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

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

Wilson moved to approve the minutes of the last regular meeting November 16, 2015. Vance seconded. Roll call vote; all yeas; motion carried.

Standing Committee Reports:

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

Finance – Aspiras: Thank you, Mr. President. Finance really has nothing this evening although there is one piece of legislation up on the docket this evening and that is Resolution 52-15 and it's to make some amendments to the 2015 appropriations before the year ends. There's three small amounts that we'll have to amend. Ms. Strimlan will obviously have more to say about that during that piece of legislation and a chance for anybody to ask her any questions. It seems pretty straightforward. I did discuss a little bit of that with her earlier. And that's all I have. Thank you.

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

Administrative Reports:

Mayor Handwerk: Thank you, Mr. President, just a couple items tonight. I wanted to mention that the hotel is moving along. We had two representatives from the hotel here last Friday. I met with them here with Mike Hedberg and then also over in Wooster with the WEDC in reference to a revolving loan fund that they would be using to help with the purchase of land. So it is moving along and we're very encouraged by that. I would also like to congratulate and thank all those that were involved and helped with the Home for the Holidays over the Thanksgiving weekend. We did have a lot of rain that evening but in walking around downtown here it looked like it really didn't affect the crowd too much. There was still a very good crowd downtown. Councilman Paul Vance did a nice job up there at Smith-Orr Homestead with the introduction of Santa Claus and got the night kicked off. The warmer temperatures helped quite a bit so even though it was rainy it was still nice to walk around. Thank you to the Chamber for their help in that and all those other folks that helped with the different stations at different places downtown. And that's all I have.

Safety Service Director Wheeler: Thank you, Mr. President. Leaf pick up is continuing. The second round on the south end is ongoing. They are going to head to north of Market here in the next day or two. They do hope to be finished at the end of this week but obviously they'll continue until all those piles are picked up. The East High Street project actually is making progress. The light heads have been installed; those were put up Friday. The controller equipment started being installed today. They should finish that up tomorrow or Wednesday and then some testing begins to make sure everything is operational and functional. Once they're able to do that, there is a period of time ODOT requires that testing to occur and then they'll be able to remove the poles and pour the concrete and then we'll plate

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the concrete while it dries and open the intersection up and get folks back to their regular routine. So there is an end in sight. The contractor I know is working hard to get that intersection open. It's obviously to their financial advantage to do that as they're behind schedule on the contract. And that is my report for tonight.

Baker: Okay. Any questions. Yes, sir, Mr. Shupp.

Shupp: Thank you, Mr. President. Mr. Wheeler, I think maybe we should let everybody know that this snafu at the end here is basically ODOT's part of this project.

Wheeler: It is the, actually it's the controller delay, I mean it's the contractor delay by all means. And the contractor is behind schedule. Every day now that they're behind schedule it's \$1,000 per day. So it's definitely to their financial advantage to get this done as quickly as possible. They had a delay with their sub and the sub is out there now currently. And this is an ODOT project. ODOT overseeing. ODOT is working with them to get it done quickly. So it is moving along. We've made more progress in the last week or two on the light portion than we had in the prior few weeks. There is an end in sight.

Shupp: Do you think there may be any problem with pouring the concrete this late in the season if our temperatures start to drop?

Wheeler: I don't. I think they'll cover it as needed. So far they're optimistic to do so. But as we move on, we'll have to be a little more careful.

Shupp: I hope we can get 'er done.

Wheeler: Yes, sir, me too.

Corfman: Mr. Wheeler, there's a couple of thank you or congratulations I think in order. Captain Ron Ballentine, congratulations for Firefighter of the year. And at the same time, we had Home for the Holiday's there was the stadium hosted a playoff game. We probably had one of the largest crowds we've ever had for a playoff game. Danville and Mogador and the policeman I talked to they did an outstanding job in handling that. Keeping it out of a big headache for the downtown and handling all the traffic that that took. I think they did a great job on that.

Wheeler: Thank you. And the effort Kent Smith puts in on those last second games like that and the coordination between our Street Department and our Police Department's been really good. We keep those working smoothly.

Baker: Anyone else? Thank you, Mr. Wheeler. We'll move to our Utilities Director Mr. Brediger.

Utility Director Brediger: Thank you, Mr. President. A couple weeks ago we did open up bids for the Boiler 13 coal to natural gas project. We received seven bids. They range from just a little south of \$500,000 to a little bit over \$1.2 M. We're in the process of clarifying the details with the lowest two bidders on that. Assuming things work out and the proposals are what they are, we're going to be under budget on that project so far. When we get closer to awarding that contract we'll let you know who that successful bidder is. Also, in between meetings, the EPA has come out with another rule. They're addressing ozone season. This is a new rule that becomes effective in 2017. It would reduce emissions of nitrous oxides from power plants in 23 states, mainly in the eastern half of the United States. The one good thing about that is during our lengthy negotiations we had with Federal EPA and the most recent settlement in September, we factored in the fact that this rule was out in some stage of formation and we through our settlement process we positioned ourselves so this rule will not have any impact on the power plant. It will have some impact on our Prairie State project however the extent that is, we're still

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working on that. The last thing on the electric side is by the end of this month we'll have five of the eight units in our three hydro projects either in service doing testing or part of a 30-day commissioning effort. Those projects are, at least three out of the four of them, are moving ahead real well. We have eight units between the three projects, our last hydro, the Smithland isn't subject to come on line until September of next year. But good projects on the hydro and we expect to receive energy from those early first quarter of 2016. And just a note to high school seniors, we do offer through AMP two scholarships. One of those is the Gorsuch Scholarship and the other one is the Lyle B. Wright Scholarship and their both \$2,000 scholarships. Those applications are due tomorrow. So those having high school procrastinating seniors make sure those get into the respective guidance counselors. Information was sent out to all of our area schools and basically what happens is both of these scholarships are open to high school seniors. The first one is eligible to any Orrville Utility employee child and the Wright Scholarship is eligible to any high school senior that is on the Orrville Utility's electric system. Both scholarships require applicants to have a 3.0 or better for six semesters. They do have to provide transcript and they also are required to submit an essay on the benefits of a public power utility in the community. Those will be coming into our office this week. We do evaluate those essays. We select one candidate for each scholarship and then those names are forwarded down to our state association where they are further vetted through all of our members. High school seniors, if you don't have them in, tomorrow's the day. And with that, that concludes my comments. I'll have a couple comments concerning the resolution for the coal contract at the appropriate time. Thank you.

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

Finance Director Strimlan: Thank you, Mr. President. We are beginning our ERP implementation finally. The week of December 14th, representatives from Harris will be here to test our hardware and begin installing the software on the new equipment. We're also coordinating some data evaluation tests so that if we need to make any modifications to our current data, we can do that now so we don't run into problems during the implementation or afterwards. We should have a firm project calendar for you by the next meeting so that you can see the dates that we've laid out for completion of the project. Moving on to income tax, we are working on updating all of our income tax forms and will be posting them, as we told you, to the City of Orrville website. We'll let you know when the forms are completed and available for viewing, hopefully by the next meeting and for sure by the end of the year. I also have several pieces of legislation on the agenda and I'll discuss those as they come up tonight. And that's all I have.

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

Law Director Kirkbride: Thank you, Mr. President. I have no report but we are going to ask for an executive session for the purpose of discussing contracts and personnel following old business this evening.

Council President Baker: Thank you. For my report this evening I'd like the Mayor want to congratulate everyone in town with a fine holiday celebration after Thanksgiving. Home for the Holidays is one of those things that I enjoy. I don't always get a chance to go out and visit everywhere around because I play in a bell choir that plays during that time. We had a nice group of people that came in to listen to

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us. I hope we continue with this for many years to come. We have a good time with it. We'll now move to our old business. Mr. Lorson.

Old Business:

Lorson moved that Ordinance K-15 be placed on second reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Ordinance No. K-15**, An Ordinance to amend Chapter 181 of the Codified Ordinances of the City of Orrville, Ohio, regarding Municipal Income Tax, and declaring an emergency.

Strimlan: Just this is the second reading for the adoption of the new City of Orrville Income Tax ordinance that's required by HB5. We did have a workshop. We answered some questions when this was on first reading. I did invite Mr. Nussbaum the Income Tax Administrator to attend again this evening in case there were any additional questions that you might have that he could answer for you.

Baker: Anyone have any questions or comments?

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

Lorson moved that Resolution 46-15 be placed on second reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **Resolution No. 46-15**, A Resolution authorizing the Safety-Service Director to enter into an amended contract and/or contracts to provide for a Job Creation Income Tax Credit for The J.M. Smucker Company and its subsidiaries, and declaring an emergency.

Baker: Anyone have any comments for this one?

Wheeler: Just to refresh everyone's memory, this is the Job Creation Tax Credit for the J.M. Smucker Company as part of their moving of the Big Heart Pet Brand to Orrville. As we discussed before it's to bring 400 new jobs, annual payroll of \$40M with \$400,000 in income tax. It's a 10% abatement over 14 years which is \$40,000 per year, or up to \$40,000. It will be based on payroll so it is based on what those numbers are annually.

Baker: Anyone have any questions or comments?

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 46-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 47-15 be placed on second reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Resolution No. 47-15**, 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, 2016, and declaring an emergency.

Baker: Any comments for this one?

Strimlan: No. This is the second reading for the temporary appropriations. And this should go the full three readings.

Baker: That concludes the old business then. We'll move to new business Mr. Lorson.

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Vance: Mr. President. Our Law Director had requested an executive session before we move to new business.

Baker: Okay. Someone going to make a motion for that?

Corfman: I move we go to executive session. Lorson seconded. Corfman: It's for the purpose of legislation or personnel issues and contracts. Roll call vote; all yeas; motion carried.

Baker: Okay. For this one, since it is an executive session, members of council and the administration may stay. Other people will need to clear the room. 7:53 PM.

Time returning: 8:26 PM.

Baker: Ladies and gentlemen, welcome back to our meeting. We will now move to new business, Mr. Lorson.

New Business:

Lorson moved that Resolution 48-15 be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **Resolution No. 48-15**, A Resolution authorizing the Public Utilities Board of Control of the City of Orrville, Ohio, to execute a contract or contracts, without bid, for coal supply and ash disposal for a three (3) year period, and declaring an emergency.

Baker: Mr. Brediger.

Brediger: Yes, thank you Mr. President. As I indicated in my letter to council on November 24, this resolution is for a three-year fixed price coal contract for the electric utility. It has a contract value in its first year of about \$7.3M. This is an increase of just slightly over 1% over our base fuel costs that we're currently paying today. If you recall, we're coming out of a two-year contract that was fixed for two years. Give you some background information. I did pass out a handout. The first sheet does go over some of the financial specifics. We received proposals from three entities. The first one Westmoreland Resources, they are our current supplier. They have been, they bought out our current supplier which is Oxford Mining. But we looked at costs on how much energy we're buying in the fuel not how much we're paying per ton like we buy salt or gravel. But we received a three-year fixed proposal from Westmoreland. Rhino Energy gave us a competitive price but they were only interested in one year. And the reason for that is, after year one, our coal usage drops off to about 10% of what it is today. And that is to be in compliance with the EPA settlement. That limits our operation on our remaining three coal units to roughly 10% of what they operate today. Since those larger volumes weren't out there for longer periods of time, it wasn't competitive for them. Our third proposal came from Kimble Companies and as you can see by the prices that's indicated there in that green shaded area, they offered a three year and those price increases had some pretty nice increases for each year. The second page of the handout just gives you some historical costs of these contracts. You can kind of see where our actual costs are relative to the base cost of the coal contract. And the good part that you can see in 2014 and 2015 is our coal pricing that we're actually paying for this year is below the base contract amount that we have with Oxford Mining. And the reason for that is mainly due to the lower diesel cost that we're paying out there. We do have a monthly diesel fuel charge on the transportation portion of delivery and the fuel that's used to mine the coal at the plant. The second sheet, the bar graph that has the blue bars on it, just shows how the change in our fuel costs have changed over the past 20 years. You can see we've, in the beginning the coal market was fairly stable but we took some rather large increases in 2007 and 2011 and pricing has been on the downhill slope since then and that's been working for our favor.

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The last sheet just shows what those historical costs have been to date. Again it's just a bar graphical, a month to month sort of snap shot on what's been going on in our coal industry. Not only we're seeing declines in the industry but what also impacts us too are the regional suppliers. It doesn't matter really where the coal prices are in Illinois or down in West Virginia. Our prices are mainly impacted by the transportation cost the difference that that takes to get that coal from the regional producers in our plant. Fortunately for us, those prices still are falling in line where the industry's at. And when those fuel costs are down lower, those do get reflected in our rates through that quarterly power cost adjustment factor. So what we're bringing in front of you a good contract considering the transition period we're going through. We have some stability with maintaining our current supplier. We have the willingness especially in those last two years of the contract of seeing those volumes really drop off and from a producer perspective did not take advantage of us from a vulnerability perspective. We were able to keep those prices fixed during that period. I think they took the approach that some coal sales is better than no coal sales versus now you're going to be dealing with an even smaller volume of needs, I have less buying power out in the market so therefore my risk of being exposed to higher coal costs with my volumes going to be more sporadic those last two years could have been working against us. They didn't in our current coal supplier's proposal to us. So that's kind of a recap of this. The coal also from a quality perspective is better than the coal that we've been buying the past several contracts. This is all a washed product. And some of the advantages of this product over the other two suppliers is, it does result in lower Sulphur content in that fuel and if you recall is part of our EPA settlement, we do have Sulphur emission caps for the first time in our history so this lower Sulphur coal will also allow us to burn more coal for longer periods of time which allows us to dispatch it more economically because the Sulphur content in the coal is lower which means we can burn more coal and still keep under the caps. And those Sulphur percentages were lower in the Westmorland proposal than the other two. So we have a lot of good things going for us. They're also providing the trucking that hauls the ashes out that are generated when we combust coal and those go down to a landfill down in New Philadelphia. So we're arranging for that continued return trucking arrangement for us and all the other terms of our contract are the same, they took no exception out of those. So very minor price change provides us some fixed costs. We know where those costs are going to be for the next three years. And I'll answer any other questions that you may have on that.

Aspiras: Mr. Brediger, the question I have with the EPA consent agreement, you mentioned our reduction in coal usage particularly I think it's January 2017 when we make that conversion, I guess my question, considering that, is does this contract require a minimum, a mandated minimum?

Brediger: No. No. We have no mandated minimum or maximums on this. We've negotiated that language into most of our coal contracts that we've had. They do ask to provide a range on what we expect those to be but they're not guaranteed and again there's no minimum. So if something would happen in our production schedule that we only burn half of what we were projecting, there are no penalties attached to that. Likewise if for some reason we were able to increase significantly our need to coal burn, which it's not going to happen, because of this settlement agreement, we could see those volumes increase, and they have in the past, and with this current supplier they've been very flexible and working with us on that. But most people, especially when they see in the last two years of the contract those declining volumes go down there, they want to make it worth their while and a lot of them will put

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some minimums in there so they're assured something here but Westmoreland did not request that and they have not every in any of the contracts that we've had with them over the past couple of decades.

Aspiras: Okay. Very good. Thank you.

Baker: Any other comments?

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 42-15 be adopted as read. Aspiras seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Ordinance L-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Ordinance No. L-15**, An Ordinance amending Section 151.05(b) of the Codified Ordinances of the City of Orrville, Ohio, regarding holidays for Police Department personnel, repealing all legislation inconsistent herewith, and declaring an emergency.

Baker: I think Mr. McFarren explained this already. Does anyone have any other questions? No.

Lorson moved that Ordinance M-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Ordinance No. M-15**, An ordinance amending Section 151.06 of the Codified Ordinances of the City of Orrville, Ohio, regarding uniform allowances, repealing all legislation inconsistent herewith, and declaring an emergency.

Baker: And once again this was explained by Mr. McFarren. Anyone have any further questions? No.

Lorson moved that Resolution 49-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Resolution No. 49-15**, A Resolution fixing the salaries and wages of full-time employees of the City of Orrville, Ohio, eligible for membership in the Ohio Patrolmen's Benevolent Association (OPBA), repealing all legislation inconsistent herewith, and declaring an emergency.

Baker: Anyone require any further explanation here?

Lorson moved that Resolution 50-15 be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried. **Resolution No. 50-15**, A Resolution fixing the salaries and wages of full-time employees of the City of Orrville, Ohio, eligible for membership in the United City Workers Union (UCW) for the grades heretofore established, repealing all legislation inconsistent herewith, and declaring an emergency.

Baker: Any questions or comments on this one? I see none.

Lorson moved that Resolution 51-15 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Resolution No. 51-15**, A Resolution to accept the recommendations of the Orrville Tax Incentive Review Council regarding tax abatements for companies located in the City of Orrville, Ohio, and declaring an emergency.

Baker: Okay. Mr. Wheeler.

Wheeler: Thank you, Mr. President. This is an annual housekeeping item. The Tax Incentive Review committee reviews the abatements, reviews whether or not they're meeting the requirements and obligations of the abatement and then they recommend whether or not to continue to amend or to the

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opposite and not recommend the continuance. All of the abatements were in compliance. Often times at these meetings too we get sort of their outlook for 2015. Most felt like they were going to hold steady and others felt like they were going to do even better. So there were some positives that came out of those committee meetings as well. It is a requirement every year that that committee review these abatement parameters and then they do recommend continuance on all of these items to council this year.

Baker: Anyone have any questions?

Aspiras: Thank you, Mr. President. Mr. Wheeler, if you could excuse me I'm not catching my memory on who CLS Holdings?

Wheeler: CLS Holdings is, that one is Serpentini I believe.

Brediger: Serpentini.

Kirkbride: Pericles.

Wheeler: CLS Holdings is Stoller Floors. Sorry it took me a minute to remember all the, CLS Holdings is Stoller Floors. SBF Holdings is Venture Products. And Pericles Holding is Serpentini.

Aspiras: Thank you.

Shupp: What was the last one?

Wheeler: Pericles Holdings is Serpentini.

Aspiras: Nice to see those businesses on this list here all in Orrville.

Wheeler: Yes, sir. And the Stoller Floor contract, I believe is over this year is their last year of the agreement.

Baker: Any other questions?

Shupp: Who is John and Beth on there?

Aspiras: That's the chiropractor.

Wheeler: Dr. Chiofalo.

Shupp: Oh. Yeah, yeah, yeah, that's right.

Aspiras: They're on High Street.

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 51-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 52-15 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Resolution No. 52-15**, 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: Ms. Strimlan.

Strimlan: Thank you, Mr. President. Hopefully all of you received my memo outlining these changes. There are three funds that we're modifying. The first is for the first responder's fund. If you remember we did establish the fund to start our own shop with a cop program. The program is funded strictly by community donations. It's now time to begin making some expenditures from that fund since the event is Saturday. So this is the appropriation that is necessary so that we can expend those funds. The deposit escrow fund, we use that to account for construction deposits, anything for our recreational

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facilities and also the legislation that we implemented a few years ago for fire loss claims. This year we did have two properties that had funds on deposit for the potential demolition of those properties if they were not renovated. As it turns out, they were renovated this year. Our fire chief did an inspection and everything was in order. So we do have to refund those deposits to the property owners and so this was a large expenditure we weren't planning on for this year. Normally we don't have those fire loss claims. And the last change is a potential change. Its' for the water revenue fund to account for finance expenses. It's necessary because we've had some frontend ERP evaluations and some associated expenses and may run us a little close on the legal level of control for finance in Water.

Baker: Anyone have any questions for Ms. Strimlan?

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 52-15 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson: That's it.

Baker: That's it. Okay. That's a long one. Thank you, Mr. Lorson. Anyone have anything for the good of the order this evening?

Mayor: I wanted to mention due to the EPA regulations that Mr. Brediger mentioned earlier, Santa will no longer be able to put coal in the stockings of those who are naughty. And also there is some concern that Santa's reindeer may not meet natural gas regulations. But we think we have that covered because they're going to give them Imodium before they leave the North Pole. So everybody can rest safe now.

Baker: Thank you Mayor. Make sure the reindeer all know that. Anyone else have anything this evening?

Aspiras moved to adjourn the council meeting and Vance seconded. Roll call vote; all yeas; motion carried. Council was adjourned 8:50 PM.

Jeanne Feudo, Clerk of Council

Date

Lyle Baker, President of Council