

## Regular/Public

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Council President Baker called the meeting to order and offered the prayer. The Pledge was recited by all.

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

Vance moved to adopt the minutes of the regular meeting July 20, 2015; Hamsher seconded. Roll call vote; Shupp abstained; all remaining, yeas; motion carried.

Vance moved to adopt the minutes of the special meeting August 12, 2015; Wilson seconded. Roll call vote; all remaining, yeas; motion carried.

### **Standing Committee Reports:**

No report for Finance, Utilities, Health & Safety, Parks & Recreation, Transportation, Planning, and Ordinance & Personnel.

### **Administrative Reports:**

Mayor Handwerk: Thank you, Mr. President. I'd like to welcome council back from our break and just like to mention that we have two employees of the month to read tonight since we were not here for August. Our August employee of the month was firefighter/EMT John Bischoff. John began his fire career in 2002 with the Sterling Fire Department. He served as a Firefighter/EMT in Sterling through 2013 when he relocated here in Orrville. He joined the Orrville Fire Department in December of 2013. John is certified at the NFPA Firefighter 1 level and is also an Emergency Medical Technician B. Additionally John is a member of the Orrville Rapid Intervention Team, a Hazardous Material Technician on the Wayne County HazMat Team. Transitioning from one fire department to another is sometimes kind of a difficult task; however, in a very short period of time John made the necessary adjustments and became an example for other Orrville Fire Department members to follow. Since joining John has proven to be a dedicated example for other fire department members to follow. Since joining John has proven to be a dedicated, knowledgeable Firefighter and a skillful, compassionate EMT. John's name can always be found near the top of the attendance list for Fire calls, EMS calls, and training activities. He's also immediately proved to be a valuable assistant to the Orrville Firefighters Association by involving himself and often his family in every event and program. He is employed by 84 Lumber Company as a Truss Designer which allows him to actually do that job from home. Which I think you'll find out is necessary as he and his wife Heather have 8 Children. John chose to eat lunch at Jerry's. So we had a good time last month. And our September Employee of the month is David Paul from the Utility Distribution Department. David works as a "B" lineworker. He started on Oct. 23, 1989, as a Utility Worker, and has advanced through the ranks to his current position. He works as a groundman for the journeyman lineworkers as well as performing linework along with them and working on secondary voltages. He helps with organizing work sites as well as keeping trucks and material ready. David has been a member of the department's safety team for many years. David lives outside of Marshallville and has two adult children, Jesse and Anna. David enjoys working on his garden along with raising ducks and tending his fruit and nut trees. David will actually be retiring at the end of this month. And so that was kind of an interesting lunch we had, actually today. We ate at Jerry's. He is the person, if you're going to get lost somewhere in the mountains, you want to be with him. He knows his stuff. That was interesting conversation and so we wish him well in his soon-to-be-retired life. And that's all. Thank you.

Safety Service Director Wheeler: Thank you, Mr. President. Trash pickup is delayed one day this week due to Labor Day. So Thursday pickup is now Friday pickup. Next week we'll begin some ash tree removal. There will be 38 ash trees removed. These are, most of these are on the brink of death anyway unfortunately as a result of the ash tree disease that's occurring in so many places in the State of Ohio. For those of you that have a chance, please go out and take a look at the ash garden. It's almost done. All we're waiting on now is the gazebo which is scheduled to be installed next week. Sidewalks are in; lot pins are in place. We actually began sales of those lots last week at a discounted price of \$200 for residents and \$400 for non-residents. And that's in effect until January 1<sup>st</sup> when they increase to the regular rate of \$300 for residents and \$500 for non-residents. North Elm Street work is being done there currently. They were actually pouring today when I was out there. It is closed from Orrville Christian Church to Mineral Spring, there is a detour to Ella Street. South Crown Hill, they're scheduled to be pouring the southbound lane by Harding Avenue on Thursday, weather permitting. And this is the area where the temporary lights are set up so once those are done we can get those out of there. Hostetler, tomorrow, Cement Tech is going to be setting up their one-way, eastbound from Crown Hill to North Elm to begin work on Hostetler. Once they complete that section we'll actually move construction down over close to the shopping plaza and we'll begin one way then the other direction so that the industrial park traffic and Smith Dairy traffic can still access off of Main Street. For those of you that get a chance to go out and take a look at East High Street, the extension project is moving along quite well. Obviously if you're on Main Street you notice that work being done, the widening of the intersection of Main and High. They have a few weeks left of that. Once that is complete they'll actually tie in Orr Street and East High. The new road has been poured, literally all the way up to Orr Street, all that's left is the tie in. Back Massillon resurfacing is scheduled to start next week. The contractor has been waiting on some materials as part of that project so that actually started to go. I know a lot of people were wishing we could go while it was close, trust me, I being one of them. Unfortunately schedule wise it didn't work out and I didn't want to keep that street closed if there wasn't any construction being done. So the contractor bid it with the knowledge that it would be

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open, potentially be open, so there isn't any impact to us dollar wise. It just didn't work out schedule wise for them. And that's my report for tonight. Hardly anything going on.

Utility Director Brediger: Thank you, Mr. President. I have a number of updates that I'll try to move through tonight. On the electric side, as you're aware the board has been looking at the possibility of a solar project. This is an AMP project that's being offered to the membership. We're still evaluating that proposal and feasibility study. There is a chance that we may be able to take some tax advantage and lower the cost of that project substantially. So we'll continue to await for some more information on that before the board makes a recommendation on some direction on that. An update on our Hydro projects. This will be a pretty exciting month; the end of September and the beginning of October. We plan on rolling the turbine generators at Meldahl & Cannelton sites sometime late September. So roughly 2-3 weeks from now. Willow Island, the third of the four projects under construction, we'll be rolling those units in October. We anticipate that all three plants will be in service before the end of year. And that will require quite a bit of coordination with all those startups. There are actually eight units between those three plants that will be commissioned during that time period. The fourth hydro project, Smithland, is still scheduled to come on line later on in the fall of 2016. Our plant upgrade work at the Wastewater Treatment Plant, that work being performed by Bogner, is still going very well. No surprises and we're still well within our budget on that. A couple pieces of good news under the miscellaneous department, the Internal Revenue Service announced that the subsidy payments to issuers of Build America Bonds (BABs) and the Clean Renewable Energy Bonds (CREBs) will be reduced for this upcoming fiscal year. If you recall that due to the sequestration a number of years or so ago, the Federal government reduced the amount of the subsidies for those bonds. And when that sequestration took effect in 2013, we had roughly \$34M of additional interest payments at risk as part of that. These bonds portion of the construction cost for the hydro projects and Prairie State were funded by these bonds and the reduction or the reduced, or increase credit that we'll actually be receiving from the IRS will amount to a savings of about \$378,000 next year, now that's right across all the participants. But we're making some inroads into that \$34M sequestration effort that took hold of us here. Also, I believe most of our customers have received some notification on the Natural Gas Aggregation program. The new rate for the next heating season is \$3.23/MCF. This will be with IGS Energy again. This does exclude all the Dominion charges and applicable tax. This is a decrease of about 24% from the current rate. And this period will cover the timeframe from November 2015 –2016. If you go on the Public Utilities commission website you can get a listing of other gas providers. And those rates today are ranging from \$3.40 to roughly \$5.50 and they come with a few more restrictions. If you are currently enrolled in the program, you don't have to do anything. The new rate will go into effect automatically. If you're not enrolled or want to be excluded, you can call IGS at 1-800-280-4474 or you can call the Utility office. Many Dominion customers have received some letters. I actually brought mine with me, (holding it up) and it looks like this and it also explains the process and if you want some more information you can also go to the Public Utility's website and it explains how that program works. This has been a very beneficial project. It kind of works a little bit like Sam's Club. We buy in bulk not only for this community but AMP buys and shops around for natural gas for dozens of municipalities throughout the state and are able to garner all those savings by kind of bundling them up into one package. Third item, Utility Board has also, or will be looking at over the next month or so a potential Utility Line Insurance program being offered through AMP. This insurance program will cover the everyday wear & tear issues that may occur on your house versus those that kind of trigger homeowners insurance. The programs will cover inside and outside electric, water, sewer, gas, it will cover your furnace, your air conditioner, and your hot water heater. The various programs will be offered on an ala cart basis and range from \$7-\$30/month. There are other providers that offer similar programs. Most of us, or at least I have, received some information for example from Dominion Energy Solutions. They have these types of programs some of them start as low as \$2/month. So there's a number of these programs that are offered by a variety of providers out there. A few of the nice things that AMP is looking at again through being able to consolidate with one vendor and make those offers to other municipalities is getting the rates down lower, providing more of an ala carte offering. A few other benefits that this program should be offering is enrollment is very easy, you have coverage immediately versus some take 30 days to come into effect and there's the ability to drop out of the program at any time without any penalties. So the board will be receiving some more information on that over the next month. We'll probably have AMP come in and do a presentation at least for the Utility Board and if there's interest by this council we can also have them come in there and this could be part of the taped presentation too. On the not-so-good news, the agency continues to do what the agency does well in EPA land. While you were out the EPA announced the new ozone rule. This standard will come into play October 1st. It's currently being fast-tracked thru an interagency review process. Normally this process takes 30-90 days, the EPA's not giving the White House very much time to go through that and some of the other interagency entities that kind of work on behalf of the consumer, much time to do their work. To give you a little bit of background on this, they're looking at lowering the current standard anywhere from 7-14%. It doesn't really sound like too much but what it will end up doing is it will stifle a lot of Ohio's ability to continue on in a lot of economic developmental areas. Certainly it brings more pressure on the utilities. According to the agency, they say the health benefits alone in this regulation will save between \$6.4-\$38 billion. The EPA places a costs of between \$3.9-\$15 billion, although industry critics like the National Association of Manufacturers (which some of those ads are also on TV) have it somewhere closer to \$1.7 trillion. So I'll speculate and say the cost is somewhere between \$3 billion and \$1.7 trillion. Our national association, APPA and AMP did file comments. We just basically asked them to just leave them where they were currently at; restrictions and the impacts that they have on development, new building construction, utilities. We felt that that was adequate the way

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it is right now. But it has been picking up some air time on the TV. Also I just saw, just recently, some commercials for the EPA's recently announced clean power plan. Give you an update on that. That is a 15-year program to reduce CO2 emissions by 2030. Compliance starts in 2022. The way the plan is written right now, it could impact our Prairie St. and our Fremont Natural Gas plant. Good news is there aren't any issues at the Power Plant because we did some pretty successful work in Washington over the past 6-8 months and we're able to get the plant off the list of effected units on that. What our customers will see overall will just be a general impact of increased energy costs that adds on everything else out that we're buying on a day-to-day basis. The hydro and wind projects, any of those generation projects did receive some pretty favorable treatment under this. Part of the plan really favors renewable projects so we'll be able to garner some benefits, long-term benefits that we weren't anticipating with our hydro and our wind projects. The key to this rule is unlike a lot of the other regulations that have come out of Washington, they will touch a lot more people than regulations have in the past. With that, I guess I'll end on that somewhat piece of good news. It will all be gone by the time elections are done with. That's all I have tonight, sir.

Finance Director Strimlan: Thank you, Mr. President. Council should have received notification that the financial audit for the City was released by the Auditor of State's office on the 21<sup>st</sup> of July. I did provide each of you with a copy of the CAFR for your files. It is also available on the City's website for anyone that would like to review that. I also provided you with a press release that was issued while you were on break from the State Auditor's office. The City of Orrville has again received the Auditor of State Award of Distinction for 2014. Entities that receive the award must file an annual CAFR and they also need to provide timely financial reporting in accordance with GAP. Entities also must have a clean audit record with no material citations or weaknesses and also no significant deficiencies. Just to give you a little bit of background, the Auditor of the State does audit approximately 5800 entities per year and about 7% receive this award. So I think it's something that the employees and the residents that we serve can be proud of that we've been able to accomplish. And we do appreciate all of the employees' efforts in ensuring that we have a clean audit every year. We're also awaiting response from the GFOA for the Excellence in Financial Reporting award. In June when our CAFR is complete we submit a copy to them. Usually we hear in October or November the status of that so we'll let you know as soon as we hear something. Another item after Council's approval of the 2016 budget, it was presented to the Wayne County Budget Commission on August 4<sup>th</sup>. As a result of that meeting the County has forwarded the necessary legislation so that they can collect property taxes for us. That is the legislation that is before you this evening. Property tax accounts for about 7.2% of our overall revenue. I also told Council before the break we're in the process of preparing a new City of Orrville Income Tax Ordinance to comply with the new legislation that was passed last year. That will be presented to you prior to the end of the year for your approval. We'll probably have some workshops to review that. We have retained the services of Frost Brown and Todd in Columbus to assist us with the preparation of that new ordinance. So we'll keep you informed as the project progresses. Also, we will be bringing some legislation to Council for some appropriation amendments in the next month. We have several potential projects that the Utilities may embark on the remainder of the year. We also have to account for the return of a fire loss claim that will be paid out of our deposit escrow fund that was not previously anticipated. So I'll send you more information as that amendment is prepared. Our new ERP system is moving along. Our law director is reviewing yet another version of the contract. So as soon as that is finalized, we'll be able to begin implementation. The statement of work was prepared and that was reviewed. Everything is fine there but we need to finalize the contract, some contract issues. And the last thing I have is I did distribute the Fund Balance Report for the period ending July 2015 and I would just ask for a motion from Council to approve that report subject to audit. Hamsher so moved; Vance seconded; roll call vote; all yeas; motion carried.

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

Council President Baker: I only have one item under my report for this evening. Our clerk has an announcement. Feudo: The Ohio Municipal League has extended an invitation for Council members to attend their 64<sup>th</sup> Annual Conference held in Columbus October 21<sup>st</sup> thru the 23<sup>rd</sup> so if you are interested in that I can get you the registration and Karen can set you up with your hotel reservations.

Baker: Thank you. We have no Old Business scheduled for this evening. We'll move to New Business, Mr. Lorson.

### **New Business:**

Lorson moved that Resolution 26-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 26-15**, A Resolution authorizing the Director of Safety and Service to enter into an Enterprise Zone Agreement to provide for tax abatement for real property for SBF Holdings, LLC dba Venture Products, Inc. and declaring an emergency.

Wheeler: Thank you, Mr. President. What the resolution is for is a 15 year, 50% tax abatement for Venture Products to build two new buildings in the Industrial Park adjacent to their current location. The first is a training center with an expected cost of \$600,000. The value of the abatement would be \$7,780 annually. The second building will accommodate a new powder coating line and warehousing space. Expected cost is \$2.2 million. The value of that abatement will be \$28,100 annually. They are agreeing to 20 new hires in exchange for the abatement of which 30% must be Orrville addresses. The new payroll will be approximately \$640,000. Venture currently has 138 employees. Dallas Steiner and Randy Kitzmiller are here tonight if you have any questions for them in regards to the resolution or I guess probably anything in regards to their business if you so choose. This resolution does not have to be

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approved tonight. It has went before the school board already as well. It has passed through them as well. I would be glad to answer any questions or refer them to the guests.

Mayor: I would just like to say we're extremely lucky to have many first-class industries in Orrville. And certainly Venture Products is one of those that ranks high on list as one of our very best. We sure appreciate Dallas and Randy coming here tonight. And we're very happy for the success of that company and their move a few years back and their continued growth. So, very happy.

Baker: Does anyone on council have any questions for Dallas or Randy? I see none.

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

Lorson moved that Resolution 26-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 27-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 27-15**, A Resolution authorizing the Safety-Service Director to prepare and submit an application to participate in the Ohio Public Works Commission State Capital Improvement Program for grant or loan funds and/or agreements as required to obtain said funds, and declaring an emergency.

Wheeler: Thank you, Mr. President. This is our annual resolution allowing us to apply for the Ohio Public Works Commission grant. Last year, the first in a while, we did not receive the grant. We did receive loan funds though as a result of that application. I am proposing to continue with our concrete streets. I think at this point we can use as much as we receive. We will apply for the full \$500,000 grant which will require a \$500,000 match. The streets are listed, I believe, in the resolution but it's the ones that I think anyone that drives around town would recognize. Our goal this year, currently, is to get as much of Hostetler done as possible. That really is the remaining street left. The reason we haven't touched that one yet is that was actually the detour off of Back Massillon so we couldn't even do that one until Back Massillon was open. So that is why, if you thinking why, what took them so long to get there? But our goal is to get to Hostetler but it is still listed just in case there are remaining sections that need done. I'll be glad to answer any questions.

Mayor: I would just like to mention that part of our success over the years of getting that grant is our ability to do the 50% match. There's a lot of times communities would like to apply for those grants but if they can't come up with the match whether it's \$100,000 or \$200,000 or \$500,000, that takes them out of the running. So we've been very fortunate to be able to do that over the years.

Baker: Anyone else?

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

Lorson moved that Resolution 27-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 28-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 28-15**, A Resolution accepting the amounts and rates as determined by the Budget Commission and authorizing the necessary tax levies and certifying them to the County Auditor.

Corfman: This is an annual ordinance, allows us to collect the money. This is nothing out of the ordinary. There's no mystery to it. I believe a little over 7% is our property tax for the City. It just continues it on. I don't know if there's any more clarification to that, I'm sure Director Strimlan will add.

Strimlan: Mr. President, the only thing that I would add is this legislation is due back to the County by September 30<sup>th</sup> so it does not need to be passed tonight but it will need to be passed at the next meeting so that they can collect taxes for us.

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

Lorson moved that Resolution 28-15 be adopted as read. Vance seconded. Roll call vote; all yeas; motion carried.

Baker: That completes our New Business for this evening. One last item, does anyone have any comments for the Good of the Order tonight? Only one other thing.

Hamsher moved to adjourn the council meeting and Lorson 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