

Regular/Public

November 16, 2020

Council President Paul Vance called the, regular meeting to order. Pastor Brad Dews led the prayer. The pledge was recited.

Roll call. Handwerk, Aspiras, Lorson, Mosley, Foy, Widmer and Wilson. All present.

Council minutes of regular meetings held November 2, 2020, were presented for approval. Lorson moved to approve those minutes; Mosley seconded. Roll call vote; all yeas; motion carried.

Standing Committee Reports

Parks and Recreation – Handwerk: No report. Parking spots were lined at the lower park and also along the High Street lot including some handicap spaces.

Health and Safety – Aspiras: No report. A news release from the Ohio Collaborative Community- Police Advisory Board congratulated the Orrville Police Department on their recertification process.

Administrative Reports

Mayor Handwerk: In September there were 1,000 new COVID cases per day. As of Saturday, November 14, we had over 7,000 new cases in Ohio in a 24-hour period. There are more people getting sick all the time. All of a sudden we all seem to know more people affected by this. When it first started, you hardly heard of anyone you knew. That has changed. Let's work together the best we can. We want our stores and businesses to stay open, it's important for them and the community. The hospitals are becoming full with their staff becoming overloaded. We need to slow this down the best we can. Aultman Orrville sent a notice saying do you part. Wash up. Back up. Mask up. It isn't a lot to ask for all of us to get us through this.

Safety Service Director Wheeler: Service Department is on the north side this week for leaf pick up. November 30th begins final pick up starting on the south end. The compost remains open on Saturdays in November, 8 a.m. – noon through the 28th.

Utility Director Brediger: Last night's wind event was system wide and had an impact on a majority of customers with 1200-1300 without power. The north end was out about 4 hours due to trees and branches taking down the lines. Our contracted call center was overwhelmed and calls were not getting in, including the three back up call centers. We apologize. An upgrade will be implemented to the call center after the first of the year which will allow text messages as well.

Finance Director Strimlan: Income tax revenue through October is down about 2% or \$122,000 compared to 2019. This is a better position than April but still lagging. The largest contributor to the decline continues to be the business estimated tax payments. Our withholding tax and our individual receipts are up slightly to take a bit of the negativity away. Due to our very conservative approach when budgeting revenue, we'll still be able to meet our budgeted goal for 2020 despite the decrease.

The quarterly investment report was distributed but with some discrepancies with interest rates it will be brought back to you next meeting.

The Fund Balance Reports for June and October had been distributed with a request for a motion to approve subject to audit. Wilson moved; Lorson seconded. Roll call vote; all yeas; motion carried.

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Law Director Kirkbride: The litigation relating to municipal income tax centralized collection HB49 and HB5, Frost Brown Todd is the law firm representing us for the last couple years. Ohio Supreme Court's decision granted a partial victory striking down the ½% collection fee and remanded it back to the Franklin County Common Pleas Court for reconsideration. The constitutionality of the actual centralized collection has been upheld. It will go back to the Franklin County Common Pleas court for remand and reconsideration. Not optimistic of a different outcome. Other steps are being evaluated to determine how to move forward. We tagged along with several other municipalities to express our concern and push back because of the erosion of home rule in several decisions in legislative items. We are taking a stand on this.

It essentially does not allow the city to collect its own income tax but serviced through a regional collection. The business' have the option if they want to use the centralized collection. But it is a further erosion of home rule. These decisions continue to come from our legislators in Columbus making decisions for us on a local level and the results are not good for that but it centralizes power for them.

Council President Vance: Email was sent to council regarding the waiving of in-person requirement for council to have to meet for their meetings. It was granted until December 1st. It has not yet been extended but a number of sources feel it will be extended probably into early next year. We will continue to meet via zoom and the recordings are published on Facebook and the A channel of Armstrong airs them as well. We appreciate them doing that.

Old Business None

New Business

Resolution 39-20 Lorson moved that it be placed on first reading. Mosley seconded. Roll call vote; all yeas; motion carried.

Resolution 39-20, 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, 2020, and declaring an emergency.

Discussion: The deadline to encumber CARES funding purchases is November 20. This change is necessary to use all the CARES funding we received. Otherwise we are obligated to return to the County any funds not used. It does not increase or decrease total appropriations, simply reallocates between payroll and others to better reflect how we are using the CARES monies. After the 20th you will be provided a recap of all the spending and items that were purchased and payroll that was reimbursed. It was asked to pass on first reading.

Lorson, considering it doesn't change appropriations totals, moved that the rules, regulations, and statutes requiring the reading of a resolution on three separate days be suspended. Widmer seconded. Roll call vote; all yeas; motion carried. Lorson moved that Resolution 39-20 be adopted as read. Wilson seconded. Roll call vote; all yeas; motion carried.

Resolution 40-20 Lorson moved that it be placed on first reading. Handwerk seconded. Roll call vote; all yeas; motion carried.

Resolution 40-20, A Resolution authorizing the Safety-Service Director to enter into a purchase order(s), without bidding, for the purchase of the following materials and services to meet the requirements of the City of Orrville, Ohio, for calendar year 2021, as follows: purchase of gasoline and diesel fuel; purchase of medium curing asphalt, asphaltic concrete and asphaltic emulsions; concrete; liquid insecticide for mosquito control, services, supplies and machinery needed to chip and seal roadways, alleys and/or city-owned parking lots and driveways; services, supplies and machinery for street traffic painting and crack sealing

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services; general miscellaneous engineering and architectural services; Police Professional Liability Insurance; and Public Officials Liability Insurance (with Riders for Employment Practices Liability, Extended Employment Practices Liability).

Discussion: This is an annual resolution that allows us to do routine spending on various items we incur cost on every year; a housekeeping item. It does not need to be passed this evening. This will go to second reading.

Resolution 41-20 Lorson moved that it be placed on first reading. Handwerk seconded. Roll call vote; all yeas; motion carried.

Resolution 41-20, A Resolution authorizing the City of Orrville, Ohio, to sell by internet auction, or otherwise dispose of, unclaimed or forfeited property held by the Police Department in the year 2021.

Discussion: This is an annual resolution to auction off via GovDeals and eBay any surplus property in the police department. Typically it will be unclaimed bicycles, desks, and cell phones. Reminder that if you lost your bicycle or cell phone, check with the police department.

Lorson, this is annual and frees up storage space, moved that the rules, regulations, and statutes requiring the reading of a resolution on three separate days be suspended. Mosley seconded. Roll call vote; all yeas; motion carried. Lorson moved that Resolution 41-20 be adopted as read. Wilson seconded. Roll call vote; all yeas; motion carried.

Resolution 42-20 Lorson moved that it be placed on first reading. Handwerk seconded. Roll call vote; all yeas; motion carried.

Resolution 42-20, A Resolution authorizing the City of Orrville to sell by internet auction, or otherwise dispose of, Municipal personal property in the year 2021.

Discussion: Similar to 41-20 but for the City as a whole, not just the police department.

Usually for sale will be vehicles, desks, chairs, radios and other items. We utilize GovDeals or eBay for these as well. It is an annual resolution.

Lorson, as an annual item to get rid of unused items, moved that the rules, regulations, and statutes requiring the reading of a resolution on three separate days be suspended. Handwerk seconded. Roll call vote; all yeas; motion carried. Lorson moved that Resolution 42-20 be adopted as read. Wilson seconded. Roll call vote; all yeas; motion carried.

Resolution 43-20 Lorson moved that it be placed on first reading. Handwerk seconded. Roll call vote; all yeas; motion carried.

Resolution 43-20, A Resolution authorizing Safety Service Director to enter into a contract and/or contracts with other political subdivisions to provide Fire and/or EMS services for the calendar year 2021.

Discussion: The city has 4 contracts currently: Baughman Township, Central Fire, East Union, and Sugar Creek. We provide fire and EMS services to a small portion of each of those areas. This is an annual resolution we've had for many years. This authorizes me to enter into the agreements. All four are coming up new at the same time. Baughman pays us an annual fee and the others pay on an as needed basis per call. Chief Bishop was present and stated we have excellent relationships with all those townships and departments.

Lorson, a renewal piece of legislation, moved that it be adopted as read. Mosley seconded. Roll call vote; all yeas; motion carried. Lorson moved that Resolution 43-20 be adopted as read. Widmer seconded. Roll call vote; all yeas; motion carried.

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Resolution 44-20 Lorson moved that it be placed on first reading. Foy seconded. Roll call vote; all yeas; motion carried.

Resolution 44-20, A Resolution authorizing the Public Utilities Board of Control to enter into contracts, without bidding, each for a one-year period, for various services and supplies required by The Department of Public Utilities, Orrville, Ohio, for year 2021.

Discussion: This is an annual resolution and was approved by the utility board. Item "U" was added this year dealing with agreements for maintenance support and materials for the emergency peaking diesel generators we are purchasing from AMP. It gives us flexibility for any unscheduled work on those units. This will go to second reading.

Resolution 45-20 Lorson moved that it be placed on first reading. Aspiras seconded. Roll call vote; all yeas; motion carried.

Resolution 45-20, A Resolution authorizing the Board of Control to enter into a contract with PFund Superior Sales, without bidding, for the purchase of a 2021 Life Line Ambulance, and declaring an emergency.

Discussion: EMS funds will be used to purchase with a fund balance currently at \$300,000 with more funds to be deposited yet this year. It replaces a 1995 ambulance. It was scheduled as a 2021 capital purchase. Delivery time research brought this forward now. With delivery time in 2021 it was not eligible for the CARES Act money. The 1995 unit will be sold.

Lorson, to receive it in 2021 we need to order it now, 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 45-20 be adopted as read. Foy seconded. Roll call vote; all yeas; motion carried.

Resolution 46-20 Lorson moved that it be placed on first reading. Wilson seconded. Roll call vote; all yeas; motion carried.

Resolution 46-20, A Resolution strongly opposing Senate Bill 352 and House Bill 754, legislation proposing the repeal of Section 29 of 197, which will result in a myriad of unintended consequences through Ohio's entire municipal income tax system, causing a substantial loss of revenue that will impede the ability of municipalities to provide for health, safety and welfare of municipal residents and business and thereby jeopardizing the future growth of the State of Ohio, and declaring an emergency.

Discussion: A recommendation came from the Ohio Municipal League to present to council for consideration. We believe it is important. Employees that work from home for any of our employers in town, they would not pay income tax to Orrville even though the business is here. They are working from home and would pay income tax there. This will have a huge impact on us if it goes through. We call on our elected representatives in Columbus to listen to the needs of their community here in Wayne County. Senator Roegner is pushing this and we've not had a lot of response from her regarding our concerns. We have a lot of people that come into our community to work. This would be very devastating to our community financially if our biggest industries have people working from home. Many communities are in favor if they don't have a large manufacturing base and these people are working from home, they want that tax revenue associated with all residents. Also, employees living in a city with a lower income tax rate, not Orrville. Ours is one of the very few that are at 1%. But across the state, if someone lives in a township and works in a big city, that township may not require them to pay a tax. So they would get a refund. Senator Roegner is from Hudson without a large manufacturing base, no huge influx of workforce like we do. She wants to collect for Hudson. We took 19 of our major employers in the city and

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estimated if they continued to have individuals working from home, it varied on percentage from 20-80% with some slightly higher. With rough calculations, if it continues or if HB197 is repealed we could look at losses anywhere from \$1 million and \$1.9 million. If this continues and the bill is repealed, we may be asked to refund income tax to those. Employees have already begun calling to ask for their refund. RITA (Regional Income Tax Agency) provides municipal income tax processing and they have estimated the total impact with just the municipalities they represent could be in excess of \$100 Million. That's just if 20% of employees continue to work from home. It's a reallocation. Orrville will get less and Hudson will get more. It's important to let our legislators know how we feel. And to know the potential impact it could have on our community. Some communities don't have a tax so some people working from home would not have to pay a tax. Our entire Street Department budget is \$1.5 million, about what we stand to lose if that goes through. We have one of the lowest tax rates. Only 5% of communities have a 1% income tax rate or lower. Wooster had to raise theirs to 1.5% a couple years ago. We can keep ours low because it's distributed across a wide base. If you take away that base, the economics don't work any more. Once employees go back to work, those bedroom communities will lose that. In the meantime, we still have to provide the same services, infrastructure, amount of maintenance for the employers to maintain their facilities and maintain a presence and stay open. It hurts everybody for this tax arrangement to go through. It comes down to two issues. First repealing HB197. If that happens we would probably be required to issue refunds to people that worked from home during this state of emergency. Second, if after the state of emergency is lifted, if employees continue to work from home and the tax law is not changed, those employees will pay to their resident location. It's impossible to overstate the damage this could have and we have gone to great lengths to accommodate industry and commercial enterprises to give them the infrastructure they need to operate under normal conditions during normal times, to strip us of that income is unfair and short-sighted. Moving forward into the future, there's always going to be a need for centralized business areas and places that welcome and accommodate businesses and industrial parks. This would disincentives things like that.

Lorson, having said that, we stand together to pass this resolution, 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 46-20 be adopted as read. Foy seconded. Roll call vote; all yeas; motion carried.

Resolution 47-20 Lorson moved that it be placed on first reading. Handwerk seconded. Roll call vote; all yeas; motion carried.

Resolution 47-20, 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, 2021, and declaring a state of emergency.

Discussion: These are our temporary appropriations for next year. They are the same as the 2021 budget reviewed in June. Final appropriations are to be adopted by April 1st. This allows us to have a full year of revenue and expenditure data before we finalize those. The appropriations are \$58 million. Tax supported funds account for \$15M with \$7.5M of that being allocated for the general fund which supports the day-to-day operations. The utilities are \$43M. Approving this legislation only authorizes spending for the first three months of the year. To spend beyond that, final appropriations have to be approved. This should go the full three readings.

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Good of the Order:

Lorson: Wayne County Board of Elections handled 18,000 absentee ballots. Staff worked 7 days a week, many times 10-12 hours a day. A record number of votes were cast. It went smoothly with many volunteers to help the election happen the way it should. Shout out to two of our alumni Julie Leathers, Republican, Director of Election and Rich Corfman, Deputy Director, two Orrville people, alumni of this council, to thank for pulling off the smooth election.

Widmer: Go to OhioSenate.gov and look up Kristina Roegner, you can send her an email about how you feel about the repeal of HB197.

Adjournment

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

Council adjourned at 8:49 p.m.

2020
Jeanne Gault, Clerk of Council

Date

Paul Vance, President of Council