

Regular/Public

April 2, 2012

President Baker called the regular meeting to order.

Councilman Paul Vance offered the prayer. The Pledge was recited by all.

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

Hamsher moved and Aspiras seconded that the minutes of the March 19, 2012, regular meeting be approved as submitted. Roll call vote. All ayes. Motion carried.

**Public Comment:** None.

**Standing Committee Reports:**

A. Finance – Mr. Miller had no report

B. Utilities – Mr. Vance had no report.

C. Health & Safety – Mr. Corfman announced Healthy and Safety had a committee meeting before this council meeting where we were given the details on the acquisition and how we would use a canine unit in the Police Department. It was presented by Chief Matt Fisher as well as our own Chief Dino Carozza. Matt Fisher is the Chief in Wooster by the way, we don't have two chiefs. Any further questions by Council we would ask you to direct them towards Steve or the Chief. Thank you.

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 report.

**Special Committee Reports:** None.

**Administrative Reports:**

A. Mayor - Mayor Handwerk mentioned that 3-4 weeks ago a resident called wanting to express concern for not having any central information site. And this is a family with younger children. For example if they wanted to find out what activities were available at this time at the Boys Club or the Y or church activities or youth baseball. And so we have in the last few weeks, Karen Flinner has agreed to sort of undertake that responsibility and so we now have that information on our City website, there is a link to that that people could go to our City website and then find all of this stuff together instead of having to look at all the different website if you are interested in looking for that. And that includes Library, Heartland Point, those sort of things. Now the only drawback is this website will only be as good as what information is provided to us. So, if the Boys Club for example or Youth Baseball has a signup date coming up, it won't be on our website unless they call Karen and give her the information. And I've made a personal call to all of these organizations to ask them if they would be willing to do that and they all

## Regular/Public

April 2, 2012

said yes so hopefully that will continue. But again that is available out there now for people so that they could go just to our website and hopefully get all of that information instead of searching for it in all the different places. I just wanted to let people aware of that, that it is now available.

B. Safety Service Director- Director Wheeler said they met with school officials last week regarding reconstruction of the project, the reconstruction project on Mineral Spring Street, which is scheduled to start late this summer. We had a several hour discussion actually and we did agree to meet again in May after some analysis by school officials regarding buses and where those might drop off and pick up. So as a result of that, I will come to Council in May and update you on what the school and the City has decided regarding how to handle that in various phases. Also at the request of citizens we have started a Facebook page specifically for the Orrville Dog Park. This page is called Orrville Dog Park. We got very creative with that one, I know. It's actually going to be a really useful site/location for dog owners to communicate and make plans with other dog owners to say hey, when are you going to be there? It's a great way for folks to meet up with neighbors and their dogs. That site is up and running and already has a pretty decent following so far.

C. Utilities Director – ,Director Brediger had a couple of updates from the Utility Board meeting last Monday night. We did report to the Utility Board that since the Fremont plant has been in operation, January 21<sup>st</sup> of this year, we have imported all the energy, our portion of that energy, from that project since the beginning there. That project continues to over perform in its delivery of energy and that's really supplemented by the lower natural gas prices that we have today. We also updated the board on a delay on the Prairie State Unit 1 generation project. That unit was planned on being placed in service in March of this month. That start up will be delayed until June. That should coincide with the Unit 2 start up. There were some issues in some of the environmental control equipment not performing up to the manufacturer's expectations. That will not have any impact on our day-to-day energy needs for a while. The Board is also taking a look at an opportunity to participate in a wind generation project up in Northwestern Ohio. We'll be presenting more information at the next Utility Board meeting concerning that. Concerning our Energy Efficiency Program starting this year and rolling through most of this year, we'll see a more kicked-up effort on the residential energy efficiency programs. You will see more coupons, some more opportunities at the residential level to take advantage of the program that has been in place for about a year now. We're continuing our efforts on commercial and industrial projects. We have 16 projects that are still in the queue. Those industrial/commercial projects are doing rather well and they have some very terrific paybacks with the incentives and rebates that are being offered for that. Prior to tonight's meeting, I did distribute the Utilities Annual Report. So as you look through that report if you see any questions or have anything, please let our office know.

D. Finance Director – Director Strimlan mentioned that we did have our Finance and Accounting meeting with AMP last Thursday. It was well attended and very informative. If any of you would like copies of that information, let me know and I'll scan that in and send it to you. I think all of our out of town guests enjoyed their visit to Orrville and were most impressed with the facilities and we took a trip to the Smucker store and they certainly enjoyed that. Also, prior to tonight's meeting I did distribute the Fund Balance Report as of Feb. 29<sup>th</sup> and I would ask for a motion to approve that report subject to audit.

Miller moved. Vance seconded. Roll call vote. All ayes. Motion so carried.

E. Law Director - Director VanSickle had no report.

Regular/Public

April 2, 2012

F. President of Council – President Baker discussed when we get to Old Business you will notice that Ordinance J-12 is back there again. The reason for that was an error on my part at our last meeting. We had a motion to suspend the rules. That requires a minimum of a 6 person Yes vote and we only had 5 and I did not catch that until afterwards. So I just want to let everyone know that's the reason that Ordinance J-12 is back on our agenda again this evening. We will now move to old business.

**Old Business:**

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

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

Miller: We've had a good deal of discussion on this ordinance. I've had several positive comments from citizens about this actually in the last couple of weeks. Let me be clear this can go three readings. This does not have to be voted on tonight. We want everybody in Council to be comfortable that their questions and concerns have been answered so if it's Council's pleasure to have another meeting of the Finance Committee to address those things before third reading, we have next Monday to do that. So that is definitely a possibility if we are so inclined.

Mayor: I would be in favor of that if we could, if anybody else wants to have a meeting.

Miller: I would certainly extend that courtesy. Let's go ahead and do that then just plan on meeting next Monday after the Utility Board meeting, directly after that.

Baker: For this evening, does anyone have any other comments? Nothing from Mr. Wheeler or Ms. Strimlan? We'll wait until the meeting?

Strimlan: That's fine. Thank you.

Leathers: That concludes tonight's old business.

**New Business:**

Leathers moved that Resolution 10-12 be placed on first reading. Corfman seconded. Roll call vote. All ayes. Motion carried.

RESOLUTION 10-12, A RESOLUTION AUTHORIZING THE SAFETY-SERVICE DIRECTOR TO ENTER INTO A CONTRACT RECEIVED FROM LAWHON AND ASSOCIATES, INC. FOR WETLAND DELINEATION AND PERMIT APPLICATION FOR THE PHASE II LOOP ROAD PROJECT FROM NORTH MILL STREET TO APPLE WAY, AND DECLARING AN EMERGENCY.

Wheeler: This new business is directly related to moving forward on the permitting and design of Phase II of the loop road. As we move forward we are going to need wetland permits. There are two different kinds of wetland permits and those permits are based on the amount of impacts that the new construction, in this case the road, will have on the wetlands. As of right now we are still assessing the wetlands and not sure of the significance of the impact. Regardless, the minimum impact will still require a nationwide permit and the nationwide permit under this proposal is just under \$9,000. If we have a need for a more extensive permit which is the individual 404 and 401 Water Quality certificate, it will cost \$15,000 and that is through Lawhon and Associates. This is their expertise, if you will. They also have a really good relationship with the company that did some existing wetland delineation at that site which should help us in regards, one moving forward quickly, but also two in the assessment. This

## Regular/Public

April 2, 2012

project, this particular portion of the Phase II project, has been specifically budgeted within our capital budget. We sort of knew this was coming and it was just a matter of keeping the project moving forward with permitting. Often times these types of permits can take up to a year which is why we are trying to keep it moving forward. It does not have to be approved tonight. We will just get started on it whenever it is approved.

Miller: Mr. Wheeler, either task 1A or task 1B permits need to be issued, but not both and we just got this tonight so I haven't read it, frankly, but how is that determined?

Wheeler: It will be determined based on what the wetland impact is, the impact to the wetlands based on the location of the road. We do have the ability within this project to move the road to some extent here or there. How far we would have to move it East off of Apple, obviously, there is not a lot of flexibility there because of the creek adjacent but on the back portion which is where Ross Sandcasting recently was, there is some ability to move it forward or backward. We are going to try to minimize the impact to the wetlands. Our goal is to go with the minimum permit needed one not only for the environmental reasons but two economics as well as our ease of construction as well. Initial purview if you will, of the wetlands is that we would be able to do it under the nationwide permit but I want the ability to do it under either just in case.

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

Leathers moved Resolution 10-12 be adopted as read. Vance seconded. Roll call vote. All ayes. Motion carried.

Leathers: That concludes tonight's new business.

Janet Strimlan presented the Finance Department Annual Report slide presentation. Hard copy of this presentation is on file in the Clerk of Council office.

Debbie Newman of Productive Capital Management, Inc. gave a presentation on the City's investments: Good evening everyone. I am with Productive Capital Management. We are located in one of the Westside suburbs of Cleveland, Ohio. We've been investment advisors for the City here for about 18 years now, very happy to be working with the City. I put together a little booklet, just to kind of give you a little bit of update what's happening here in the economy. Obviously we've gone through a recessionary period here in 2007-2008. We've all felt the effects of that personally and businesswise. We're finally starting to see a tiny bit of growth here in our economy. I can't say its gang busters but we're finally starting to see positive growth in the economy. GDP is one of the things the Feds look at when they're thinking about what they are going to do with interest rates. GDP really is the growth of our economy. And finally after having negative quarters, we're finally up to about 3% kind of quarterly growth rates. You like to see that. On an average if you can see 3% and higher type of growth rates on a quarterly basis, it means you've got an economy that's growing. So it's a positive thing, finally. We didn't seem to see a consistent type of number here for a while and finally we're seeing some consistent growth out there. Other factors the Fed looks at in determining what's going to happen with interest rates is inflation. We really haven't seen a lot of inflation out here. Of course all of us see gasoline prices rising here. The Fed looks at that as kind of a little bit more of a cyclical type of thing. They look at food and energy prices as being a little bit more cyclical. Other prices out there in the economy really haven't risen there so we really haven't seen a lot of reason for the Fed to kind of be a little afraid that we're really getting into a lot of inflation here. So that doesn't signal for them to have to raise interest rates here which is fortunate and unfortunate. The other factor the Fed always looks at, they met a couple

## Regular/Public

April 2, 2012

weeks ago, one thing they are always looking at is obviously employment and unemployment. We're finally also seeing improvements there. Unemployment rates here in the United States it's at 8.3%. During the recession that we had, we had hit a peak of like 10.2% unemployment rate here in the United States. So, obviously a great improvement from where we've come from, but we've still got quite a few people here unemployed. We still have 12.8 million people in the United States that are unemployed. Big number but yet if you look a year ago we had 13.8 million people unemployed in the United States, definitely a big improvement. On an even better note, Ohio has really done much better than the rest of the states in the United States. Our unemployment rate here in Ohio through February is at 7.6% compared to the 8.3 of the national. So obviously Ohio is doing better. You can see here in the City of Orrville things are doing much better also. In fact, even both January and February Ohio was one of the leading states in the country as far as job growth is concerned, great things to hear. But on that same note, the Fed comes back and tells us, well, things are slightly getting better but we still think we are going to keep these interest rates really at these low levels till about the end of 2014. So just when you think okay maybe they are perceiving things to get a little bit better, interest rates should start coming up, the Fed is still saying we're not feeling it yet. We're still feeling like we've got, we are not getting that consistent story out there yet. And things are slightly better but not good enough to start raising rates. So we may continue to see these low rates for another year and a half before we are going to start seeing improvement. In the book that I handed out, I always put a little map here of Ohio, the State of Ohio so you can see what other counties unemployment rates look like compared to Wayne county here. And Wayne has always done much, much better than the rest of the state. So that's always a positive. Interest rates, we've stayed a little bit shorter term, I think our outlook is that we've probably got a little like a two year type of horizon before we start seeing rates come up to any magnitude that makes much difference here. So we've tried to keep the investments a little bit shorter term to take advantage of when that rate move starts coming. Right now we look at like Treasury rates out there, the two year Treasury note is at .32%. That's not even a 1%. It's .32 on a two year Treasury. Obviously other investments that we can invest in are very comparable type of rates to that. I listed in here per the Ohio Revised Code, they give us a schedule of the type of investments that we can purchase for the City, very conservative fixed income type of investments. Treasury's, US agencies, commercial paper which Janet had gotten her certification for, collateralized CD's which means the banks that we buy from have to have collateral backing those CD's, also the CDARS program which is an FDIC insured program. And that's really kind of the limitation of the types of securities that you could purchase. The only other thing that you can purchase is debt of the State or here in the City of Orrville which doesn't come around all that often. These rates are extremely low especially on the shorter end of things. We look at collateralized CD rates out in 3 months, their rate is at .05. Kind of hard to stomach sometimes but unfortunately that's where our markets are these days. Even in looking out to two years, the best deal that type of security can buy is like a .4% yield. Not even seeing 1% until you're out about 5 years in maturity. We think going out that far is actually just adding risk at this point so we would prefer to stay a little bit shorter at this point. I'd like to give you a little bit rosier picture but unfortunately I think we've still got a little bit longer before we're going to start seeing an increase in rates and Janet was trying to tell you that these rates were going to just come up here and we were going to do a lot better with our interest income but I think at this point when we're at kind of these low levels preservation of principal and safety is probably the bigger issue that you want to look at and taking your portfolio out too long just to try to get a little bit more yield actually just adds risk. So we would probably recommend that shorter type of maturity at this point. I also listed in here the current portfolio. I think Janet's report was as of the end of the year. We have added some more agencies securities in, a little bit more of the CDARS product in and a little bit more in commercial paper into the portfolio. I also listed in here your investment policy which is sort of the guideline that I go by. I use the Ohio Revised Code which tells us

Regular/Public

April 2, 2012

everything we can purchase and then I also use your investment policy which sort of is, it is a little bit more, I guess, restrictive than the Ohio Revised Code. The Ohio Revised Code tells you what you can and can't purchase but then your policy will actually tell you the final things that you've decided on that you want to be able to purchase in your portfolio. We're very happy to be working with the City and have been a wonderful client. Janet is great to work with and we're going forward. We're hoping a couple years from now that we are going to start to see a little bit of increase and yield in the portfolio to give you a little bit more interest income. But we think our time on this is going to be a little bit longer here before we start seeing that mount up. Any questions from anybody? Thank you very much and I appreciate all your business and I hope Janet's right that this happens a little sooner than later. Thank you very much.

Baker: Welcome back everybody. Thank you to Ms. Strimlan and Ms. Newman for those reports.

Strimlan: Thank you.

Baker: Always interesting to hear what's happening with our money.

**Good of the Order:**

Miller: Of course, this is Holy Week and Orrville Ministerial Association will be sponsoring a community Good Friday service this Friday, April 6<sup>th</sup> at 7 p.m. at Orrville Christian Church. This Friday at 7 p.m. and we hope all of you will consider attending that. Thank you.

Leathers moved to adjourn the council meeting and Corfman seconded. Roll call vote. Ayes all. Motion carried. Council was adjourned at 8:27PM.

\_\_\_\_\_  
Jeanne Gault, Clerk of Council

\_\_\_\_\_  
Date

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