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Council President Baker called the meeting to order.

Pastor Chuck Davis, Calvary Assembly Church, offered the prayer. The Pledge was recited.

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

Public Comment: None

Standing Committee Reports

Transportation – Shupp: The committee met last week to discuss use of golf carts on our roadways. Legislation will be forthcoming mirroring the State regulations 4511.214. Some of the criteria, travel on roads with posted speeds of 35 mph or less (which are most those within the city), cart cannot exceed 20 mph, must have tail lights, brake lights, turn signals, headlights, windshield, rearview mirror, seatbelts and license plate, proper insurance, driver's license and be inspected – by appointment only – by the Orrville Police Department.

Planning – Hamsher: The committee met last week to discuss the proposed development plans possibly for West Market just west of Jerry's Café and Ron's Barber Shop, presented by a group of citizens that are interested in going forward. We are in the feasibility study stage and looking at possibly partnering with a couple other organizations to make that happen.

Administrative Reports:

Mayor Handwerk: Our October employee of the month is Larry Weaver from the Technical Services department. Larry is a valued 16+-year employee having been employed at the power plant since February of 2001. Larry is a Utilities Maintenance III Worker specializing in Instrument & Controls. Larry is responsible for maintaining the instrumentation and controls systems at the power plant. While he is primarily assigned to the power plant, his responsibilities take him to the water and wastewater plants on occasion when needed. Larry is currently working to complete his bachelor degree consuming much of his time away from work. He is an avid outdoorsman who likes to fish and hunt (in his spare time). He grew up with dirt bikes and road bikes and likes to explore this country on his Harley Davidson. Larry is an Army veteran and an active member of the Rolling Thunder group that provides much needed support for many military veterans and the homeless. They do a wonderful job. Larry is a well-rounded maintenance technician and a primary go-to person when things get tough. He is as comfortable working on mechanical systems as well as the electronics and the control systems. Never one to shy away from a challenge, Larry is generous with his knowledge and always willing to lend a hand. Larry lives in Burton City with his fiancée, Tracy Cole. We will be hearing from Mark Steiner from Venture Products and we're certainly proud and happy that he is here tonight to represent yet another expansion from this fine company. They have certainly exploded here the last 5 or 6 years. They are certainly proof, they've been a class company all along and proof that good guys do finish first. I would like to welcome Mr. Dan Starcher here at his first council meeting from the Daily Record taking over for Mr. Locher as he has officially been retired. Dan, we welcome you and look forward to working with you.

Safety Service Department: Dominion Gas line will be doing a replacement project beginning tomorrow on North Sunset Drive between Market and Church, taking approximately 2-3 weeks. Our region of Wayne County has seen an uptick in residential burglaries recently. Call about suspicious people and check our Orrville Policy Department Facebook page for tips on how to protect your home from burglars. Also, it is deer season and they will be on the move. Use caution while driving and remember hunting is illegal within city limits.

Utility Director Brediger: If you've driven past the plant, you'll see we do have about half a dozen people hanging from the top of the main smoke stack working on cleaning and painting that, taking place through the balance of this week. A public hearing is scheduled for October 9th at the Utility Board meeting to discuss some proposed changes the board is considering on the landlord policy and this will help our collection efforts be a little easier and clarify some responsibilities. I would urge the council members on that committee to attend. October 1-7 is Public Power Week. Orrville is one of 81 municipal electric systems in Ohio and over 2,000 nationwide with community ownership, control, low rates because of our non-profit status. Reliability and Customer Service are hallmarks of our organization and probably most of those communities. I want to thank all of our employees that make this community a great place to live and for businesses to thrive in. Last week the Mayor and I and some of our utility staff attended the

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state association annual conference down in Columbus. We did receive recognition for our coal to gas conversion project, our street light upgrades, and our new website design. The power plant and the distribution department both received safety accommodations. Our distribution department also received accommodation for their mutual aid support at Newton Falls earlier this year. I was re-elected to serve as the Vice-Chair of the Board of Trustees. Reminder, the natural gas aggregation program is still open. We are partnered with AMP and IGS for a 1-year fixed term. The price is \$3.54 Mcf which is up from where we are currently at. It runs October 31 through November 1.

Finance Director Janet Strimlan: We adopted a new income tax ordinance in 2015 to comply with the uniform municipal income tax code that was mandated by the State of Ohio. Most municipalities did not agree with various parts of the code. Nonetheless the cities and villages did adopt the code primarily because failure to do so could result in losing the authority to collect any tax. This year's bi-annual budget bill HB49, contains some additional provisions such as centralized filing of net profit taxes and also some sales provisions. That must be adopted by municipalities by January 1, 2018 or we can risk losing that authority to collect our taxes. As a result of the state's actions, a number of municipalities have decided they are challenging the constitutionality of this under chapter 718 of the Ohio Revised Code, that it's in violation of our home rule status. Prior to tonight's meeting you received a memo from Frost, Brown and Todd a law firm in Columbus. If you recall they're the ones that helped us with our tax code. They are working on forming a coalition to challenge the centralized collection and other provisions.

Old Business:

Lorson moved that Administrative Order 1-17 be placed on second reading. Vance seconded. Roll call vote; all yeas; motion carried. **Administrative Order 1-17**, An Administrative Order granting authority to the Public Utilities Board of the City of Orrville, Ohio, to increase Water Utility Rates by eight percent (8%) beginning December 1, 2017, through December 31, 2017. The first day of January beginning 2018 through January 1, 2022 increases as follows: The first two years (2018 and 2019) the increase will be seven percent (7%) per year. The next three years (2020, 2021, and 2022) the increase will be six percent (6%) per year.

Discussion: Shupp discussed a local businessman that calculated his increase would end up going from \$731 increasing after the final increase it would be \$1077. Aspiras mentioned some were concerned about the 15% increase in the first month and then the additional increases the next 4 years that this would be a struggle to pay the increases and can we spread it out more. That administrative orders are not brought before council very often. The authority to increase rates lies with the Mayor and the Utility Board, that the council does not have to vote on it as it goes into effect whether council votes on it or not. Brediger mentioned these are reviewed annually as they are conservative numbers and are worse case scenarios. Vance raised the question on why the rates are not decreased at the end of the time period. Brediger said, we have on-going expenses going forward. We're looking out over a period of time to see where these needs truly are to make sure when we go out and look at these time periods which are designed to give us some stability and give our customers some prediction instead of opening their bill and seeing what happens. This time period allows us to take a look at those needs, adjust those needs as necessary and if not required and we're meeting some of the other minimums we've established and not having problems we are now anticipating that will happen with this aging infrastructure, those projects won't be done and we've said that all along. If we get into the third year into this and we are ahead of the game, we will not be implementing those rates in the future. So if the collections come in higher than anticipated and infrastructure upgrades are paid for so increases would not go into effect. We generally estimate expenditures high and our revenues toward the low side. \$7.2 Million of capital improvement projects are needed. The most immediate capital need is the High Street water main project (roughly \$1.6 million). Other projects have timing issues with them and some are driven by EPA regulations that have been put into effect and some of those upgrades need to be in place during this time period. We have forecasted them in there. Additional funds are for water line loop in the industrial park at approximately \$750,000. Painting all three water towers at approximately \$900,000. Work out at our lime lagoons for \$300,000. And a well and water line replacement at \$300,000. That information was all provided to board and council at the workshop. Lorson reminded everyone that we all, too, have to pay those increases and that improving the infrastructure by addressing them and facing them rather than the possibility of catastrophic failure that leaves people without water for an extended period of time which would be a lot more costly in an emergency rather than address before they become a problem. We've been given a lot of fantastic information and people are free to contact council, even if they don't have to vote on it, they

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can answer many of the questions. Brediger stated that the last time we reviewed, in 2014, we were projecting looking at multi-year, double-digit increases for these utilities but since that time there have been a number of adjustments, looked at projects, at cost allocation and cross subsidization and eliminated a lot of those. These number are a lot better than we started off with just a short time ago. Shupp questioned why we are not using bonds to pay for these long-term projects. Corfman mentioned we are trying to pay as we go. If we don't get the grants and interest free loans, we may have to go to bonds where we are forced to go to higher rate increases because once you owe the money, you must prove to the bond holder you have the structure out to pay for that which drives our rate increase. Strimlan stated that they require higher reserve level than we have established here. 10-20% in reserves. Brediger mentioned that these are large programs we are looking at and we have the flexibility to address them as we see fit. Long-term funding would lock us into the projects that maybe we don't want to do them if something of higher priority comes in. Mayor reminded everyone that these change have been discussed the last 4-5 years because the changes that happened to the power plant greatly affect the water and waste water plants. Feel free to call Todd Fetty at the Water Plant or Bob Auten at the Waste Water and ask them what all have changed in the last 10 years just in EPA regulations. It isn't just the power plant that got hammered with this stuff from chemicals they can and can't use and what equipment now needs to be in place. It's expensive. The rate studies show that we need to do this in order to keep our utilities in working order and above water. Corfman mentioned that the state comparison charts show we are still below the state average and be well below the average with the increases for waste water and above state average with the water. We are just slightly above Wooster right now but they are entertaining a double-digit increase. Vance did a quick calculation of \$7.2 million divided by our 3350 customers is an average of \$21.49/customer. The chart provided states the average bill for residential is \$51.55. At the end of the increases it goes to \$75.34 which is an increase of \$23.79/month.

Lorson moved that Administrative Order 2-17 be placed on second reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Administrative Order 2-17**, An Administrative Order granting authority to the Public Utilities Board of the City of Orrville, Ohio, to increase Wastewater Utility Rates by seven percent (7%) beginning December 1, 2017, through December 31, 2017. The first day of January beginning 2018 through January 1, 2022 increases as follows: The first year (2018) the increase will be seven percent (7%). The next four years (2019, 2020, 2021, and 2022) the increase will be six percent (6%) per year.

Discussion: Very similar to the previous administrative order.

New Business:

Lorson moved that Resolution 44-17 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Resolution 44-17**, A Resolution authorizing the Director of Safety and Service to enter into a contract to provide for tax abatement for real property for SBF Holdings, LLC dba Venture Products, Inc., and declaring an emergency.

Discussion: This is an abatement for 135,000 SF facility at a cost of \$5.2 million in the Technology Park adjacent to their current facility and proposing 48 new full-time jobs over the next three years with \$1.92 million in payroll. The abatement would be 50% for a period of 15 years and creates \$68,540 of new taxes with the same abated. The school board has approved the abatement. A condition of the abatement agreement that Venture agrees to the best of their efforts to hire 30% of new employees with City of Orrville mailing addresses. Mark Steiner of Venture is present for questions.

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 44-17 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Lorson moved that Resolution 45-17 be placed on first reading. Corfman seconded. Roll call vote; all yeas; motion carried. **Resolution 45-17**, A Resolution authorizing the Mayor of the City of Orrville to enter into

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Settlement Agreement, Easements, and other related documents as settlement in full by mutual agreement of Catalpadale Dairy, Ltd., John W. Douglass, Lois C. Douglass, City of Orrville, Ohio, Rails-to-Trails of Wayne County and CAT Land Co. Ltd., all parties to that certain lawsuit filed in Wayne County Common Pleas Court on or about June 6, 2014 as Case No. 2014-CVC-H-000285, and declaring an emergency.

Discussion: Final details and approvals have been procured. Easements between active participants have been approved. They are now awaiting the City of Orrville to sign off in order to finalize the documents. Our involvement has been minimal. It has been handled between Catalpadale and Rails to Trails. Where there was once a lawsuit, it was a matter of the Mayor getting both sides to just sit down and talk to each other and work out the issues. Tom Moffitt was extremely helpful to accomplish them working together.

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 45-17 be adopted as read. Corfman seconded. Roll call vote; all yeas; motion carried.

Good of the Order:

President Baker: Congratulated Venture on their expansion.

Vance moved to adjourn the council meeting; Hamsher seconded. Roll call vote; all yeas; motion carried. Council adjourned at 8:20 PM.

Jeanne Gault, Clerk of Council

_____, 2017
Date

Lyle Baker, President of Council