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Council President Baker called the meeting to order. Pastor Olivares of Iglesia Apostólica offered the prayer. The Pledge was recited by all.

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

Corfman moved to approve the minutes of the regular meeting September 21, 2015, as posted; Aspiras seconded. Roll call vote; Wilson abstained; all remaining, yeas; motion carried.

### **Standing Committee Reports:**

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

Utilities – Corfman: Thank you, Mr. President. Utilities has no report but I would like to note that the first 4 resolutions we'll see tonight are all connected to the agreement that we voted on last meeting and with respect to that agreement they are to be passed tonight and they are all being presented as emergency which means that they will take effect tomorrow instead of after 30 days. That's all thank you.

Health & Safety – Vance: Thank you, Mr. President. The Health and Safety Committee did meet last Monday and we discussed the technology and all the apparatus and the whole decision regarding what our next radio system should be. We looked specifically at the MARCS radio system and so we do have legislation on that tonight to purchase that equipment. And similar to what Mr. Corfman was referring to, we are getting a deal if we purchase that tonight actually. And so an offer has been extended in order for us to be able to meet this. So, same deal for us on the purchase of these radios and the related equipment, we need to pass that tonight if it's our desire to do so. Thank you.

Baker: There are no special committee reports tonight. We'll move to administrative reports, Mayor Handwerk.

### **Administrative Reports:**

Mayor Handwerk: Yes. Thank you, Mr. President. I have two items tonight. One is our employee of the month. And our employee of the month is Bill Miller from the Power Plant Maintenance department. Bill is our Power Plant Electrician III and has been in the department since May of 2013. He was previously employed by the Timken Co. for over 31 years and ended his career with them at the Faircrest plant. Bill has exhibited excellent electrical skills in the short time he has been here. He has been here sharing his knowledge with other workers in the department and training our plant Electrician II worker. Bill also has spent time working in the Power Plant Operations department, to help there on certain times too. Bill has been very easy to work with and has a great attitude in his approach to work and life. The Supervisors in both the maintenance and operations departments have commented on his knowledge and easy going manner. However, Bill also has a slight mischievous side and at times he is willing to stir the pot "just a little" to see how the stew turns out. And that's according to Dean Kallenborn, our Power Plant Manager. Bill and Lori have been married 28 years and have three daughters; Allison who is attending Kent State University and will graduate next spring, Ashley who graduates from Walsh University this December, and Kylee who will graduate next year from Miami University. Anybody that has three kids in college deserves to be employee of the month, I think. That's a feat in itself, all at the same time. Bill is a Cleveland Cavaliers fan and attends the games with his family when he can. He has become a very good addition our organization. We'll be having lunch on Wednesday, don't know where yet though. The other thing I have is a proclamation, and we do this yearly. This is our Public Power Proclamation. This is the week that we do this just about every year. It's October 4<sup>th</sup>-10<sup>th</sup>. I thought it was very appropriate that we're doing that this time this year after the past few weeks and I'll mention that in a minute here. (Reads proclamation – copy on file in the Mayor's office.) As I mentioned I thought it was just a perfect time to be celebrating Public Power Week with the recent signing of our agreement with the EPA. And I am sure Mr. Brediger will address a lot of that later tonight in his

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report. But the best news is just that we are still a public power community and we will continue to be one. That's all I have. Thank you.

Safety Service Director Wheeler: Thank you, Mr. President. Work continues on East High Street. They do hope to begin the connection on October 12<sup>th</sup> to Orr Street. That is the projected schedule. It may slip a few days dependent on the weather. The asphalt overlay on the parking lot has been completed. Asphalt overlay in Section 12 of the cemetery has been completed. Back Massillon Road has been completed. They are doing the concrete streets on Hostetler. As you can see we are now east of Dairy Lane working on that section and that is one way now going east to west. We urge caution. They do expect to pour this week so if folks want to avoid that area especially when you're trying to get to school on time. You never know if sometimes the concrete trucks will be there at the wrong time for you. So we do urge caution and to avoid that area this week. That's my report for tonight.

Utility Director Brediger: Thank you, Mr. President. I'm going to skip to a couple of quick items before I read a prepared statement if I may. Just a quick reminder on the natural gas aggregation program, customers can still sign up for this program anytime. Most of our customers have probably already received letters from IGS advising them that they are current customers and what the rate is. If you don't plan on changing suppliers, you do not have to do anything. If you want to change, there's information on the letter that you can contact them. Two other items is last week I did send out a couple of emails concerning some new EPA regulations that have come out concerning ozone. These are actions taken to lower current standards that are in place. Based on the limits where the EPA seems to be resting, the energy industry-our business groups seem to feel that they can deal with these new limits. There's still going to be some challenges even though the current level's a little lower than the current standard. Our friends on the other side of the environmental fence aren't quite as in favor of that. There will be some challenges by both sides back and forth but at least on this proposed rule it does appear that we may end up a little favorable on that. And just a couple of comments from the AMP annual conference. Orrville was elected to another three-year term on the AMP Board of Trustees at the annual conference last week. I was reelected as vice-chairman. In addition our power plant operations and our maintenance departments received safety awards for zero lost time and no reportable accidents last year. That's a huge testament. That is hundreds of thousands of man hours just in those two departments. And also I wanted to mention to that the Mayor was reelected to the OMEA Board of Directors so that's some good news coming out of our State conference. And now I'd like to walk through a recent settlement that there's been some information in the press and I wanted to take the opportunity tonight to walk through some more details and try to get some more information out. So if you don't mind I'd like to read this prepared statement so I don't miss conveying any important details. Sit back and relax for a little bit. (Director Brediger's read his prepared statement on file with clerk.)

Mayor: I just wanted to comment and commend Director Brediger for the job he's done not only leading the administration and council and utility board through this whole process but also all of our employees at the power plant and all the other utilities too. This has been a very difficult job and long haul. I think he's just done a wonderful job with that. So, again, very good job. Thank you.

Finance Director Strimlan: Thank you, Mr. President. The only item I have this evening is the quarterly investment report that I distributed to you prior to the meeting. This is a recap of our investments and associated investment earnings for the City and the Utilities for the quarter ended September 30<sup>th</sup> for those investments that are going to be held to maturity. I do not need a motion from Council to accept the report but I do need the minutes to reflect that it was distributed. And that's all I have this evening.

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

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Council President Baker: For my report this evening I'd like to say that I'm glad I'm back. And in a way I am. But I do wish I was still in Hawaii. And just so everyone knows, I did not take my children and my grandchildren. I may make some money doing this job but not that much. But I am glad to be back. We have no Old Business this evening. Our New Business this evening, we do have a bunch of. Mr. Lorson.

### **New Business:**

Lorson moved that Resolution 29-15 be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 29-15**, A Resolution authorizing the Director of Utilities of the City of Orrville, Ohio, to bid and enter into a contract and/or contracts to purchase materials for and construction of the retrofit of Boiler 13 with natural gas burners and waiver of the normal 30 day waiting period. This action is a requirement of a Federal EPA Consent Agreement and Final Order dated effective September 16, 2015, and declaring an emergency.

Baker: Thank you. Any comments?

Brediger: And yes, and for this comment, it will hold for all four of these resolutions coming before this body tonight. I did provide a little background information on my September 29<sup>th</sup> letter to the committee. I just want to also add that this EPA settlement process has really stifled our efforts to be more in front of these projects. And it's going to take a pretty serious effort on behalf of our staff to pull these projects off on time. We have a lot to do with these and I certainly want to answer any kind of questions that you have. This particular resolution is for the conversion of Boiler 13 from coal to natural gas for the terms of the EPA settlement. The scope of this work involves removal of the present coal-burning equipment, the installation of low NOx burners and the upgrade of the natural gas supply system. We expect to bid this work out this month for installation early fall of 2016 in order to be done a couple months ahead of time before the January 2017 deadline. And to secure this unit as being part of our critical power supply before we go into the winter period. The estimated cost of this project is roughly \$2M. And that is a worst case scenario. And we have ample funds on hand for this work. And I'd be happy to answer any other questions that you may have on this.

Baker: Any questions or comments?

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

Lorson moved that Resolution 29-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 30-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 30-15**, A Resolution authorizing the Director of Utilities of the City of Orrville, Ohio, to enter into a contract and/or contracts, without bidding, for engineering design and development of bid specification to construct a new transmission line and waiver of the normal 30 day waiting period, and declaring an emergency.

Baker: Any comments, sir?

Brediger: Yes, sir. This comment is going to be good for Resolution 30-15 and 31-15. This resolution and the one following this is not part of EPA settlement, but it is an out cropping of that. It is a necessary and a vital project rising out of the outcome of this settlement to ensure that we provide reliable electric service in the future. This is for the design and construction of second transmission line connecting us to the grid. Since our other generating units will be limited to peaking and emergency only operation, our reliance will now shift on the present transmission interconnect to provide the balance of energy we need now and will also supplement the delivery of energy from our projects. Since that line was installed in 1974, it has backed-up the plant. Now we are in position, or will be in position in 2017 that we need to backup that line as a second layer of protection if we were going to maintain the same level of reliability for our customers. The scope of this project will include a second independently sourced 138kV connection. The expansion of our existing substation and related distribution

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improvements and procurement of easements and right of ways including permitting. The estimated for this engineering is roughly \$250,000. We will still be securing bids for this engineering just not through the formal process. The estimated cost for this entire project is roughly 4 years. The next resolution that we'll be looking at has a price tag of roughly \$12-\$15M for that. We will provide project details and financing options to you later but I can also say that from a financial perspective we are in very good shape going forward with this project at this time. We have not made that selection yet this just puts things in place that we can go ahead and go forward with that detailed design engineering that will bring back the final cost of that second transmission line. And I would be happy to answer any questions that you have on this particular resolution. Again this one's just for the engineering alone.

Baker: Any questions? Yes, sir, Mr. Aspiras.

Aspiras: Thank you, Mr. President. Mr. Brediger, you've done an excellent job not only here but in committee meetings and utility board meetings explaining what's going on with the EPA consent agreement. Just out of the four resolutions tonight this is one out of the four that is without bidding. Can you elaborate on that?

Brediger: Just due to the expediency of time we still solicit bids. We will have an engineering scope of needed work that will be done. We will send that out to perspective engineering firms to provide us engineering estimates. It's just hastens that process. We'll still be going through the typical bid evaluation process just not going through the formality of the advertising piece in the paper. That's the only difference in all of this.

Baker: Any other questions?

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 30-15 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 31-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 31-15**, A Resolution authorizing the Director of Utilities of the City of Orrville, Ohio, to bid and enter into a contract and/or contracts for purchase of materials, services, permitting, construction and installation of a new transmission line, substation(s) and related system improvements and waiver of the normal 30 day waiting period, and declaring an emergency.

Baker: You made your comments the last time. That applies to this?

Brediger: Yes, this particular resolution is just for the procurement of materials and the installation related to that second line. And again this won't be formally bid out.

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

Lorson moved that Resolution 31-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 32-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 32-15**, A Resolution authorizing the Director of Utilities of the City of Orrville, Ohio, to bid and enter into a contract and/or contracts for the purchase of LED streetlights and related materials and waiver of the normal 30 day waiting period. This action is a requirement of a Federal EPA Consent Agreement and Final Order dated and effective September 16, 2015, and declaring an emergency.

Baker: Any comments this time?

Brediger: Last ones for tonight, hopefully. This resolution is for the design and procurement of approximately 800 high efficiency LED street lights. These street lights will be the typical street lights we kind of call them, the cobra head type design. We do not, at this time, include the decorative lights like we have downtown. These will be installed over the next two years by our distribution crews. Per the terms of the EPA settlement we will spend at least \$150,000 for materials only on this project. The labor is on us. The one good aspect about this particular one

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is this project will pay for itself in about 18 months. So despite all of this settlement action this is one that actually we're able to make lemonade out of lemons with. And that's all the comments I have on this one, sir.

Baker: Okay. Questions? Yes, sir.

Aspiras: Yes, thank you, Mr. President. Mr. Brediger, I don't know if the legal issues might be the question I'm going to ask but because this is an energy efficient move, is there any opportunity for grant money?

Strimlan: Not that I'm aware of.

Brediger: No. We haven't found any. I mean we've had other opportunities through other energy efficiency programs but no, there's not. And I would probably be safe in saying that had there been grant money, we probably would not have been eligible to use it for this. One of the stipulations as part of this negotiations process was making sure that we bought, that those monies went for materials and did not pay for labor which can sometimes be 25-30% of the cost. But to our knowledge we have not found any. We'll still be looking for those. The good, some of the good news is, we'll be buying all of these at the same time so hopefully there will be some quantity discounts. And it's our goal to replace all of the cobra head style street lights. So if we end up spending a few thousand dollars more we're not going to leave a few of them standing just because we hit that \$150,000 minimum that the EPA is requiring us to do. And we'll take a look at the decorative lights at another time once those costs for those retrofit technologies come on down a little bit lower than where they're currently at today.

Baker: Mr. Shupp, did you have a question too?

Shupp: Yes, I still do. Thank you, Mr. President. Mr. Brediger, I've had a couple people ask are you going to replace the whole fixture or just the bulb interiors that is currently on this?

Brediger: It's basically the head, the fixture itself. Yes, these aren't the inner workings. Actually the LED lights are multiple lights in one. If you look coming into town on 57 at the top of the hill after you pass the welcome sign, we actually have two of these LED's installed in there. And if you look at them, the head itself is totally different design because the LED light itself is, there may be a dozen or 18 lights in there. And they put out the light. Pay attention to those when you go out of town.

Shupp: So we'll have a little bit different look appearance wise.

Brediger: Yes. A little bit different look. They won't look that way. They're a little more rectangular. More flatter in profile. Look a little more modern. Take a look at the two as you go outside of town and you'll get a feel for what they look like.

Shupp: Is there any problem with snow and ice in the winter time? There's been some issues with some of the street lights that went LED and they don't create enough heat to melt the snow off the globes.

Brediger: The good things about those is the lights are facing down versus the street lights which are somewhat forward looking and the snow comes in there and kinda builds up.

Shupp: And the opportunity is a little different for the snow buildup. I just didn't know if there were any issues with the LED's not producing heat.

Brediger: No. These things are handling those elements real well. And again, just due to the natural style of the light, there's no places on that light for snow to build up that would affect the lighting properties.

Shupp: Okay. Thank you.

Brediger: You're welcome.

Lorson: Just one more thing, Mr. Brediger. Those have an exceptionally long lifetime too.

Brediger: Very. Very long life. So our maintenance costs on these lights will go down too over time. So there are some benefits with this. You just have to get over that initial cost.

Baker: Mr. Corfman.

Corfman: Thank you, Mr. President. Mr. Brediger, this is the last of the four that are related to this. And I want to thank you for all. I followed this since we got hit with the first and then all those committee meetings and I think you've done a great job in that respect. Long time. And I want to personally thank you.

Brediger: Appreciate it. Thank you.

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Corfman: It's been a long time and been a lot of long utility board meetings discussing this too. Thanks again.

Brediger: That's what we do.

Baker: Anyone else? Mr. Lorson.

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 32-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 33-15 be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 33-15**, A Resolution authorizing the Board of Control to enter into an agreement and/or agreements, without bidding, to purchase sixteen (16) APX6000Li portable Motorola Radios, eight (8) APX7500 mobile Motorola Radios, and associated equipment through Motorola Solutions for the Police Department of the City of Orrville, Ohio, and declaring an emergency.

Baker: Mr. Wheeler.

Wheeler: Thank you, Mr. President. As we discussed at the committee meeting last week, the current communication system that we utilize for our police and fire department is over 40 years old. Due to narrow banding as well as advances in technology over the last 40 years just a little bit, we are in need of serious upgrades to our current system. To be very candid, there's only two options. One is to completely build our own system or rebuild what we have now with estimates of \$750,000 to \$1M to do that. And then we have of course the maintenance costs, annual maintenance costs of keeping that going or to go to the MARCS statewide radio system. Our recommendation is to proceed with the purchase of the radios tonight and begin utilizing MARCS once we transfer over to the WARCOG. Motorola has a current offer that expired September 30<sup>th</sup> but might extend an extra week for us. A 40% discount on the radios if we agree to purchase that, honestly, immediately. So my recommendation is to proceed. The cost is \$82,000 for the radios listed within the resolution, 16 portables and 8 mobiles. Glad to answer any questions. Hopefully you got all the information you needed last week.

Baker: Mr. Shupp.

Shupp: Thank you, Mr. President. That cost is more than we discussed at the other meeting, isn't it?

Wheeler: No. It's \$82,000. The next will be the repeaters which is the extra \$20,000 which is where we get to the \$102,000.

Shupp: Oh I thought we were getting a 15% discount if we made this purchase, not 40.

Wheeler: Yes. Let me be clear. The discounted price is 25% for the state bid plus an extra 15% to buy it currently. So it's a 40 total.

Shupp: Okay. Thank you.

Baker: Anyone else? Mr. Vance.

Vance: Thank you, Mr. President. I did meet with a state emergency communications official about this event with the county commissioner, spoken with county commissioners, spoken with county emergency folks regarding our communications needs. And that narrow banding that Mr. Wheeler talked about essentially means that our current communications towers have a smaller footprint and they used to overlap and one tower would be able to relay the signal to another or a radio would be able to hit more towers. But now there are gaps in coverage. And for us to build new towers to fill in those gaps is simply cost prohibitive and so that along with the fact that the FCC continues to make changes means that we're required to upgrade our radios here in the next couple of years at the latest. And so we can either build our own system or buy into the statewide communication system that's offered by the state. So that's what these MARCS radios are all about. And we're hoping that more and more agencies throughout the county will buy into it as well because that does increase our chance of getting grant funding especially the fire department side and of course it would improve communication among all the various departments in the county. We had a situation a week or two ago where the State Patrol was involved in a situation needing to communicate with us, we're not on the right, same radio system. So you're going to have to

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relay all your messages through the dispatcher and so this kind of radio allows us to communicate directly with the State Patrol in those kinds of situations or fire departments, emergency management and all that. So anyway this is an expensive proposition but it, like Mr. Wheeler said, the current radios lasted 40 years and we're being told that this radio system that we're buying into has a very good reliability pattern as well. So I think we're making a good decision here. Thank you.

Baker: Thank you. 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 33-15 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 34-15 be placed on first reading. Hamsher seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 34-15**, A Resolution authorizing the Board of Control to enter into an agreement and/or agreements, without bidding, to purchase eight (8) Pyramid Vehicular Repeaters, and associated equipment and labor through B&C Communications for the Police Department of the City of Orrville, Ohio, and declaring an emergency.

Baker: Any comments on this part, Mr. Wheeler?

Wheeler: Thank you, Mr. President. This too was discussed in the committee meeting. This is sort of the back up support if you will for the portables. If our police officers are in a position where they're deep in a basement or something where maybe the signal isn't quite as good, the repeaters will be installed on the cars so that there's still connectivity opportunity for them. It's really a safety issue for them in regards to those, hopefully rare occasions, where they're in a position where there isn't a signal. So that there is some back up for them. So these repeaters will be installed on each police vehicle.

Vance: So again this would address another situation we have if someone is on their portable radio, sometimes if they're in a building especially they can't even get back to our own dispatcher as so they have to go out to their car and call on that mobile radio. And so these radios essentially only contact the car, the car then repeats that. So we think we're going to increase our reliability and we had a number of instances where our fire department personnel told us where they couldn't even reach our own dispatcher with their portable radio. You could probably yell from there and have better luck. So, anyway, that's what the role of these repeaters are.

Baker: Any other comments? Mr. Lorson.

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

Lorson moved that Resolution 34-15 be adopted as read. Hamsher seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 35-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 35-15**, A Resolution authorizing the Director of Safety and Service to enter into a contract to provide for tax abatement for real property for Jarrett Companies and declaring an emergency.

Baker: Mr. Wheeler.

Wheeler: Thank you, Mr. President. This is a 15-year, 50% tax abatement for Jarrett companies for the construction of a new 105,000 square foot warehouse plus machinery and equipment at a valued investment of \$3-\$4M, at 1707 North Main Street which is just north of the Moog Flo-Tork. Jarrett will maintain their current annual payroll of \$3.5M with 89 full-time employees. In addition a condition of the abatement is that the company will agree to continue to operate for at least one additional year for each year in which the abatement is granted. According to the Wayne County Auditor the abatement is valued at \$51,840 annually. And the Orrville School Board did agree to waive the period at their September 17<sup>th</sup> meeting.

Baker: Any questions?

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Wheeler: And Mr. and Mrs. Jarrett are here in case you have any questions. I should have said that.

Mayor: Yes, I would just like to comment that it came to Mr. Wheeler's and my attention after the last time when Venture Products was here. When our administration knows what the project is and Council knows what it is, nobody asks any question and the people listening at home don't really get to hear what it is. So I guess we'd like to kind of start a new tradition and ask maybe one of the Jarrett's if you'd like to just explain the project and what it involves so people get an idea of what we're talking about.

Mike Jarrett approaches the podium: Sure that would be fine. I'm Mike Jarrett, by the way. Its 105,000 square feet facility and we'll be building it across from White's Ford. It will be about 200 feet off of Main Street so that we're pushing it to the west so it's not visible or will slightly be visible for cars passing by the facility. As you know Stoller Floors is right there and we didn't want to put the warehouse right along the road with what White's Ford has done with their facility as well as what Stoller's has done with theirs, we wanted to make sure to maintain the commercial retail look for that part of the city. So again, it will be pushed off the road about 200 feet and then we'll put landscaping and a row of trees along the east side of the building so that it will be visible for cars passing by but not heavily visible. The intent for the facility is we currently are full in our 1347 North Main Street facility and we're leasing space from others to accommodate our customers so our plan is to build this 105,000 square foot warehouse to accommodate our existing customers as well as hopefully new customers.

Mayor: I think that's important too. Sometimes people think well warehousing that's not a lot of jobs. The fact that you're building space that's drastically needed helps a lot of other businesses to continue at the pass that they are now. We've heard that from, at the County level too with WEDC (Wayne Economic Development Council) with Rod Crider also saying the same thing that a critical need right now is warehousing. We appreciate the investment that you continue to make in the community.

Jarrett: Thank you, Mr. Mayor.

Shupp: Question please. Is part of the facility going to be refrigerated storage?

Jarrett: It is not. We do have the opportunity. What's that Mr. Vance?

Vance: It is called winter.

Jarrett: Yes. Just open the building. But no, it will be a dry storage.

Shupp: Someone locally asked me about it yesterday and I thought I'd ask. But it's not going to be refrigerated.

Jarrett: It will be dry storage, correct.

Baker: Anyone else? Thank you, Mr. Jarrett. Mr. Lorson.

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 35-15 be adopted as read. Vance seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 36-15 be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **RESOLUTION NO. 36-15**, A Resolution authorizing the Director of Safety and Service to enter into a contract to provide for tax abatement for real property for The J.M. Smucker Company/Big Heart Pet Brands and declaring an emergency.

Baker: Yes, sir.

Wheeler: Thank you, Mr. President. This resolution is for a 15-year, 50% tax abatement for the J. M. Smucker Company/Big Heart Pet Brands for the construction of a new 100,000 square foot building plus machinery and equipment and a valued investment of \$20-\$30M on their corporate campus. It will also create 400 jobs over a 36-month period paying \$40M of additional annual payroll. In addition the company agrees to continue to operate for at least one additional year for each year in which the abatement is granted. According to the Wayne County Auditor the abatement is valued at \$388,781 annually. Also as per ORC Section 5709.82 we are currently working with the school board on an income tax revenue sharing agreement with any revenue generated over \$1M as part



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of this agreement. That is required as per 5709.82 of the Ohio Revised Code. Mary Beth Burns, who is the corporate communications Vice President is here to answer any question you might have specific to the project.

Shupp: I have a question Mr. President for Mr. Wheeler. On this negotiation between the City and the school system, can you give us any idea at this point in time where we're at with this percentage?

Wheeler: To be very honest, the Ohio Revised Code is very specific in regards to the requirements so the negotiations is more in regards to how that will be tracked. It is a 50% share. So it's not a matter of how much, it's just a matter of how it's tracked and what, who is providing those numbers.

Shupp: So the school will be getting 50% of the income that the City collects from the new employees in this facility that is going to be built and abated.

Wheeler: That is correct. Yes, sir.

Shupp: So the statement in the paper by the treasurer last week from the school board that it would be somewhere around 10% isn't even close.

Wheeler: I didn't read the paper, the newspaper article.

Shupp: That's what he said in the paper or unless it was a misprint. So they are going to collect 50% of the income tax that we collect in this whole package?

Wheeler: Yes, sir.

Shupp: Okay. Thank you.

Wheeler: And if I could just add one other thing as a condition of one of the other things that is part of the agreement with The J. M. Smucker Company and the negotiations was a Job Creation Tax Credit which is 10% which will be brought back to this council. We're working with the State on the language on their requirements for the language on that so that will be to you at the next meeting. We were hoping to get it all to you but still working with the State on the wording.

Baker: Ms. Burns. Mr. Vance did you have a question?

Vance: I apologize the gears are turning a little slowly, so it's been a long evening. Could you just clarify what the revenue sharing agreement covers? Is it only real estate? Is it real estate and income tax?

Wheeler: Repeat the question?

Vance: This revenue sharing between the City and the schools.

Wheeler: Strictly the income tax.

Vance: Strictly income tax, real estate tax isn't included in there.

Wheeler: No. The real estate tax is being 50% abated. The other 50% is still going to the same sources it has before.

Vance: Alright. Very good. This is kind of a new thing for us.

Wheeler: Interestingly enough it's been in the ORC for since the early 90's. In actuality there was another agreement with the City later on, I believe it was the late 90's?

Strimlan: With Gerdau.

Wheeler: With Gerdau. But we haven't had any others that have met the criteria of over a million dollars of payroll.

Mary Beth Burns: Well thank you for your consideration this evening on behalf of The J. M. Smucker Company we thank you. For over 115 years the company has been really proud to call Orrville our home and this is another exciting and transformational time for the company. The J. M. Smucker Company through our Big Heart Pet Brands subsidiary is proposing to create 400 new jobs and invest \$31M at our corporate headquarters here in Orrville by the end of calendar year 2018. The 400 new jobs would include some relocations from our U.S. retail pet foods corporate shared services and research and development functions currently in California and Pittsburgh as well as some newly created position needed to support our nearly \$8B company. The \$31M in investments would include a significant investment to expand our state of the art research and development facility as well as equipment, furniture and fixtures needed to support and additional 400 employees on our campus. While we're still in the

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process of evaluating the requirements and costs associated with our proposed expansion here in Orrville, we hope to make that final decision by the end of October. We greatly appreciate your consideration and support of our initiative. Thank you.

Baker: Anyone have any question for Ms. Burns?

Shupp: Yes, I do. Our information shows that this will be 400 employees with a \$40M payroll.

Burns: Correct.

Shupp: That's \$100,000 a piece. That's pretty high.

Burns: Well, if you read the Plain Dealer, that's an inaccurate assumption. We have all of these positions are a variety of roles and responsibilities and will have different pay grades based on those roles and responsibilities. So it's not a correct assumption to assume that all of those will have \$100,000 base salary.

Shupp: Yeah, I figured there were some more and some less.

Burns: Yes.

Shupp: That's pretty high still. Can you tell us where the building is going to go?

Burns: In the parcels that are currently located near our discovery building. The discovery building is the building that is located on Main Street. So it will be in those parcels attached kind of to the discovery building where we currently have parking for employees who are in that building. It will be in that area.

Shupp: Thank you.

Burns: Thank you.

Baker: Thank you.

Mayor: Mary Beth, again thank you on behalf of all of us for the continued support that we still see from The Smucker Company too. The investments that they make is quite remarkable.

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 36-15 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Baker: Ladies and gentlemen that concludes our business for the evening. Does anyone have any comments for the Good of the Order tonight? Mr. Shupp.

### **Good of the Order**

Shupp: I have a lot of questions tonight. I've got a question for Director Strimlan. Just to refresh my memory and maybe some of the other council members and the general public here. Our tax collections per person income tax is 1% of gross earnings, correct?

Strimlan: Yes.

Shupp: Do they have to live in the community to pay that?

Strimlan: You do. Or be employed.

Shupp: If you don't live in the community, what do we collect?

Strimlan: If you're not a resident of the City of Orrville?

Shupp: If you're working here but not living here, what percentage does the City collect?

Strimlan: If you work here, we collect 1% as well. If you live in the City but work outside of the City we, the income tax rate is 1% however we will give credit for 1% paid to other communities. But every employee in the City of Orrville pays 1% tax to the City.

Shupp: I knew there was a sharing thing but I couldn't remember which way it went. So it is if you work here, you will pay the 1%.

Strimlan: Exactly.

Shupp: No exceptions.

Strimlan: If you live here.

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Shupp: If you live here and work somewhere else there may be a revenue sharing situations.

Strimlan: Correct.

Shupp: For that person. Thank you very much.

Hamsher moved to adjourn the council meeting and Corfman seconded. Roll call vote; all yeas; motion carried.  
Council was adjourned 8:40 PM.

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Jeanne Feudo, Clerk of Council

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Date

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Lyle Baker, President of Council