

## Regular/Public

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Council President Baker called the regular meeting to order.

Pastor Brad Dews offered the prayer. The Pledge was recited by all.

Roll call: Shupp, Vance, Hamsher, Aspiras, Corfman and Lorson were present. Wilson was excused.

Vance moved to adopt the minutes of the December 1, 2014, regular meeting be adopted and Corfman seconded. Roll call vote; Aspiras abstained; all remaining, yeas; motion carried.

### **Standing Committee Reports:**

No report for Parks and Recreations, Transportation, Planning, Ordinance & Personnel.

Finance – Aspiras: Thank you, Mr. President. Finance has not met as of recently. All we have tonight on the docket is third reading, Temporary Appropriations 47-14 for the 2015 temporary appropriations. I think we've had plenty of opportunity to discuss that, workshop, third reading but if there are any questions I am sure Ms. Strimlan will be happy to answer those. Other than that, that's all I have. Thank you.

Utilities – Corfman: Thank you, Mr. President. I have no report but look forward to the positive news from Director Brediger about a power cost adjustment. That's all.

Health & Safety – Vance: Thank you, Mr. President. The Health & Safety committee has not met but I just wanted to spend a moment and talk about a concern I have. Our finance director, Ms. Strimlan, just gave us tonight a fiscal note and local impact statement of House Bill 5 which is now before the governor. The concern that I have about this is just the erosion of home rule that the State legislature continues to embark upon. This is the last of three or four measures they've taken in the past few years that are eroding home rule authority of local municipalities. And this one here in particular, HB5, says that we have to conform our local taxing system must now conform with what the legislatures in Columbus are now determining, taking that control out of our local municipalities hands. In Orrville we have a very low income tax rate; it's only 1%. Only 5% of communities in Ohio have a lower income tax rate than Orrville. The state legislature in the name of increasing our business competitiveness is now taking steps that will reduce our income tax even further; our collections from income tax even further. If you're another community that's charging 2%, 3%, 5% or higher local income tax rate that's one thing. But we're already at a very competitive rate and in Orrville we are very competitive in the business from the business standpoint. And for the legislature to say, no, we know better than you how to have a more effective business climate in your local municipality is really rubbing me the wrong way. And we talked with a number of our legislatures about this issue; Senator LaRose was here in town. I've talked with other legislators myself. Just very little political will to stand up and say no, let's maintain home rule authority for those communities who are set up that way. Instead they're listening to business interest and other local, other political action groups and just pretty much doing whatever they want. And that has real impact for local municipalities. We have home rule established for a reason and that's so that local communities can establish their own procedures and their own tax system so that they can become more competitive in their own localized business environment. We have done that here in Orrville and yet the legislature continues to tell us that we can't do this, we can't do that, and we can't do that. And I am just opposed to what the Ohio legislature is doing and the lack of will of our legislators in the state house to stand up and maintain home rule authority for those municipalities who are established that way. A second issue is legalized gambling. I know in my job I travel throughout the State of Ohio and I see all these gambling parlors continue to pop up even though legislators addressed it a couple of times

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over the past several years. There are still loopholes in the Ohio state law and these gambling parlors, they open up, they know it's only going to be for a few months because the law will eventually change and they'll be run out of business again. But there are loopholes in the law that the legislature can close very easily and they still refuse to do that because again, a lack of willingness to go up against all the other special interests that are in our state. And here in Orrville, this council passed two moratoriums on internet sweepstakes gaming. Twice we passed those moratoriums. And here again one of these operators found a loophole, another little variant in these gambling parlors, came in, and because of the loophole, their request for a zoning variance was granted. And my desire is for this council to look at the authority that we have. We are granted home rule authority. It's in the Administrative Code of the State of Ohio, and to use that authority so that we don't have to sit there and sit by while all these other interests come in and tell us what we can or cannot do. And so we still have that authority when it comes to legalized gambling and I hope that my colleagues on Council will join me in wanting to find a solution for this problem. And I know I've been in conversations with our law director and she's talked with some folks in Columbus and we found some resources that can help us here. But we feel that legalized gambling is bad social policy and its bad economic policy. And we have the ability to address this problem and so before the legislature continues to take more and more steps as they have been doing over the past several years to erode our home rule authority, let's use it while we have in a responsible way and begin to enact some legislation that will be best for our community. That's what home rule is all about; this will be to localize state laws to be most effective in our community. So this has been bothering me and when we got this summary here again tonight, so I just wanted to make my views known on that and I appreciate all of you for listening to all of that. Anyway, thank you. That's all I have and I hope to follow up on this legalized gambling thing here in the next several weeks. So, thank you.

**Special Committee Reports:** None

### **Administrative Reports:**

Mayor Handwerk: Thank you, Mr. President. I have several committee and commission appointments that I need Council's approval for tonight as we go into a new year, approach a new year. Some of the do need your approval others are given to you just for information sake as they do not, by our charter, need Council approval. The first one is for Public Utility Board; we had one position there that the term was up this year and that is for Gary Gossard and he is willing to serve again. So that would be my first request is approval for that appointment. Corfman moved to approve Mr. Gossard for another term on Public Utility Board; seconded by Hamsher. Roll call vote; all yeas; motion carried.

Mayor: Mr. Gossard has served on there for another term before, maybe part of another term before that. And he's done a very good job, he's a very good information person for that. Second one here is for the Board of Zoning Appeals and we have two people that their term has expired and they are willing to serve again. And again both of these folks have done a fine job, Kevin Domer and Mr. Al Lehman. Hamsher moved to accept the recommendation; seconded by Vance. Roll call vote; all yeas; motion carried.

Mayor: The next one I wanted to just relay here is for the Planning Commission. This one does not need Council approval but Ned Hostetler's term is up and he wished to still remain on the Planning Commission so I've asked him to do so. And then another one for the Civil Service Commission, we were very unfortunate loss this year with Morgan Winget passing away and we have Arlin Steiner who is one of the partners at Venture Products is going to take his place on the Civil Service Commission. And there are still a few more here. Street Tree Commission, this one does need Council approval and two terms

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were run out there, Esther Leggett and Sue Vernon. Both have agreed to serve again. These are three year terms for this. And I do need Council approval on that one. Corfman moved to reappoint Esther and Sue to the Tree Commission; seconded by Aspiras; roll call vote; all yeas; motion carried.

Mayor: And the last one is our Design Review Board, this also requires Council approval. We have actually four people; Steve Snyder, Council Representative Mike Hamsher, Sue Ann Werntz as a realtor all have agreed to serve another term and then Audrey Merkle was asked to replace Marie Moore who was unable to finish out her term because of a job restriction. So those would be the four. Steve Snyder, Mike Hamsher, Sue Ann Werntz and Audrey Merkle. Aspiras motioned that Steve Snyder, Sue Ann Werntz, Mike Hamsher, and Audrey Merkle be appointed to Design Review Board; seconded by Corfman; roll call vote; Hamsher abstained; all remaining yeas; motion carried.

Mayor: That concludes that portion of my report. I thank you for your support on those, Council. And also would like to just announce that I will be seeking a third term in office this next year. It's getting to be that time again when we need to make those decisions. I know some of you have to decide those things too. I've certainly enjoyed these past two terms serving as your mayor. And I still have the passion and desire to continue to do so and as long as our citizens see fit to support me again, I would be honored to run for mayor again. So that will be coming up this year. Thank you, that's all I have for tonight.

Safety Service Director Wheeler: Thank you, Mr. President. As I'm sure everyone's aware, the projects have wound down finally. The weather has prohibited us from doing a whole lot more. Apple Avenue is scheduled to open Wednesday, this Wednesday. So if you've seen anyone driving on that road up to this point, they have done so illegally. We have actually had problems with that, that's the only reason I mention it.

Shupp: I was doing an inspection.

Wheeler: Just a coincidence, that's awkward, I didn't know it was Mr. Shupp. Concrete streets have been completed. South Crown Hill project has been completed. There is still some work going on by Dominion out at North Vine so look for that and try to avoid it if possible, as well as on Mineral Spring at the corner of North Vine and Mineral Spring by Nappa Auto. So that's the projects that are currently completed and ongoing. A few announcements: Leaf pickup is complete for the whole entire city. The Service Department is now repairing potholes. I do want to recognize that I appreciate all their efforts once again on the leaf pickup. It's a lot of hard work, typically really poor weather conditions. So I do want to recognize them for all their efforts. Bill Lytle, I also want to recognize tonight as Fireman of the Year. Bill recently joined the fire department, in 1963. He's given us 51 years and he has been an asset to our department for all 51 years. He is the second two-time Fireman of the Year and 4<sup>th</sup> fireman that has served as a fireman for more of 50 years in the history of the Fire Department. I'm sure that everyone read the article in the OrrViews but the thing that I thought was pretty cool was his attendance for fire calls this year is at 70%. So like I said, he is an absolute asset to the department. We do congratulate him for being Fireman of the Year and thank him for his years of service and dedication to the Fire Department. Also this past weekend the Police Department hosted 25 kids from Orrville and 5 kids from Dalton for the Shop with a Cop program. Once again it was a huge success. We did things a little differently this year and the fine people at this table (referring to city directors Brediger, Strimlan, Kirkbride and Wheeler himself) cooked pancakes for breakfast for the kids. They seemed to enjoy it which is a little surprising when you considering our cooking ability. Mine anyway. Not calling out anyone else here. So the pancake and sausage breakfast was a success as well. The 8<sup>th</sup> grade girls basketball team came out and helped serve which I thought was pretty neat as well. I want a special thanks to Mrs. J's and Cabana Sun for their efforts to sell the raffle tickets, Smith Dairy for donating the

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milk and juice, to all the different corporate sponsors that have participated this year. And also I'd be remiss not to mention the effort and the amount of work that Captain Birkbeck put into this project as well. Again, another successful year and we look forward to doing it in the future as well. That is my report for this evening.

Mayor: Mr. Wheeler, we had, I think because of the nice weather today, we do have several around town that decided to rake leaves today and there are places where we've got huge piles in the street. I know I talked to John Scott today. You almost want to just say look we're done, we're not picking them up but on the other hand it's a mess if we get into snow plows and that sort of thing. So just as Mr. Wheeler said, just to remind folks, leaf pickup is done. If you want to clean your yards up now, you need to bag the leaves. I don't know what we'll do with these ones that were put out here over the weekend. I suppose we'll have to.

Wheeler: Yes, if there's any that we've spotted today we will, I'm sure, we'll pick them up. Honestly, come Tuesday or Wednesday there will be no more pick up. You need to bag them. Otherwise the leaf pickup season continues forever.

Utility Director Brediger: Thank you, Mr. President. I just had just two points of interest. At last Monday's Public Utilities Board meeting the board did reduce the Power Cost Adjustment Factor for the electric rates. This will result in a net decrease in electric rates of roughly 3.6% and for the year we will have our rates reduced slightly over 6.5% for the year. So our hats off to all the folks in the electric department that helped make that happen. We had some favorable opportunities during the polar vortex that helped us out in the wholesale market. Our renegotiated coal contracts helped out quite a bit and certainly the high availability of the plant and all the equipment connected with it has been operating real good for the year. The Board has cancelled its December 22<sup>nd</sup> meeting so the Board is done for 2014. And I just want to thank the Mayor and City Council for reappointing Mr. Gossard. Gary is a hard worker on the board and I'm real glad to have him serve and work on that board again for another three years. And I wish your families Happy Holidays, Merry Christmas and Happy New Year and that will conclude my report.

Finance Director Strimlan: Thank you, Mr. President. On the Utilities side we were notified by the company that prints and mails our utility bills that bills dated December 6<sup>th</sup> were sent out several days late. That delay in mailing obviously shortens the time from the receipt of the bill to the due date. Because of that we are extending the date before penalties will be assessed for customers that are in that December 6<sup>th</sup> billing cycle, just for informational purposes. In reference to Mr. Vance's comments, House Bill 5, the municipal income tax uniformity bill was passed in the House last week. The bill has been sent to Governor Kasich for his approval. I provided each of you with a local impact statement that was provided by the Ohio Legislature Service Commission that outlines the bill. The fiscal analysis portion of that report that was prepared by the commission indicates that the bill is likely to create a net revenue loss for municipalities. Total losses are undetermined but the commission reports that it may be significant, potentially totaling millions of dollars annually across the state for reduced revenue. Some areas of concern for Orrville, we've been discussing these, this bill has been around for quite some time. The bill does require that we allow businesses and individuals a five-year net operating loss carry forward. That isn't something that we presently allow along with 30% of other municipalities in Ohio. So this is an item that could have a potential negative financial impact. Just to give you some idea, over the past six years business net profits payments account for 23-30% of our total income tax collection. Year to date we have collected \$1.7 million in business net profit payments. One portion of the bill that will help, it does allow a 5-year 50% phase in which is intended again to afford municipalities times to adjust

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to that loss of revenue. Again we've had the conversation the losses are difficult to quantify because they vary with economic conditions. They vary with individual business performance. And we can't really make a determination until the federal tax return from each of these entities is received. So it's going to make planning and projecting pretty difficult moving forward. The bill also created an 11 member committee to issue a report on the fiscal impact of the five-year NOL carry forward requirement. The committee is expected to report the findings by May 1<sup>st</sup> of 2017. The report is also to include or make recommendations to address any loss of revenue in the shortfalls and suggestions for if supplemental funds from local government funds are needed to help mitigate those potential losses. So it will be interesting to see the findings of that committee in a few years. That five-year carry forward begins with taxable year 2018. Another item that's of concern for us is the change in the occasional entrant rule. I think you're aware we have a lot of construction that goes on in the city. Contractors who perform work will not be required to withhold income tax until the 20<sup>th</sup> day now. It's presently set at 12 so we will see a loss in revenue there, a potential loss in revenue there as well. There are some other smaller items that could impact us. I think those will be obvious to you as you read through the assessment. There are also some additional administrative burdens that you need to be aware of. We are now going to be required to report non-resident and resident withholding to the state so that they can analyze that further. We are also going to be required to send most mailings by certified mail which will increase our expenses. And the tax payer bill of rights also creates additional liability for the income tax administrator personally as well as the City so I think you'll find that document fairly informative. The legislation doesn't go into effect until January 1<sup>st</sup> of 2016. Some of the provisions will begin in 2015 but I think we'll start to see those impacts in 2018. We'll keep you informed of any additional details we receive. Certainly this is going to be a topic for our final appropriation workshop in the spring and the best way to prepare for this. And that's all I have for this evening.

Baker: Has there been any speculation as to whether the Governor will sign this? Or I know you may not know him personally.

Strimlan: No, I don't. I think the consensus is though that it will go through.

Baker: It probably will.

Strimlan: Yes. Because it is geared toward business and I think that Governor Kasich is taken that stand.

Mayor: I might add that I sit on the board of trustees for the Ohio Municipal League and for the last two years almost every one of our meetings which are monthly have been focusing around this bill and our legislators know how, especially cities, this is going to impact cities more than it is a lot of small, small communities or townships or anything like that. And they know how we feel and they know how it can impact us and yet it continued to move forward and basically the accounting groups are the ones that were pushing this. And that's who they listen to I guess.

Law Director Kirkbride: Thank you, President. I have no report this evening.

Council President Baker: For my report this evening I would like to congratulate Bill Lytle also. Any person that can remain as a fireman for over 50 years deserves a lot of respect. My father was a fireman. He retired after 30 years and he was worn out. So my hats off to Bill. Also, congratulations to everyone that was involved with Shop with a Cop. Not everybody gets to see the faces of those kids that go out there but I know all of you people did and this is a fine program that's gone on now for a few years. I'm not sure how many years ago it started but it's well worthwhile. The kids really appreciate it and so do their families. That concludes what I have. We'll move to Old Business.

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**Old Business:**

Lorson moved that Resolution 47-14 be place on third reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 47-14**, 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, 2015, and declaring an emergency.

Baker: Anyone have any questions or comments on this resolution? This is the third reading. You should have had your answers by now. Do you have any comments for us?

Strimlan: I can just state again that this is the resolution that gives the authority to expend funds for the first three months of the year until we adopt final appropriations after we have the total years revenue and expenses recorded.

Lorson moved that Resolution 47-14 be adopted as read. Vance seconded. Roll call vote; all yeas; motion carried.

Baker: Okay that should complete our old business. We'll move to new business, Mr. Lorson.

**New Business:**

Lorson moved that Resolution 56-14 be place on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 56-14**, A Resolution to accept the recommendations of the Orrville Tax Incentive Review Council regarding tax abatements for companies located in the City of Orrville.

Baker: Anyone have any question for this one? Mr. Wheeler is here if you do. I'm on that council also and it's amazing what some of these companies have done over the years. I know there's some people that say they really don't like to have tax incentive type things but it does pay off in the long run.

Lorson moved that the rules, regulations, and statutes requiring the reading of a resolution on three separate days be suspended. Aspiras seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 56-14 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 57-14 be place on first reading. Hamsher seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 57-14**, A Resolution of the City of Orrville, Ohio accepting a temporary construction easement and permanent sidewalk easement from Pericles Holdings, LLC for the purpose of constructing a trail in the City of Orrville, Ohio for the benefit of Rails-to-Trails of Wayne County.

Baker: Mr. Wheeler, any comments for us?

Wheeler: Yes, sir. Thank you, Mr. President. This resolution does accept temporary and permanent easement from Pericles which is also known as Serpentini. It is a 10 by approximately 89 foot easement which will allow us to widen the sidewalk as part of the Rails to Trails project. We've been working with Serpentini on procuring this easement in preparation for construction of the Rails to Trails project. Serpentini has been very good to work with as always and we are to this point and obviously trying to finalize this as just another step in the potential construction in the spring. I would be glad to answer any questions. There is no cost or anything associated with this. It is an easement. The temporary easement does give us an additional 10' during construction so that we have some additional room to construct the actual widening of the sidewalk. I believe the plan of Rails to Trails at this point is to actually remove the existing sidewalk and replace it with the wider version. So if you see removal happen during construction you won't think that it's something out of the ordinary.

Vance: I just wanted to say thanks to Serpentini and to Becky Jewell who is our local committee organizer and to our law director for all their, I know a lot of work has gone into this, but just to say

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thanks to Serpentine for their cooperation or partnership in this project and perhaps they'll want to have a trade-in program for tired cyclists.

Lorson moved that the rules, regulations, and statutes requiring the reading of a resolution on three separate days be suspended. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 57-14 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Baker: That should complete this evening's new business. We'll move to the good of the order. Does anyone have anything for the good of the order this evening? I do. I have one item. The Orrville Ministerial Association has a gift of love for our community this Christmas. They'll be showing the latest Billy Graham film "Heaven" every day between Christmas and New Year's Day. You can also look for the broadcast over the holiday weekend on Armstrong Cable's channel 4. So if that sounds like something of interest to you, please watch. We have a great community and it's nice that we have a ministerial association within our community. They represent different churches. It's not all just one church coming out. Some people say well we need to have freedom of religion and this is a good thing to do because all religions are allowed to be represented that way. Anyone else have anything?

Corfman moved to adjourn the council meeting and Hamsher seconded. Roll call vote; all yeas; motion carried. Council was adjourned 8:06 PM.

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Jeanne Feudo, Clerk of Council

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Date

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Lyle Baker, President of Council