

Regular/Public

March 4, 2019

Council President Baker called the regular meeting to order and led the prayer. The pledge was recited.

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

Council minutes of regular meeting held February 18, 2019, were presented. Corfman moved to approve the minutes as posted. Lorson seconded. Roll call vote; Aspiras Sr., abstained; all remaining yeas; motion carried.

Standing Committee Reports

Finance – Aspiras Sr.: Res. 8-19, 2019 appropriations is on first reading tonight. Booklets were distributed. Next Monday will be second reading and workshop. Third reading will be March 18.

Administrative Reports

Mayor Handwerk: Our March employee of the month is Law Director Cheryl Kirkbride from our Law Department, in fact she is the entire Law Department. Cheryl has been the Orrville Law Director since 2012. She really enjoys working with the various City departments and serving as an advisor to City personnel. She was the Solicitor for the Village of Smithville for 8 years, is a partner at Kropf Wagner Law Firm in general practice for 18 years, a Director of Commercial and Savings Bank and also serves on the Board of Trustees of The Orrville Area Boys and Girls Club, The Wayne County Community Foundation and The Wayne County Volunteer Guardianship Association. Cheryl previously served on the Boards of the Orrville Public Library and the Orrville Area Development Foundation. She is also a mentor volunteer with O'Huddle. Cheryl and John have been married for 26 years and have four children, Ben, Madeleine, Stuart and Elaine. They are active members of Orrville Christian Church and they also own The Inn at Walnut Creek in Holmes County. Her hobbies include marketing, reading and travel. We will be having lunch on March 15. Director Brediger and the Mayor attended the APPA Legislative Rally in Washington DC last week as members of the AMP Board for Mr. Brediger and OMEA Board for the Mayor. We were able to see all our legislative partners, Senator Portman, Senator Brown and Congressman Gonzales. We had good meetings with all of them. They seem to understand our concerns but each time we walk away we're not sure whether we will see much help. They get it. They know where we're coming from. They understand the problems. I don't know if we're going to get these problems solved. At least not to the satisfaction of us as part of the AMP group and OMEA. Thank you Director Brediger for driving. We found out Sunday that the flight was canceled Sunday for very early Monday morning due to the wind storm. Instead of waiting until the next day which would have almost made it a worthless trip with our visits all on Tuesday, we drove all the way down and back.

Safety Service Department Director Wheeler: The Service Department is busy repairing potholes, doing some work at the cemetery and despite the weather saying otherwise, preparing the ball fields for spring ball. Wheeling and Lake Erie railroad, at the last second, asked for additional minor language into the Pine Street construction engineering plan which we agreed to do as a result of that. It pushed back the bid opening to this Friday rather than last Friday.

Utility Director Brediger: We had basically three items we were focusing on with our legislators which have been on our radar for the past several years and include the increasingly high transmission costs. We shared how rapidly they have been increasing over the past couple of years. Since 2014 we've seen the transmission costs increase over 200%. Last year we paid roughly \$8.5 million in transmission fees which are passed directly on to our customers. When these fees were originally established in 2006, we paid \$250,000. We've moved from hundreds of thousands into the several million dollar range and they escalate double digits almost every year for the past several years. Those are not only big issues for us but just about every electric utility customer out there that has these transmission fees tagged on to their utility bills. They are commonplace whether a municipally owned system or co-op or investor owned. We also talked about the sequestration effects on our Build America bonds that we took out for our hydro and our Prairie State projects and what those claw backs have cost us. Since the two sequestrations right now, that are scheduled to continue through 2027, they have cost our customers a little over \$800,000. If nothing gets done fixing them during the present term that will increase to about \$1 million by 2027. If Congress does not look at any sort of fix over the life of the bonds, our customers will be exposed in excess of \$30 million. That is a lot dollars coming back to our customers on bonds that we as a community as AMP members stepped up during the recession, they came with a lot of promises attached to them and basically what we told our elected folks is they broke a lot of promises with us that have cost some noticeable increases on the bills we send out to our customers on a monthly basis. We offered a couple

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different approaches for them, legislative fixes, administrative fixes, both of those have some pain and anguish and pros and cons, things along that line. We will continue to work with them. The subject is not new to them. For Congressman Gonzales it was all new to him being the new guy on the block. The other item we touched on was pole attachments and federal relaxing of state agreed-to regulations. The federal government has come in and opened up our poles to these attachments whereas the state already had agreements in place. Those additional pole attachments by mainly the telephone companies is causing us a little bit of consternation. We will continue to interact with them via email, letters and any time we are in Washington. We do have a lobbying presence in Washington that works for AMP, our state association, and many of these issues are also nationwide issues that our national association also is there lobbying on our behalf. When we are there, we stop in to try and remind them what is on our mind and keep the relationships up and going. And hopefully try to bring about some relief although that's tough when you have hundreds of people walking into their offices on a day-to-day basis that are not there just to say hi, generally to ask for something. If you stop showing up and stop challenging these folks they assume they are doing a great job. We will continue to be there year after year and any other opportunities we have to keep our face in front of that group that we all elect and hold them accountable to what they have promised us over the years and try to bring those reliefs back to our citizens and customers. We will have our department staff at the workshop if you have any questions next Monday night. Aspiras Sr. asked about the Build America Bonds since sequestration and if these are considered temporary or permanent. Brediger said they can extend the provisions within the sequestration. They can add and remove items. It is a temporary provision that can tend to stick. Ours is one of a couple dozen items on the sequestered list and if you give a break to one, the others will want one too. The original authors never intended it to be added and extended at the next review period. We have reminded them of that very fact. We are considered a minority group and we need to keep showing up. AMP was the largest issuer of those bonds, roughly \$3.5 billion were taken out to help the government through that process. There were other issuers in 4-5 other states that we are trying to garner interest in. If we can bring them together to this Congress our odds may improve. We offered a legislative option, recommendations for them to follow that have less political overtones to them. If you come with problems, they ask you for possible solutions. Corfman asked about the \$30 million and if that's spread out over all AMP Ohio. Brediger replied it is just us, our exposure from the time they sequestered the bonds and increased the interest rates on them. If it does not get fixed over the next 35 years we will collectively be paying roughly another \$30 million. The City of Cleveland, City of Piqua have higher percentage involvement in those projects. They'd be happy if they only left \$30 million on the table. Some members have a lot higher stakes in these projects.

Finance – Strimlan: Income tax reminders, the deadline for filing the city return is April 15th. You are required to file a city return if you are a resident over the age of 18, or if you are a non-resident who works in Orrville but your employer does not deduct city income tax, you will be required to file. Non-residents who conduct business or own rental property of any type in Orrville are required to file a return on that business activity. Retirees do not have to file a return unless you have some form of W-2 income, 1099 income or any income on a Schedule C. Our tax rate has not changed it is still 1% of your gross income. There are some changes with regard to net operating loss carry forward that went into effect in 2018, beginning in tax year 2018, those deductions can affect businesses or if you are self-employed or if you have any type of rental activity, we would ask that you talk to your tax preparer to determine how you can handle that situation if it's going to affect you. We have forms available on line, in city hall lobby, and at the library. If you have questions on the returns or need forms mailed to you, call the tax administrator or stop in. He is here Monday-Friday until 4:30 through tax season.

President Baker: Our clerk has three items from the Department of Liquor Control.

Clerk Gault: We have a transfer request from Estrella LLC, 513 N. Main (the market in the Subway plaza) transferring to Orrville Supermarket LLC. We can request a hearing or go ahead and send it in. No requests for hearing. The second is from Arriaga Inc. & Patio which is Que Pasa and transferring over to Orrville Restaurant Management Inc. & Patio. Again, we can request a hearing or send it through. No requests for a hearing. And we have a request for a new license at Save A Lot doing business as Orrville Market Inc. No requests for a hearing we will send them all through.

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New Business

Lorson moved that Resolution 8-19 be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried. **Resolution 8-19**, 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, 2019, and declaring an emergency.

Discussion: Director Strimlan commented that the final appropriations information was in council's iPad packet and a couple requested printed copies as well and you should have received that. It will be posted on line at the City of Orrville website under the Finance Department. We did make some changes from the 2019 budget. The utility or the enterprise funds had changes in working capital transfers and also their capital projects. Changes were made in purchased power, coal and natural gas due to our change in operations. On the tax supported side the major changes were for grants and in the capital improvement fund. Those changes were necessary to support the capital projects that we're anticipating being completed this year. We will discuss changes and questions next week at our workshop following the utility board meeting. To give you some totals, the appropriations included in your legislation are for a total of \$60 million. \$44 million is allocated for the enterprise fund; \$8 million for the general fund and also \$8 million for the tax supported fund.

Annual Report

Superintendent John Scott presented the Service Department annual report. The annual report is available in the Safety and Service Department, also via a link on our webpage under City Departments/Safety-Service/Service Department and an audio file of tonight's meeting which includes the annual report, can be found under council minutes for today's date.

Park cameras were discussed on how they have curbed activity and signage is posted to alert people that they are there and a few more will be installed in the park. Camera footage has aided in seeing who has vandalized areas. Used oil is collected at the Lacy Center during business hours so that they can log it in and return your containers. If you don't need the containers and cannot make it during business hours, you may leave it out front. This also helps keep the oil out of storm and sanitary sewers, the landfill or someone's driveway. We take motor oil, vegetable oil as long as it is oil, we can burn it. Street Maintenance, as we put in new streets is there any kind of offset seen in continued maintenance deferred from new streets? The crack seal program is the one we do and we put quite a bit of time into this program. It seals the crack. If the water can't get in the crack, then it can't create a pothole. That's the main goal of the crack seal program. If you put the time into that, it leaves less potholes that we have. Chip and seal, the DuraPatch that we use on that, is quite a bit cheaper than the cold patch that we use. We are looking to continue the chip and seal program with a number of streets in the south end that are chip and seal. We continue to do that. We have a PCR (pavement condition rating) that we use every other year looking at every street. We drive it. And we use that to deal with the projects that we have whether chip and seal, DuraPatch, crack seal, whether concrete or asphalt. Chip and seal lasts about 7-8 years. In the summertime the heat actually helps heal itself and is cheaper than asphalt but does not last as long. Asphalt we are looking at probably twice as long 12-15 years depending on the street traffic. A new asphalt street within two years will have a crack in it that we end up crack sealing. Chip and seal it depends, again, on the traffic. Usually the edges are the issue with the chip and seal. Asphalt ends up with more pot holes than chip and seal but again that depends on the truck traffic or traffic that is that street because chip and seal is in residential and some of those only have 6 houses.

Good of the Order - No comments

Adjournment

Wilson moved to adjourn the council meeting; Lorson seconded. Roll call vote; all yeas; motion carried. Council adjourned at 8:22 p.m.

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Jeanne Gault, Clerk of Council

_____, 2019
Date

Lyle Baker, President of Council