

Regular/Public

November 7, 2016

Council President Baker called the meeting to order. Pastor Brad Dews from Orrville Baptist Church offered the prayer. The Pledge was recited.

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

Vance moved to adopt the minutes of the last regular meeting of October 17, 2016; Wilson seconded. Roll call vote; all yeas; motion carried.

**Standing Committee Reports** No report for Transportation, Planning, Ordinance and Personnel Finance – Aspiras: Thank you, Mr. President. I have two items regarding Finance this evening. The first one is the 2017 Temporary Appropriations calendar. Director Strimlan has passed that out. On November 21<sup>st</sup>, that's a Monday, workbooks will be delivered to City Council and the President of Council. And then we will have first reading that same evening during our regular council meeting. Also on December 5<sup>th</sup> we will have second reading and then third reading December 19<sup>th</sup>. That should round out the requirements for that. The second item I have we received an award from the Government Finance Officers Association for our financial reporting. I'm not going to steal Ms. Strimlan's thunder so I will stop there and that's all I have regarding finance this evening. Thank you.

Utilities – Corfman: Thank you, Mr. President. Utilities committee would like to thank Director Brediger for the tour of the water plant. You, and I and the utility board all got to tour the water facility, excellent, very clean. Great tour and would like to thank you for that. And a member of the Utility Committee, Mr. Aspiras has a few things to say about his trip.

Aspiras gave a brief report on the ribbon cutting ceremony at the Willow Island ribbon cutting.

Corfman: And Mr. President, it was a pleasure to see that while it was getting built a couple years ago. That concludes Utilities report.

Health and Safety – Vance: Thank you, Mr. President. I did a bit of traveling as well and was able to attend the Ohio Municipal League conference in Columbus a couple of weeks ago. (A brief report was given.) Thank you.

Parks and Recreation – Wilson: Thank you, Mr. President. A few meetings back I mentioned an interest in dugouts for the Mizer softball field. We met and looked at some plans and some materials. Those materials have been selected and its' going to be a split face grey block. And the plans have been submitted and approved. Construction will start very shortly and that is completely funded by the Orrville Firefighters Association. And that's all I have tonight.

Baker: We have no special committee reports. We'll move to administrative reports. Mayor Handwerk is excused this evening so we'll move to our Safety Service Director, Mr. Wheeler.

**Administrative Reports:**

Wheeler: Thank you, Mr. President. Very busy construction wise as anyone that's drove around town the last couple days can attest, or the last couple months. But particularly Market. Northstar is expected to complete the asphalt overlay on Market Street by the end of this week; weather permitting which I don't think going to be an issue. Also in the meantime Trimor is working on the intersection of Market and Crown Hill. They are expected to be completed on that project not this week but next week. And in the meantime Dominion is still on Market. So I would highly recommend that you avoid Market if at all possible. In the meantime, leaf pick up also began today from our Service Department. They did begin on the south end. They will finish one go around through the south end this week and then head to the north end next week and then, of course, do final pass through the week of November 28. So

Regular/Public

November 7, 2016

hopefully everyone has an opportunity to get all their leaves picked up in that time frame. And if for some reason we miss you after your week is up, by all means give us a call at the Service Department 684-5000. We'll be sure to swing back and get you. But for the most part, they do a very good job in regards to making sure we get everyone. And that's my report for tonight.

Shupp: Question please. Thank you, Mr. President. I talked to Ron Lowe, correct?

Wheeler: Dan.

Shupp: Dan, I'm sorry. And he informed me that once we get to the intersection at Crown Hill and Market completed that's pretty much the end of the concrete work for this year?

Wheeler: There's a little bit to do then on the, what would be north of there, just a little bit adjacent to the fire station. We've had some sinking along Lynn and in that corner. So other than that, that's all that's all that's left. I mean we're really close.

Shupp: And then things can go back to normal?

Wheeler: Yes, sir. Until next spring.

Baker: Thank you. We'll move to our Utilities Director. Mr. Brediger.

Brediger: Thank you, Mr. President. Just have a handful of informational items. We're about 95% done with the LED street light conversions. That work is progressing very expeditiously for us. We did sign an agreement for our natural gas supply for the power plant going forward. We entered into a contract with IGS. We worked through our consultants and selected this supplier out of three bidders that we had. IGS is also our residential natural gas aggregator also. The gas market, at least today, is a lot more favorable than it was over a year ago when we made the decision to go this path. That's working in our favor. Also along those lines, the work on boiler 13, the conversion from coal to gas, was put into operation last Friday. We're still fine tuning some of the controls and we still need to do some acceptance tests for Federal EPA. But that work is progressing rather well above expectations. This was pretty much last week, a very monumental event for us. For over 100 years that facility has been all coal fired and that reign kind of came to an end last week. The other units, in January 2017, will still be fired on coal but if you recall, we are limited to about 10% of their capability for the rest of their days down there. And that pretty much limits us to operating those units during peak times and emergencies. Some of our preliminary operational results that we've had since the unit started and went pretty much commercial last Friday is one of the concerns we had was firing on the different fuel. We knew we were going to experience some losses in efficiency and there was a possibility of derating the unit. We really have not seen any of those significant impacts. We will actually still be able to operate that unit from a generation perspective at or above the levels that we were on the coal so that's good news. Also combined with the fact that we're not using a lot of the coal related equipment that uses some large horsepower motors, we will actually net out more energy out of that plant at the end of the day. I do want to make the comment that because we made that fuel change and we're seeing a little bit higher capacity out of that unit and we're able to use that unit within the same flexibility that we've operated on coal, that is going to save us tens of thousands of dollars every year. The other comment I'll have is I am especially proud of the employees that we've had. We did all that installation work in house. We saved probably in excess of \$100,000 on the installation. That project will be coming in under budget and it will be coming in ahead of schedule. Dean Kallenborn, our electric utility manager, for the most part, managed that project. It was truly a hands on effort. We had all of our plant personnel involved. All of our staff members. We even pulled people from our electric distribution department and waste water utility departments on that installation. So I want to publicly thank all those individuals that made this effort very successful for us. We're just doing some tuning this week to hone in on some efficiency and final operational numbers going forward. The next item at our next Utility Board meeting on

## Regular/Public

November 7, 2016

November 14<sup>th</sup> we're going to have some continued discussion over the possibility of looking at some solar generation. If you recall, we've been talking about AMP's program to roll out solar to the membership. We have a couple of sites that we have had selected as the short list for potential solar development in our community. They total a little bit over 3MW. So we're going to have some more discussion on that at the next utility board meeting and if you're interested in that I urge you to attend. And we'll have some more follow up discussion with that. We will also be reviewing our long-term power supply study that was completed. That dovetails in with looking at solar and other long-term energy resources to take us into the next century. A couple things under the miscellaneous department, it still hasn't gotten cold yet but you can still sign up for the natural gas aggregation program. This program you can enroll in at any time. The prices are fixed at \$2.97. If you have any questions on that, you can contact our office. But if you're currently enrolled from last year you really don't have to do anything there. Something that we learned at our last AMP board of trustees meeting is the Ohio Public Utilities Commission will be looking at some interest from the State Investor Owned Utilities to look at re-regulating the electric industry. If you recall, the industry was de-regulated in 2000 at the same utilities request. Things really aren't working that well for them today and combined with some of the dysfunctional transmission markets out there they think it might be in their best interest to go back and being regulated again. So we'll be following that through our state association AMP on there and just see where all that emerges. But that's one of those circles that have kind of come back around again. The last comment I have concerning scholarship opportunities for our high school seniors. AMP, our state association is offering scholarships again this year. Students of utility employees and all electric customers of Orrville Utilities are eligible to receive one of two \$2500 scholarships. Applicants must be high school seniors who will graduate in the spring and have met requirements for college or technical school. Students must have a GPA of 3.0 or better on a 4.0 scale. A strong candidate would be a well-rounded student. Recipients are chosen based on academic performance, a written essay, scoring on a public power test and participation in a variety of other extracurricular activities and programs. The deadline for those applications is December 9<sup>th</sup>. Students should contact their high school guidance offices for details. And since 1988 AMP has awarded \$288,000 to high school seniors. So this is one of those of those of you that have high school seniors, moms and dads out there looking at good odds for scholarships, make sure your kids sign up for this. It's a very competitive program but your odds are a lot better than some of the national scholarships that are out there. Last student that won was a couple years ago was Joel Zook. So we've had a few winners but again, pay attention to all those deadlines so if you have kids in college go back and ask them and have them go see their guidance counselors. And that's all I have tonight sir. Thank you.

Baker: Next up is our Finance Director Ms. Strimlan.

Strimlan: Thank you, Mr. President. As Mr. Aspiras mentioned it is time for our temporary appropriations.

Council will receive their workbooks at the next meeting and the legislation will go the full three readings. Just to remind you, this legislation is necessary for expenditures for the first three months of 2017. And I'd just like to ask council for a motion to approve that temporary appropriations calendars. Aspiras so moved; Hamsher seconded; roll call vote; all yeas; motion carried.

Strimlan: Also at the next meeting I will have some appropriation changes for 2016 on both the tax supported and the enterprise side for those funds. I'll out line those changes in a memo that you'll get prior to the council meeting. Also I am pleased to report that the City has once again received the Ohio Auditor of State Award of Distinction for 2015 for our Comprehensive Annual Financial Report. The report, again, reflects our commitment to responsible financial reporting and our commitment to the

Regular/Public

November 7, 2016

excellent stewards of our tax payer dollars. Just to provide you with a little bit of background on the award, it is the highest form of recognition in State and local reporting. It's presented to the top 5% of governments that meets specific criteria during their audit. Municipalities that receive the award must have a clean audit report. The report cannot include any findings for recovery, material citations or weaknesses, any significant deficiencies or any questioned costs. Also along those same lines I did distribute the news release that Mr. Aspiras mentioned from the Government Finance Officers Association stating that the City of Orrville has received the award for excellence for financial reporting again for our CAFR for 2015. To receive this award an impartial panel reviews the City's CAFR and it has to determine that it demonstrates a full disclosure and that it clearly communicates the financial position of the City. This is the 15<sup>th</sup> consecutive year that the City has received the award. We're very proud of it. This City should be proud of it, all good citizens. I would like to thank the finance department for all the work they've put into the audit and also into the CAFR preparation. I'd also like to thank Mayor Handwerk, all the directors and their respective personnel. A lot of things that we do in finance wouldn't be possible without the cooperation of all of our employees. And I'd also like to thank council for all of their support in our financial endeavors and your oversight. And the last thing I have is prior to tonight's meeting I did distribute the Fund Balance Report for September and October and I would ask for a motion to approve those reports subject to audit. Aspiras so moved; seconded by Corfman; roll call vote; all yeas; motion carried.

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

Kirkbride: Thank you, Mr. President. I have no remarks this evening.

Baker: Thank you. This evening one thing I would like to remind everyone. You may not see this on TV until after it's after Election Day but tomorrow is Tuesday, please get out, vote for whoever your choice may be. It may not be the same as mine but make sure that you make your choice known. Also coming up later this week, Friday, November the 11<sup>th</sup> is Veterans Day. If you know a Veteran, thank that Veteran. They're part of the reason we have this election day tomorrow. That's all I have for tonight. We have no old business scheduled. We'll move to new business. Mr. Lorson.

**New Business:**

Lorson moved that Resolution 35-16 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Resolution 35-16**, A Resolution authorizing the Safety-Service Director to enter into an agreement to sell Lot 3790 to McElroy Packaging, Inc., an Ohio company, containing approximately 9.435 acres, located in the Orrville Industrial Park, and declaring an emergency.

Baker: Mr. Wheeler.

Wheeler: Thank you, Mr. President. Some exciting legislation we have on the agenda tonight. This is for the sale of just over 9 acres. Just under 9 and a half, to McElroy Packaging. This would be for construction of a 40,000 sq ft building with the potential for an additional expansion in the future if they grow as it should or will. Steve McElroy, the Vice President of McElroy Packaging is here tonight as well. I'm sure he would be glad to speak if you have any questions for him or would like an introduction.

Shupp: Is this in the new industrial park?

Wheeler: It is in the new industrial park. It's on Commerce Drive which is right across from Venture's building.

Shupp: So that's the Business and Technology Park?

Wheeler: It is the Technology Park. Yes.

Shupp: It will be beside Venture Products?

Regular/Public

November 7, 2016

Wheeler: Well, it would be across from the Venture building and the next piece of legislation is for Venture to acquire another piece of land directly across from them. And then this particular lot is north of that property.

Baker: Anyone else have any questions? Mr. McElroy would you like to say anything to us? You're welcome to. Come right up here. We're glad to have you.

Steve McElroy: Mr. President, thank you. We're excited to come. Where we're at in Wooster, we have no stones to throw at Wooster or anything like that, the inventory for property and buildings is quite low over there. We were introduced to Mr. Hedberg and met with him several times and excited to come. So thank you for your consideration. Anything else I can answer about us?

Vance: Tell us a little bit about your company.

McElroy: We're a small, family-owned business. We've been in business since 1978. My father started it. We are a corrugated sheet plant. We make cardboard boxes is what you would call it. We employ about 25 people. We're growing. This year we grew at a rate of about 13 1/2 %. Where we are at, Mr. Hedberg has been to our location, it is impossible for us to do anything else where we are at. It's starting to hamper our ability to conduct business. So we're excited about this. Somewhat anxious about this but we're looking forward to it.

Baker: Anyone else?

Shupp: Would just say, Welcome to Orrville.

McElroy: Thank you very much, we appreciate it.

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 35-16 be adopted as read. Shupp seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 36-16 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Resolution 36-16**, A Resolution authorizing the Safety-Service Director to enter into an agreement to sell Lot 3789 to SBF Holdings, an Ohio LLC company, containing approximately 3.239 acres, located in the Orrville Industrial Park, and declaring an emergency.

Baker: Ok. Mr. Wheeler.

Wheeler: Thank you, Mr. President. This too is in the Business and Technology Park. SBF Holdings is also better known as Venture Products. They are acquiring a little over 3 acres directly across from their building. The initial thought was for them, I believe they are going to use that as some overflow parking with the idea that there's a potential for future expansion in that area as well. And we're just glad to see another company in Orrville growing.

Baker: Anyone have any questions? Mr. Vance.

Vance: Just curious why 3789 instead of 3788?

Wheeler: Why they're requesting that?

Vance: Yes. Which one, I mean why?

Wheeler: I think they sort of, and Mr. Hedberg might be able to correct me on this, but I think they use that gas line, that gas thing as sort of the barrier there so it obviously limited what they could do so they went with that bigger parcel as compared to the smaller 2.9.

Mike Hedberg: They want the corner. Which one's the corner lot?

Vance: 3788.

Hedberg: That's the one they want.

Vance: This legislation is for 3789.

Regular/Public

November 7, 2016

Wheeler: Oh yeah, she must have missed on that one. Can we amend the legislation Mrs. Law Director?

Kirkbride: We can. I guess I'd want to make sure do we have a contract or something for this?

Hedberg: Yes.

Kirkbride: Okay.

Shupp: So SBF Holdings is buying lot 3788?

Wheeler: That's correct, instead of 89?

Hedberg: They're buying the corner lot.

Wheeler: So it's just under 3 acres.

Kirkbride: Do you want to maybe take a look at this just to make sure we've got this. I don't want to amend it until we know that we've.

Wheeler: Yes, that's correct. 3788.

Kirkbride: Someone want to make a motion to amend.

Clerk: So we need to amend not only the lot number but the acre amount as well?

Wheeler: Correct. 2.918.

Shupp: And 3789 will be available for purchase by somebody later, correct?

Wheeler: Yes, sir. Anyone that's interested, give us a call.

Hamsher moved to amend the resolution on the table to reflect both the change in lot number and the acreage; seconded by Aspiras; roll call vote; all yeas; motion carried.

Baker: Okay. So that amendment has been made.

Lorson: Are we required to read the amended resolution?

Kirkbride: Yes. Read it with, yes, please.

**Resolution 36-16 Amended**, A Resolution authorizing the Safety-Service Director to enter into an agreement to sell Lot 3788 to SBF Holdings, an Ohio LLC company, containing approximately 2.918 acres, located in the Orrville Industrial Park, and declaring an emergency.

Baker: Ok now we should be correct in our number and the acreage.

Wheeler: Correct. My apologies to Council.

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 36-16 Amended be adopted as read. Shupp seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 37-16 be placed on first reading. Hamsher seconded. Roll call vote; all yeas; motion carried. **Resolution 37-16**, A Resolution authorizing the Director of Safety and Service to enter into a contract to provide for tax abatement for real property for McElroy Packaging, Inc. and declaring an emergency.

Baker: Thank you. Mr. Wheeler.

Wheeler: Thank you, Mr. President. This abatement is a 15 year, 50% tax abatement for McElroy Packaging for the construction of their 40,000 sq ft facility. They agree to create 30 new jobs which will be the 25 they would transfer as well as 5 additional within a 36 month period with payroll at \$1.75 million to the site. The abatement represents approximately \$52,000 abated per year and as required for all of our agreements McElroy agrees to continue in operation for at least one additional year for each year for which abatement is granted as well as use their best efforts to hire 30% of people with a City of Orrville mailing address.

Baker: Any questions?

Shupp: \$52,000 per year is the abated amount? What's the total? Is it \$104,000.

Regular/Public

November 7, 2016

Wheeler: Yes. Correct.

Shupp: So they're getting abatement of \$52,000 a year. Now this abatement I had talked to you earlier today, Steve, this is very similar to the J.M. Smucker abatement that we gave before?

Wheeler: Correct.

Shupp: So the because the payroll under \$1 M the City will have to take half of our income tax back to the school system.

Wheeler: Correct once it exceeds a million dollars for a particular year within the agreed upon years, 50% of that income created by those jobs will have to be reimbursed to the school system.

Shupp: So but the school or the property tax amount will be at least \$52,000 a year even with the 50% abatement.

Wheeler: That is correct.

Shupp: And with a \$1.75 million payroll the income tax to the City would be about \$17,500 and half of that goes back to the school so we will net about \$8,000 when it's all said and done?

Wheeler: Yes, sir.

Shupp: And the school will get about \$60,000.

Wheeler: Well of the \$52,000, \$39,000 of that actually will go to the schools so they would get.

Shupp: Because it's split with other entities.

Wheeler: Correct. But yes, sir, they will still end up with a little under \$50,000.

Shupp: Right so I'd just like everybody to know that the figures of the whole abatement and where all the money ends up. So thank you very much.

Baker: Anyone else have any 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 37-16 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Baker: That completes our new business for this evening. Does anyone have any words for the good of the order tonight?

Shupp: Get out and vote.

Baker: Anyone else?

Corfman moved to adjourn the council meeting; Aspiras seconded. Roll call vote; all yeas; motion carried.

Baker: Ladies and gentlemen thank you for attending our meeting, we're now adjourned.

Council was adjourned 8:10 PM.

---

Jeanne Feudo, Clerk of Council

---

Date

---

Lyle Baker, President of Council