

Regular/Public

March 2, 2015

Council President Baker called the regular meeting to order.

Pastor Paula Marbury of Trinity United Methodist Church offered the prayer. The Pledge was recited by all.

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

Aspiras moved that the minutes of the February 17, 2015, regular meeting be accepted as documented and Corfman seconded. Roll call vote; all yeas; motion carried.

**Public Comments:** Bob Simon, Scoutmaster, Boy Scout Troop 60, spoke regarding Orr Park usage for Killbuck District camporee April 17-19. Expecting 150-200 youth and adults camping in tents, working on "Mining in the Society" merit badge on Saturday. Using the gazebo for a campfire program, vesper, and Order of Arrow call out ceremony.

Baker: Thank you, Mr. Simon. We now move to our Standing Committee reports. Finance. Mr. Aspiras.

**Standing Committee Reports:**

Finance, Aspiras: Thank you, Mr. President. Finance Committee has no report this evening.

Baker: Utilities. Mr. Corfman.

Utilities, Corfman: Thank you, Mr. President. Utilities are all working. Thank you.

Baker: Health and Safety. Mr. Vance.

Health and Safety, Vance: Thank you. I think everybody's healthy and safe so no report from my committee.

Baker: Thank you. Parks and Recreation. Mr. Wilson

Parks and Recreations, Wilson: Thank you, Mr. President. The park is buried in snow. I have no report.

Baker: Thank you. Transportation. Mr. Shupp.

Transportation, Shupp: Thank you, Mr. President. The streets are good and cleaned and I have no report.

Baker: Thank you. Planning. Mr. Hamsher.

Planning, Hamsher: Thank you, Mr. President. I've planned nothing tonight. Thank you, sir.

Baker: Thank you. Ordinance and Personnel. Let's hear this one, Mr. Lorson.

Ordinance and Personnel, Lorson: Thank you, Mr. President. We have ordinances and we have personnel. But I have no report today.

Baker: Thank you. I'm glad everyone is in a good mood tonight. We have no special committee reports. We'll move to our Administrative Reports, Mayor Handwerk.

**Administrative Reports:**

Mayor Handwerk: Yes, thank you, Mr. President and I always have a report. I just wanted to mention that I will be attending the American Public Power Association Legislative Rally next week in Washington, D.C. with Director Brediger. This is an annual rally in conjunction with AMP and OMEA and is a chance for us to meet our current legislators in Washington and we will meet with Senators Portman, Brown and Congressman Renacci assuming that it all gets scheduled. Sometimes we have them scheduled and things come up for them and we meet with their assistants. But that's the plan right now. We have a meeting tomorrow morning, just to make sure that you all realize that spring is coming, tomorrow at 10 with members of the Lion's Club. They want to just go over with City administration, make sure everything is all set for the Rib and Music Fest August 14<sup>th</sup> and 15<sup>th</sup>. That will be kind of nice. We'll be talking about something that will be happening in warm weather. And it's really nice to see this group the way they plan things. They are very well planned and very ahead of things and like to get out there and make sure that everything is the way it's supposed to be. As many of you know that will also be the weekend of the 2015 Orrville High School all class reunion. And this should be a really great union of events and will make Orrville a very busy place that weekend. And I hope many of our small businesses are actually planning ahead and thinking of ways to take advantage of that because it should be a good weekend. There will be a lot of people in Orrville that weekend. And that goes along with our weekend a month earlier with the 4<sup>th</sup> of July festivities; so lots of good stuff coming up.

Baker: Thank you, Mayor. Our Safety Service Director, Mr. Wheeler.

Safety Service Director Wheeler: Thank you, Mr. President. Speaking of lots of good stuff coming, we are doing, we are participating in the Statewide Tornado (sic) Drill this Wednesday, March 4<sup>th</sup>, little less exciting than the Rib Fest but nonetheless very important. That is at 9:50 am so if you hear the sirens go off, just a reminder that this is only a test and that will be occurring throughout the county. Actually an exciting project coming up, one we've been talking about for years, but we did have the bid opening on our High Street extension project as part of the Ohio Department of Transportation Truck Route. I think

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the planning on this started in the early 2000's or mid-2000's excuse me. And we are finally ready for construction. The bids were within the acceptable amount. We are awaiting engineer recommendation and then ODOT approval of the contractor. And we do hope to begin that project in the spring when the weather warms up. And that's my report for tonight.

Shupp: Mr. Wheeler, I heard rumors that this county is out of salt.

Wheeler: I've heard rumors throughout that some of the municipalities have run out of salt. We have been fortunate that there have been occasions that we have been dangerously low but it seems like whenever that occurs there's truck loads that do arrive the next day. I think overall, and I'm no market analyst my any means, but I think overall there is a shortage of salt. We aren't getting the large quantities maybe that we're ordering ahead of time but we are getting enough to keep us above water, if you will, and so long as we can go a few more weeks then we'll be okay.

Shupp: We're still alright for now?

Wheeler: We are still alright. We had 125 tons delivered last week. We typically use about 25 tons on a typical storm. So we should be in good shape if spring comes soon. Yes. And we do have, again it's not from a lack of ordering it's just from a lack of availability apparently. And if I could also say we have been working with the Ohio Department of Transportation as well as with the City of Wooster so if there are occasions that we need to borrow some we do have some handshake agreements in place with them as well. So we have a backup plan if that were to ever happen.

Shupp: Good

Baker: Thank you, Mr. Wheeler. We'll move to our Utility's Director Mr. Brediger.

Utility Director Brediger: Thank you, Mr. President. Just a couple brief comments tonight. Last week's Utility Board meeting the board did approve all three utilities final appropriations and those will be coming in front of City Council here a little bit later on. We did hear, and I think we've heard news reports on the local stations here about how cold February was; one of the colder months on record. Despite that we did not set any electrical demand peaks in February although in our transmission area there were a number of peaks that were set and when those regional transmission peaks are set they do have an impact on the transmission cost that we pay for the following year. The good news is again when all those peaks were occurring throughout the system, the plant was operating at full capacity and we were actually a net exporter of energy. And when we're in this mode during these peak periods we actually receive a credit from the transmission system operators. Those credits this year alone just due to the generation that exist at the plant today, save us over \$5 ½ million a year on our transmission cost. So that is a bit of the good news about hopefully having February behind us. The second item I have on the electric area is more of a trivia question. It's whether or not anybody across the table here remembered what they were doing 20 years ago. I realize a couple of you may not have been born then but last Saturday was the 20<sup>th</sup> anniversary of the fire that we had at the power plant. So those of you that were around that wonderful night around 9 p.m. and the lights went out for the next 18 ½ hours, we just wanted to kind of remind you guys that we have certainly fully recovered from that event but for me it seems like it was yesterday when I looked at my calendar and saw that it had been 20 years ago, so an interesting night nonetheless. From the Water Department, the weather hasn't been too bad on us. You've probably read and seen on the news a lot of communities especially up in Barberton have had a lot of massive water leaks up there. Knock on wood our water line breaks have been pretty nominal. I've only had about a half a dozen of them here in February and they've only had a minor impact on some of our customers. So knock on wood that's been going real good for us so far. Last week I was in Washington. I was there with several AMP staff. We met with the EPA concerning the new greenhouse gas rule that's out. I think, if you recall, we submitted comments with the City of Hamilton regarding some of our units that were included in that rule making in error, at least in our opinion. So we had the opportunity to meet with those designers of that rule last week to remind them of paying attention to the comments that were submitted last month as well as some other issues that will have an impact on our Prairie State plant if the rules stay intact as they have been proposed. So we had a pretty positive meeting with the agency. We covered a number of other items: treatment of our hydro plants when they come on line later on this year and next year should be in position to receive some credit that will help us out in that rule making in the long term. So we, again, we had a pretty productive meeting to the extent that you have good meetings with the EPA on their own turf. And again, the Mayor did mention that we will be in Washington again next week as part of the APPA rally. A couple of the issues that are on our plate for discussion is certainly the budget talks. We are fiercely defensive of preserving the tax exempt status of our financing that we use as a major funding mechanism on any large projects that we do as well as some large changes it's been impacting the transmission side of our business. So those will be two of about a handful of areas that we'll be focusing on when we're up on the hill talking with our legislatures. And with that, that's all I have tonight, sir.

Baker: Thank you, Mr. Brediger. We will move to our Finance Director Ms. Strimlan.

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Finance Director Strimlan: Thank you, Mr. President. You should have received your final appropriation book for 2015 last Friday. There were some changes from the 2015 budget that was prepared last June. Primarily those changes were driven by the Utilities in the form of working capital transfers. The tax supported side we have some changes in grants, also capital and some potential debt service modifications that we can discuss at our workshop. That is scheduled for March 12 immediately following the Utility Board meeting. The legislation that's before you tonight does need to go the full three readings. But if you have any questions or comments prior to the meeting, feel free to give me a call. You can come in or we can meet and discuss it. Also as you know we're in the process of evaluating potential vendors for an ERP or financial software system. We did spend two full days in demonstrations with several vendors. We're also having some follow-up web-ex sessions to go over some of the modules in more detail. Hopefully after we have final appropriations finalized we'll schedule a meeting with Council so we can review and make some recommendations for your approval on that. So I do have a note ordinance on the agenda tonight and I'll discuss that in New Business. I also distributed the Fund Balance Report for the period ending January 31, 2015. Some of the funds may look a little unusual this month with regard to the net income. I just want to caution you it's primarily a timing issue or just the nature of some of those funds and when the expenses actually occur. Again if you have any comments or questions on those feel free to contact me. And I would just ask for a motion to approve that report subject to audit. Aspiras motioned to approve. Lorson seconded. Roll call vote; all yeas; motion carried.

Baker: Thank you. We'll move to our Law Director Mrs. Kirkbride. Oh, excuse me.

Brediger: If I could add one more thing, Mr. President. I did fail to mention we did also advise our Utility Board last week that, and this is just kind of a heads up to our utility customers, but we have delayed shut-offs in the month of January mainly due to cold weather; and these were for bills that have been outstanding since December. So balances during this next billing cycle are going to be reflective of almost two months' worth of utility service. So we're asking our customers to one, be aware of that, again we've avoided those shutoffs mainly due to cold weather. Now that that weather has warmed up a little bit we will be resuming back in with that. We have sent countless notifications, letters and phone calls, but when these customers do receive their utility bills and those will be going out real soon here, they are going to have some big balances on there. So, please, we're asking everybody to be mindful of those. Hopefully we've been saving up to take care of those when they do come in there. So apologize for that late note.

Baker: Thank you. Now we'll move to our Law Director Mrs. Kirkbride.

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

Council President Baker: For my report this evening, mine is more of a congratulatory report, that's for the people that are working in our Street Department. They've done a great job this winter and I know each of us would like to have our own street be the very first one to be done but since most of us don't live on the main drag, we do understand that the main thoroughfare through Orrville are going to be done before the side streets are. But even at that, our streets get cleaned fairly quickly and those guys have done a really good job. So if you would pass those thanks along, I would appreciate it. We have no old business schedule for this evening. We will move to new business, Mr. Lorson.

**New Business:**

Lorson moved that Resolution 6-15 be place on first reading. Hamsher seconded. Roll call vote; all yeas; motion carried. **RESOLUTION 6-15**, 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: This will need to go for three readings so we'll move on. Before we go to the next ordinance there is one item that needs to go ahead of that.

Council Clerk Feudo: Mr. President, the Fiscal Officer's Certificate for Ordinance B-15 is on file. Lorson moved that Ordinance B-15 be place on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **ORDINANCE NO. B-15**, An Ordinance providing for the issuance and sale of \$800,000 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.

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Baker: Thank you. Anyone have any questions or comments there?

Strimlan: I do have some comments. Again, this is the same note that's been before Council for quite a few years now. The note was originally issued in 2008 to finance all the Water Utility projects that Councilman Lorson mentioned. We roll this note over every year. Last year it was issued for \$1.1 million. Traditionally we pay down \$100,000 a year. I think you recall last year during our workshop we said that we wanted to be a little more aggressive on our repayment schedules so we could retire this debt a little sooner. So this year we are paying down \$300,000 which is why the note before you is being issued for \$800,000. It also provides that the notes will mature a year from when they're issued. The interest is defined in Section 3. The ordinance gives the Water Utility the option to sell the note in a private sale, take it to market, whichever would be more advantageous for the Utilities. The last few years, as you know, we did negotiate with the County for the sale of this note. They are interested again at a similar rate to the one that we had last year which is in line again with the market rates. So we will pursue that option if this ordinance is passed. The legislation doesn't have to be passed this evening. We have 90 days up to the rollover to convert this. However the sooner Council passes this the sooner we can finish our negotiations with the County or we can take it to sale or again try to negotiate with another private seller. Any questions?

Aspiras: I know that the appropriations have already been approved for this awhile back. But I was just wondering if Mr. Brediger could give us an update on the well field, the booster station, the raw mains, everything working and in order?

Brediger: Yes. All that has been completed for a number of years now, 4 years, 5 years, somewhere in that neighborhood. So yes, the well field is one of our roughly 12 active well fields that we have, the booster station that went in in connection with that is just an interim pumping station since that well was located in Stark County as our farthest, most eastern well that we have. So all of those upgrades have been made and they're working the way they were originally designed and have been meeting all of our expectations.

Aspiras: Okay.

Brediger: As Ms. Strimlan mentioned this is a great opportunity to be partnered with the County on this. It is a nice win-win for both of the agencies.

Aspiras: Okay. So no dry wells in Stark County? 'Cuz I know when we originally passed this legislation that was one of the concerns that we weren't quite sure that it was going to be a healthy well. So here we are 4 years later, 5 years later.

Brediger: Yes. Right. And that turned out to be and yes, that has not been an issue for us. It was a good location for it and it's just all part of our long-term strategic planning to expand out those water supplies and secure those areas as long as we can because water is, down the road, is going to be a commodity that you're going to hear a lot more and more about. It's something that in this area, we take for granted but there's some surrounding areas aren't that fortunate. So when we see these opportunities to develop these sites or acquire property that are in attractive areas that will help secure that long term water supply for us this was one of those sites we have identified. We have other sites identified in Stark County also but no plans in the immediate future to develop those at this time.

Aspiras: Okay. Thanks for that update.

Strimlan: Just as a side note, the Fiscal Officers Certificate that the clerk announced prior to the introduction of this, that is one of the items that we attest to before this legislations comes before you is that the useful life is at least 5 years moving forward. And that's something that we're required to do to renew the note.

Aspiras: Very good. And this is the second year that this has been introduced, right? That the notes been issued to the County, working with the County. Prior to that it was not.

Strimlan: Right. Prior to that we took to, we went to market with this. And so you're subject to the volatility of that day's sales and so it's nice to know ahead of time these are where the notes in this range are falling as far as an interest rate perspective rather than going in with whatever the day is bringing at that point.

Brediger: In addition to some big savings we realize by not having to utilize bond counsel and some very high dollar legal fees attached to that, as much as we love Ms. Kirkbride.

Baker: Any other questions?

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

Lorson moved that Ordinance B-15 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Service Department Superintendent John Scott presented his annual report. (Copy on file).

Scott: With that, questions? Comments?

Mayor: I have one. Do you know, and you might not have these figures off hand, but putting all those play structures together I'm sure we could have ordered that from whatever company we got and had them come and put it up for us. What did it save us by having you guys do that? Do you know?

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Scott: I really don't know what that saved us. I am sure I can find that out.

Mayor: I don't know if Mr. Wheeler has that figure. I know it would be quite a bit.

Wheeler: It would be significant.

Scott: Yes. A lot of the cost that we have again was with doing that was the equipment. We had to rent some equipment to drill the holes and auger those holes in with and stuff like that. So there was a piece of equipment that we had to rent. We did not have that. But most other than that we were able to use trucks and the manpower and all that. I really don't know what the savings was for us to do this versus someone else. Any other questions? Thank you.

Baker: Thank you, Mr. Scott. Does anyone have anything for the Good of the Order tonight? I have one item. Mr. Brediger, we can be glad that when that fire happened at the power plant we did not have a February like we did this year. Because I do remember that and I didn't freeze.

Brediger: Yes. It wasn't too bad. It was in the 30's. I just recall before my wife and daughters bailed on me I think the house got down to around 50. So we were, residential-wise, we were pretty fortunate and it wasn't bad temperature wise but February this time, fast forward, could have been a little bit different story for us.

Baker: Anyone have anything else this evening?

Corfman moved to adjourn the council meeting and Wilson seconded. Roll call vote; all yeas; motion carried. Council was adjourned 8:20PM.

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Jeanne Feudo, Clerk of Council

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Date

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Lyle Baker, President of Council