us to maintain healthy reserves, to be conservative, and we're still on that same approach. There is a deficit projected out several years from now. In my views those are worse case scenarios where income is coming in less than we project, expenses are higher than we project, so that's how we end up in the black in future years. So we can keep an eye on those and make adjustments as necessary as we go forward. Thank you.

Leathers: I have a question and maybe I'm not remembering right, but is the Capital Improvement Fund, is our back up fund for our operating fund, I mean it's not a reserve, but we can always transfer money into operating from there? Is that my understanding?

Strimlan: Our Capital is what funds our major projects...

Leathers: Correct.

Strimlan: ...our roads. But we don't traditionally transfer..

Leathers: You don't traditionally.

Strimlan: ...back to our General Fund.

Leathers: But if you were in the black in operating funds, potentially you could. That's not a no-no?

Strimlan: I don't know that. I'd have to go back and see if that's something they've done historically.

Leathers: I don't think they've done it historically. I just remembered hearing, I thought, that that fund could be our backup for operating. And maybe I'm not retaining it well.

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Strimlan: I don't know that. I would have to check into that, if it's ever been utilized in that fashion.

Leathers: I don't think it has. I just remembered hearing something.

Corfman: But we could retro-active as late as December 30, change the split back to the entire year.

Strimlan: Absolutely.

Leathers: Maybe that's what I'm thinking of.

Strimlan: Absolutely. Yes.

Corfman: And cover that way. So it does serve in a way through that motion.

Strimlan: As long as the funds are still available.

Corfman: As long as the funds are there, yes.

Leathers: That must be what I'm thinking of.

Aspiras: To add to your comments, if you look at the spread that Ms. Strimlan gave us as far as the 75/25 split, and you take the 90 days as the typical reserve that the City likes to keep, okay, if we do this 75/25 split, with a 75% reduction in State funding anticipated, we're well over that reserve in 2012 of 90 days. And we are over that reserve in 2013 and then we start dipping into that reserve in 2014. So to Rich's point, and to your concerns, at the end of this year if we wanted to change that or next year, we can do that, correct?

Strimlan: At the end of this year we could change the effects of this year. Yes.

Leathers: But the funds have to be there in order to do that.

Aspiras: Right. Not been spent. And then we can always change appropriations for next year in the split, in next year's budget.

Strimlan: Yes.

Leathers moved that the rules, regulations, and statutes requiring a reading of a Resolution on three separate days be suspended. Corfman seconded. Roll call vote. Hamsher, No. Vance, No. Not passed.

Leathers: That concludes tonight's new business.

Chief Bob Ballentine presented the Fire Department Annual Report slide presentation. Hard copy of this presentation is on file in the Safety Service office.

Miller: Thank you, Chief. I was glad to see the number of fire inspections virtually doubling in 2011. What do you attribute that to?

Ballentine: I've got one guy that's working his 2nd/3rd shift job that can help me out a lot during daytime so if I've got commitments or meetings that I have to go to, I can get actually Aaron Keener comes in and helps me out a tremendous amount of those. And then we double team a lot of them also, a lot of the bigger ones like down Smucker's on alarms and sprinklers, we'll both go down and take care of them together. So I have daytime help that is helping me out a lot on those.

Aspiras: On page 7, you have total number of calls and it's quite a trend. Over the last 10 years it's over doubled. Each year it looks like it's gotten progressively gotten higher. Can you speak for why is that?

Ballentine: Fire alarm drops is part of it with business and industry constructed. A lot of our fire alarm drops were caused by contractors at construction sites, but I really don't see any trends there as far as more house fires or more of anything else, it's just a slow steady growth of everything.

Aspiras: Now do you see anything over those 10 years, things that we can do, especially businesses to prevent some of these as you go to these different scenes?

Ballentines: Just good common fire safety, extension cords and trash containers and stuff like that.

Aspiras: Okay.

Vance: Baughman Township is considering a Central Fire district with Rittman, it's about 8%.

Ballentine: Marshallville?

Vance: Oh, Marshallville, yes. Do you see any impact from that if that were to go through, it's about 8%, I guess of our calls?

Ballentine: I don't think that will impact us at all. I just look at that as two entities coming together to better fund that. So, no, it won't. Baughman Township contracts with four different fire departments right now. They contract with Orrville, Dalton, Marshallville and North Lawrence. So they have four contracts that they have to maintain. Where if they did the district, and were able to put a levy on, that would free them up with having all these fire contracts. It would come out of a fire district levy. I think you are going to see more districts being formed. I've heard there are other ones in the works right now too. But to me that's a financial, a tool, to fund it better. I don't think, when Central formed their district, and Smithville went in with Green and Wayne Township, I believe it was, to create the Central District, it didn't take anything away from us. They still contracted with us, it's just my contract changed from being a contract with Green Township Trustees to being a contract with the Central Fire District. Anything else? Before I sign off, I would like to thank the community and the City and the members of Council and everybody else for their support for my Lt. Kevin Sprowls last week with the tragedy that he went through, the prayers and everything that he received are tremendous. So we thank you.

Baker: Thank you for that report, Chief, we will move on to the Good of the Order.

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Good of the Order:

Hamsher: I think, Mr. President, that I'd like to extend a hearty 29th birthday once again to Ms. Strimlan.

Strimlan: Thank you.

Baker: We were going to sing but we don't want that on camera.

(many chuckles)

Leathers moved and Hamsher seconded to adjourn the council meeting. Roll call vote. Ayes all. Motion carried. Council was adjourned at 8:23PM.

Jeanne Gault, Clerk of Council

Date

Lyle Baker, President of Council