

MINUTES FROM COUNCIL MEETING
CITY OF NORTH CANTON
MONDAY, JANUARY 8, 2018

1. Call to Order

COUNCIL PRESIDENT PETERS: Okay, I'd like to call to order the Council Meeting Monday, January 8, 2018, 7:00 p.m.

2. Opening Prayer - Councilman Cerreta gave the opening prayer.

3. Pledge of Allegiance

4. Roll Call

COUNCIL PRESIDENT PETERS: Clerk, please call the roll.

Roll call found the following Council members in attendance: Cerreta, Foltz, Fonte, Kiesling, Peters and Werren.

Thus having 6 in attendance.

COUNCIL PRESIDENT PETERS: Thank you, motion and a second to excuse Member Revoldt.

COUNCILMAN FOLTZ: So moved.

COUNCILMAN CERRETA: Second.

Roll call vote of 6 yes to excuse Member Revoldt.

Also present: Mayor Held, Director DeOrio, Law Director Fox, Engineer Graham and Finance Director Brown.

COUNCIL PRESIDENT PETERS: All right, at this time, I'm going to turn it over to Vice President Foltz, he has a few words.

COUNCILMAN FOLTZ: Thank you, President Peters. We lost a great community person December 31. In fact, ironically it was his last day as his term as Department Rec. Committee that we have. The different people that we involve with that. And that's Del Baker, he was 88. I got to know Del very well, through just those meetings, over at Dogwood Shelter, and the Civic Center. He was very insightful, he was a true community park person. In fact, in some ways he brought us a lot of institutional knowledge of the early days of North Canton. Before our time. And he was, I think in some sense the Park Director for a while. So he was very passionate about it. And I was lucky enough to attend his ceremony Sunday, there at the Civic Center. It was very befitting for him. So, I would just like to have a moment of silence for Del Baker. Okay, thank you very much.

5. Consideration

COUNCIL PRESIDENT PETERS: Thank you. For your consideration may I have a motion and a second to approve as presented:

Special Council Meeting Minutes: December 11, 2017
Mayor's Court Receipts: November & December 2017

COUNCILMAN FOLTZ: Motion to approve as presented.

COUNCILWOMAN KIESLING: Second.

Unanimous voice vote of 6 to approve the above minutes and reports.

6. Recognition of Visitors:

COUNCIL PRESIDENT PETERS: Alright, very good. At this time, if you wish to address Council please step forward, state your name and address.

MELANIE J ROLL: (read from a prepared statement) 308 Portage Street NW. I'll repeat what I said a year ago. A new year, maybe a new beginning. We can all hope. For those of you in the audience who did not read Ms. Holbrook's December 21 article in the Repository. The Water Board met December 21, on a Thursday, at 9:00 a.m. And at that meeting an agreement was forged between the City and DeHoff Development, for a property located on the northeast corner of Portage and Whipple Avenue. Most of the frontage is on Whipple, but the property curves east, and there's also frontage on Portage Street. And this Portage Street section is contiguous to a North Canton City property, which means the property discussed at the Water Board can be annexed to the City. I know there's some wrinkles there, as Mr. Fox indicated at that Water Board meeting. But, there is a possibility that that property can be annexed. However, that does not seem the intention of City Administration. Why, I don't know. What is the big question? Annexation would give the City the opportunity to add income tax revenue to the General Fund. In 2014, the City declined to join a JEDD, with Canton, Plain and Jackson Townships, for the reason that agreement would

hamper the City's opportunity for annexation. Hasn't adding jobs that bring income tax revenue to the City, always been the top priority of the Administration? I believe that's Mr. Held's mantra. And yes, this business on this property will pay outside water rates, but that income is a fraction of what income tax would bring to the City and the General Fund. At the end of the meeting, during your report section, if all of you would please articulate whether you are for or against this agreement. I would appreciate it. And the Administration as well. Whether you would agree for annexation or not annexation. Or what your general idea is on this agreement. Finally, I would like to personally recommend that the Water Board be abolished. That 88 - 2017 ordinance be rescinded. Because I believe agreements between the developers and the City, as I have said to all of you, and particularly to Mr. Cerreta on multiple occasions, those agreements should come before Council for a full vote. A public forum, a public meeting, so we all know how you are going to vote on this agreement. Or any agreement in the future. So, abolish and rescind. Thank you.

COUNCIL PRESIDENT PETERS: Thank you.

CHUCK OSBORNE: (read from a prepared statement) 307 Fairview Street SE, North Canton, Ohio. I too, am here to speak on the legislation creating the Water Board. And of the Water Board's recent decision. Let me start out with this, anyone who has ever played the game of Monopoly, quickly learns that with each circuit around the board, one must seize every opportunity to purchase real estate, and build hotels which in turn will generate rental revenue that maybe need for unexpected expenses. And by that, I mean, if you land on Boardwalk or a competitor's property, we all know that you're going to pay dearly for it. For municipalities, a similar financial model is in play, and that municipalities come into existence and grow through annexations of properties when they provide services, such as sewer and water to property owners wishing to develop land for either residential or business uses. And I gave you an example here that occurred back in 1961 where we annexed 728 acres, and increased the City's population by 3,000 in that one fell swoop. And that certainly goes a long way to making North Canton what it is today. For this financial model to work, municipalities collect a City income tax, and property tax on annexed properties to support the services they provide to property owners to facilitate that economic development of those properties. Economic opportunities must be recognized and seized upon when they present themselves. Whether one is playing a game of Monopoly, or whether one is managing services for a municipality. Financial survival is the goal of the City in those situations. Survival and staying in the game is the purpose in the game of Monopoly. And anybody who has failed to follow that model quickly finds yourself out of the game. As you know, the Water Board was created by City Council, by legislation Ordinance No. 88 - 2017, on October 23, 2017. For some unknown reason, I don't why, six of you seven abdicated your role to represent your citizenry, and delegated it to one Councilmember. Why would any elected representatives of the people chose to abdicate their responsibility to represent their constituents on water issues that are so vitally important to their constituents? There are so concerns that the legislation violates existing City ordinances, and state law. At the very least, it violated the democratic process. At the Water Board's meeting on December 21, 2017, early in the morning on a Thursday, two days before the longest holiday period of the year, the board voted to allow a well-known multimillionaire developer Bob DeHoff to receive property, water for property that is contiguous to North Canton without the requirements to annex into the City. The requirement to annex in exchange for City services such as water and sewer has been the backbone for the growth of municipalities throughout Ohio, and the nation since the founding of this country. The property is slated for construction of a medical facility with 75 or more high paying jobs. Annexation of this property into the City would bring much needed income tax to the City's coffers. An opportunity for annexation such as this is what every community dreams of. As economic development supports amenities as Police, Fire and EMS. It is believe that the recent action by the Water Board has been in the planning stages for some months. And one can only conclude that the legislation establishing the board has been a conspiracy. From the beginning to benefit special interest. The Water Board legislation along with the action of this very undemocratic board subverts the wellbeing of the City of North Canton. And has grave consequences for the future vitality of the City. I will repeat what I said at the board meeting, and Mr. Foltz, and many of you, have talked over the years, how we're built out. We have no property for development, to lure business. Mr. Foltz has brought up the fact that Belden Village could have been annexed years ago, and been a greater part of North Canton. Why do we continue to shoot ourselves in the foot? If this is left to stand, you will never annex a piece of property for the City of North Canton ever again.

COUNCIL PRESIDENT PETERS: Thank you, Chuck.

Mr. Osborne continued to speak.

CHUCK OSBORNE: Because everybody is going to know, just hang tough and North Canton will cave.

COUNCIL PRESIDENT PETERS: Thank you, Chuck.

Mr. Osborne continued to speak.

CHUCK OSBORNE: This is not a good legacy for you, Mayor. This will be a decline for the City.

COUNCIL PRESIDENT PETERS: Thank you, Chuck. Thank you, Chuck. We got the point.

CHUCK OSBORNE: Thank you.

COUNCIL PRESIDENT PETERS: Thank you. Anyone else wishing to address Council? Okay, we will move onto old business. May I have a motion and a second to read by title only, the second reading of Ordinance No. 103 - 2017?

COUNCILWOMAN KIESLING: So moved.

COUNCILMAN FOLTZ: Second.

Unanimous voice vote of 6 to read by title only the second reading of Ordinance No. 103 – 2017.

7. Old Business

8. Ordinance No. 103 - 2017 Street and Alley Committee

An ordinance establishing a Trailway easement by and between the City of North Canton, an Ohio charter municipal corporation ("City"), Grantor, and Stark County Park District ("Stark Parks"), Grantee, running through the property known as Parcel No. 9480025, and being Out Lot 299, located within the City of North Canton, Stark County, Ohio.

COUNCIL PRESIDENT PETERS: All right, Chairman Fonte.

COUNCILMAN FONTE: We talked about this right before break, and the City has a parcel here. The map was revised slightly, and so we're just looking for a second reading. Approval on that. Where the Washington Square area is over there. So I move we approve that second reading.

COUNCILMAN FOLTZ: Second.

Unanimous voice vote of 6 to adopt the second reading of Ordinance No. 103 – 2017.

ORDINANCE NO. 103 – 2017 WAS GIVEN SECOND READING.

COUNCIL PRESIDENT PETERS: Thank you. Motion and a second to read by title only the second reading of Ordinance No. 104 – 2017?

COUNCILWOMAN KIESLING: So moved.

COUNCILWOMAN WERREN: Second.

Unanimous voice vote of 6 to read by title only the second reading of Ordinance No. 104 - 2017

9. Ordinance No. 104 - 2017 Water, Sewer and Rubbish Committee

An ordinance authorizing the Director of Administration of the City of North Canton to advertise and receive bids according to specifications now on file in the Director's office, and authoring the Mayor of the City of North Canton, upon Board of Control approval, to enter into a contract for the Everhard Road and Whipple Avenue Waterline Replacement Project, at a total cost not to exceed \$250,000.00.

COUNCIL PRESIDENT PETERS: Thank you, Chairman Cerreta?

COUNCILMAN CERRETA: Yeah, we discussed this in Committee, already approved on it once. This is just to advertise and receive bids. So I move that we approve the passing of the second reading.

COUNCILMAN FOLTZ: Second.

Unanimous voice vote of 6 to adopt the second reading of Ordinance No. 104 – 2017

ORDINANCE NO. 104 - 2017 WAS GIVEN SECOND READING.

COUNCIL PRESIDENT PETERS: All right, thank you. And before we go into reports, I need a motion and a second to have a voice vote to reappoint Mr. Terrance Seeberger to the Stark County Board of Health. He finished up his five year term, and he is willing to embark upon another five year term. And for that we thank him for his service, and thank him for his continued service. So do I have a motion?

COUNCILWOMAN KIESLING: I'll motion for him to be reappointed.

COUNCILMAN FOLTZ: Second.

Unanimous voice vote of 6 to reappoint Terrance Seeberger to the Stark County Board of Health, for a five year term.

COUNCIL PRESIDENT PETERS: All right, thank you very much. At this time reports, Member Fonte.

10. Reports - Council

COUNCILMAN FONTE: I just want to say thanks for making the schedule for Zoning and Planning Committees for the next whole year, and posting those. I appreciate that. I'm looking forward to a lot more of that kind of public knowledge. That's all I have.

COUNCIL PRESIDENT PETERS: Member Werren?

COUNCILWOMAN WERREN: Just in regards to a couple of Melanie's comments. You know, I've been in some discussions with people over the past weeks about different things. And I've had Laura look up some numbers, and, I mean its public record, and she can show you rates that inside and outside. And what we received for 2016. So just on outside revenue alone with residential and business is was \$4 million. On inside business, it's residential and business its \$2.5 million. It effects a lot of what we do, it helps to pay a lot of our salaries. So, I think it's more than just everyone has to annex. We are in era where people don't live in the Cities that they work in. They travel, they commute. We have to be flexible. It brings in a lot of money for us. And I would sure hate to see that go away, on certain deals that are made to benefit our City. And we have great water, and people want it, and they pay higher rates for that. And we want to continue to that. So I think there's a lot more to it. As far as the board was involved, that was established so that there would be a balance between the voting body, and then a separate body that wouldn't have influence on that. And to keep it separate. And I think that separation of government, and a board that has the expertise to possibly make those decisions is important too. There may be some different ways that we can do things, but this, this idea that it was for something else, I don't understand it. And maybe I'm just missing something. But, I don't know. So, I think that we will continue to look at it, and talk about it. And get people's viewpoints. But right now, the total outside City revenue of \$4 million +, is significant. And we certainly can't devalue that.

COUNCIL PRESIDENT PETERS: Member Kiesling?

COUNCILWOMAN KIESLING: Along those lines, I completely agree. So, Melanie, you brought up the whole JEDD, CETA, Economic Development Agreement, that, you know, Dan and I worked tirelessly on, what three or four years ago? That we thought had and we were ready for it, because quite honestly, in the end, the two of us, and maybe a few others, felt that we probably were not going to annex much more into the City of North Canton. That I've been here 16 years, and I think we've annexed a couple little things over by Walsh, we annexed where Sheetz is. We did do the CETA up in the Sanctuary, which has turned out to be a big money loser. So annexing, it really just has not happened in the last 16 years. That's I've been part of this process. So Dan and I felt as if "hey, let's try to figure out another way to garner some economic development, and bring some businesses into the City." And that's by maybe potentially not annexing, not forcing them to be annexed. Maybe work some deals with them, you know, any type of economic development that all the tools we have in our toolbox. But that didn't make it. So, three, four years later, here we are. And we haven't annexed again, okay? So, the Water Board, was created to help us jump start our economic development. Something we desperately need in the City. Yes, we need jobs. But, yes, we need this water. This is a huge Enterprise Fund, and a huge money maker for us. And we are surrounded by competition: Aqua, Consumers, the City of Canton. We have a Water Treatment Plant that we spent \$10 million dollars on in 2002, when I first became a part of this. It is extremely important to us to maintain that, that, it's almost a power. You know, it's very important to have your own utility in the City. Cuyahoga Falls has their own electric company. I mean listen, our utility is water. We need to sell water. The only way to do that is go out and fight Aqua and Consumers, and Canton, to get more water customers. The seven of us are not going to do that. There's too many of us, its political, it's too crazy. We thought this Water Board might be a great idea. Somebody new wants to come into the City, but maybe not annex. Maybe in a couple years they annex, I don't know. We'll just play that game, because we've played it for 16 years. We annexed absolutely nobody, that's really worth anything. So, now we're actually trying to put some money into our pockets. It's a different pocket, but it's just as important, and in the end, it may actually generate some revenue. Because maybe they will annex at some point. We may get some jobs out of, let's say, this tap-in that we just, that is so controversial. That I have no clue, I can't even, I don't understand why it's so controversial. We just landed a huge water customer, and you guys are asking us, you're making it as if it's something illegal. They're tapping in, and they're going to give us outside water rates to put into our Enterprise Fund, that's just as important as our General Fund. So, yeah, I'm for this Water Board. Yeah, I'm for economic development, yeah, I'd love to annex the s*** out of this place, but we can't do that. Is that not obvious right now? So, let's work one day at a time, let's work together. I mean, we're a community, but right now I feel like it's us again you, which is just crazy. It is Mel, come on, you stand up there and say "I'd like all of you to answer my questions." Well okay, Mel, I'd love to answer your question. Two funds, we're working really hard to generate revenue. Give us a chance to do that. I think this is a great opportunity to do it. If it doesn't work in a year from now, we dissolve it. And say "hey, we don't like it, we don't like how it goes." But give us a chance. We've had one meeting. We've got one tap-in, which is huge. Applaud us, be happy for us. Not just us, but the whole City. It's so frustrating to me. Let me give you another example, the CIC. Community Economic Development, right? We put a \$100,000.00 a year into it, for 10 years. That's a lot of money. And FYI, you entrust two of us on City Council. We are entrusted, just like Mark is entrusted, and Laura is entrusted, and Tim is entrusted. The two of us, who happen to be on the right committees, he's President, I'm Economic Development. We're entrusted to spend that money, which in 2005, or whenever it was, was the Gantry Cranes over at the Hoover District, which was \$400,000.00. That was a huge decision that we made. We were entrusted to make that decision. Just like we are entrusting Mark, the seven of us anyways, and Laura and Tim, to make some decisions for us, on people tapping into water. I feel as if the CIC is whole lot more significant. But that's just my brain. So, I feel as if CIC, Water Board very, very similar, nothing behind closed doors. All public meetings. All on the record. All recorded. It's, give us a chance, and is all I'm saying. Quit coming up here and saying "give me the minutes. Are you have a meeting? What's going on?" We're

doing that for you, Mel. It's all up, out in the open. And it's generating revenue, which is what you all want us to do. Generate revenue. I'm for the Water Board. Thank you.

COUNCIL PRESIDENT PETERS: Member Cerreta.

COUNCILMAN CERRETA: I can't beat that summary. That was right on. That was right on, Member Kiesling. The other thing I just want to add to it, that I did bring up at the meeting, itself. Is that, that's an area over there blight. It's right on our border. This whole thing is going to change that whole area over there, which is going to create a little bit better opportunity for the places within our community, with that. So, thank you for that. That was my answer with that. Also, I want to bring up several weeks ago, we had Dr. Novelli here, talking about the Gold Star. And I want to keep bringing back. Because he set an aggressive goal, is to get, he's got approval from his side to get that thing going with the, by Memorial Day. He wants to put a, get that thing, so we need to come together and find out what did we support. What do we want to support? How do we go with that? I mean, they're looking to us now. We have a site, right, but we have some questions about it. We talked about a site, if we're not mistaken. Dom shakes his head no. So, did we, or did we not? So we need to take a look, and we have, we need to go and maybe talk to some people about that site. And we'll work through that. But we need to kind of, at least, come and say "Are we are good for this, or not?" We just can't sit around, like normal people do. So, let's talk about that. And come around to that. We've got some things we have to find around, and move around. We'll need the Engineer a little bit. We'll need maybe some outside people, you know, maybe some concrete guys or so on, to get them in, to talk with us.

COUNCILMAN FOLTZ: Pat, did you have any other discussion on that? I know you've had a lot on your plate.

DIRECTOR DEORIO: I've had a number of discussions, but not with Dr. Novelli.

COUNCILMAN FOLTZ: Okay, so maybe we can look at that next week. Why don't we put this on Committee, and discuss it next week. So to Mark's point, I agree. Let's move this, let's not lose a great opportunity here for the residents of North Canton. Is that okay?

COUNCILMAN CERRETA: I mean, let's find out where we're going with this. Instead of just leaving it out there.

COUNCIL PRESIDENT PETERS: Well in that email he sent us, it sounds like the funding is going to be in place pretty quickly. He's almost there. And we were pretty specific about the site. Didn't we even talk about possibly a tree having to be removed?

COUNCILMAN FOLTZ: I think I might have brought that up. Or Mark. Yeah, we both went down and looked at it. So, but we don't have it staked out. But we have a general idea.

COUNCILMAN CERRETA: No, and at that point, we need to have engineers look at it. It's the foundation that we were worried, that we need to make sure that's in place. So it doesn't shift. And then who's responsible if it shifts. That kind of stuff we need to come together on, and work towards. So, all right, let's put that on for next time. That's all I have.

COUNCIL PRESIDENT PETERS: All right, thank you. Member Foltz?

COUNCILMAN FOLTZ: All right, thank you. To Melanie's point, we've had good discussion here tonight. I do bring up, we've lost opportunities this community with annexation. We can't turn back the clock 40 years ago. Canton did too. And what you is townships that are cities without city services. But at this point, if we can extend our waterlines to maybe have opportunities down the road, that's what I'm hoping for. That is my goal. My other goal is, why don't you want to be in North Canton? I have a hard time with somebody that doesn't just doesn't want to come into our city. We've got great schools, we've got great amenities, parks, we have great infrastructure. We have great services. That's the bigger question. Now we can realize some dollars and helps our Enterprise Fund, I'm all for that. But unfortunately, we've never taken the steps to enforce our annexation agreements. Whether they're legal or not. That's a whole other matter. So, my goal is when we turn down CETA and JEDD agreements, as some of us did, as Marcia mentioned. For the future of North Canton to have annexation opportunities, we have to keep pursuing those goals with property owners and developers. And I'm hoping that, that is the positive reaction we're going to have. As far as the Water Board itself, as long as it's transparent, I don't have a problem with it, which I think it is. We have a public meeting, and then we report on what has happened at the Water Board. I think we're being very compliant with our resident's wishes.

COUNCILMAN CERRETA: About explain what it is and what it used to be.

COUNCILMAN FOLTZ: Well, I think maybe Pat can when we get around to him. He's got a lot of good point. But, it's frustrating. It is. I think most of us up here want to do positive things for our community. And we're very passionate about it. How do we get there? And I, you know, my tenure we've lost opportunities. And I just want to revisit North Canton's one of 100 places, greatest places to live in the United States. I believe, we're on there, aren't we, Mayor? And we have a great water system. We went through great pains years and years and years ago, when that thing was falling apart. And we didn't know if we could continue it. Because everybody thought it was great, but it was, the infrastructure to it was terrible. And we did spend at least \$12 million on it. To sell water. But we're hoping we sell water and also can look at some job opportunities to us in the future too. So, I'm trying to work both goals here. You know, we don't have a crystal ball, we hopefully can learn from past experiences. But let's give this a chance right now. But I do, if I side, I am for annexing property in and having jobs come into the City whenever we can do it. And if this tool allows us to get somewhere down the road, those opportunities, that's what I'm for. Thank you.

COUNCIL PRESIDENT PETERS: Thank you. I don't want to step on some of Pat's comments. I'm sure he's going to make regarding this. He'll certainly address how much water we generate, and the economics of that. And the benefits to us. I will say this, I'll agree with Doug, I can't understand why folks don't want to move into the City. I've grown up, I live here, and I'm going to die here. It's a great community, great Police, great Fire, EMS. I think people would be crazy not to want to come in here. But if you're a business owner, there are economic decisions that they have to make. And if you can, if you can get some of the amenities that they get without paying a City income tax, I do, I understand that. You can't force somebody to come in. You can do things to entice them, and we have a lot of tools in our tool belt in regards to abating the income tax over a period of time. Or however that, that would look. We do have the ability to do that. Sometimes you, that's not enough. I won't steal Pat's thunder. I think he's going to have some points that really is going to shed some light on this. And I won't steal Tim's thunder, but I know there was an allegation of what is being done is illegal. And that I would disagree with that. Tim has case law to back this up, and you know, I'll rely on his expertise. So, with that, I will turn it over to the Law Director.

11. Reports:

LAW DIRECTOR FOX: Thank you. I think I should address from the start, that there's the allegation that this is unheard of in the City of North Canton. That this is so controversial, and the allegation was, "what, never been done before." "They've abdicated their authority." "Council's giving this away." Well, where do you think they got their framework? Where did that come from? Holding up the Charter, what's in the Charter? Where Council has abdicated its authority. Well, there is the Board of Control. What is the Board of Control do? Once Council authorizes the expenditure, the Board of Control, that has no Councilmembers, makes the decision of the lowest and best bid. Not a single Councilmember is involved in that decision. That's from our Charter. There's the Planning Commission that approves plans, approves permits. Not a single member of Council is on the Planning Commission. The Zoning Standards Board of Appeals has a tremendous amount of authority. They may override our ordinances. You understand what that means? Council has enacted this ordinance, and this board that has not have a single Councilmember may override that. So the framework of the Water Board is similar to the Board of Control. Council has already approved running a line outside the City limits. The Water Board reviews applications and makes a determination of whether or not it appears in the City's best interest to sell water outside of the City. And under terms and conditions. And so I think that it's not out of our realm, it's actually a planned process following structure that was set up in 1960, and they meet every what, 10 years? To go over this again. And the Planning Commission, the Zoning and Building Standards Board of Appeals, the Board of Control, all original. And the Water Board seems to follow that same standard. And the allegation that we're not following the Revised Code, is that a reminder to the gentleman that just left the meeting because he didn't want to hear it. Is that we are a Charter municipality, and what does that mean? That means on matters of local concern, we may be polar opposite from Revised Code. We can alter it to do what is in the best interest of the City. And so the allegation that we're following a Revised Code, well it's a Charter municipality in the matter of local concern, whether or not we sell our water inside, outside. What our rates maybe certainly seems to be a matter of local concern. And one level above that, is that the Ohio Supreme Court has declared that the ability for municipalities, political subdivisions to produce and sell utilities. The authority to do that, doesn't come from the Revised Code. It comes from the Ohio Constitution. That provides our authority to do this and any State statute contrary to that, according to the Supreme Court, is unconstitutional. That's all I have. Thank you.

COUNCIL PRESIDENT PETERS: All right, thank you. Director of Finance.

FINANCE DIRECTOR BROWN: Thank you. In regards to the Water Board, I'll just come at it from a financial perspective, with what Stephanie was talking about earlier. Inside accounts are about 70% of the total. But they only generate about 38% of the total revenue. So you've got 70% of the customers, they're only generating 40% of the revenue. That means our outside customers are generating most of the revenue for water. So that's why financially I like to see more outside accounts, it helps keep our system strong. Going back to what Doug said, if there's an opportunity to annex and get more income tax, of course, financially that helps the City as well. But if you don't have that opportunity, and you do have the opportunity to get water, then, you know, that's where all those outside accounts have come from. And have helped keep the system strong. Moving off that topic, I have three other things. 1, is that not only is New Year 2018, but as of Friday, its Finance New Year, which means we closed the books on last year, and open those on this year. So, we're moving forward with all the requests that were in the budget. Second thing, is an update on our Wellness Program. We have about 50% participation right now, which is good, but we'd like to keep moving forward. We did our first big citywide challenge over the holidays. We had a maintain, or not gain weight challenge. We had 34 people that participated Citywide, and 22 of those said that they did not gain. We drew one winner, and that was Mr. Doug Taylor from the Fire/EMS system.

COUNCILMAN CERRETA: Was that from the honor system?

FINANCE DIRECTOR BROWN: It was not, it was not. We had a scale down in dispatch, and we had a scale over at Station 2, and you had to have a dispatcher or EMS person verify your weight. So no, it was very top secret though. A sophisticated envelop system. And then the last thing I'll report to you is in regards to these lovely mics. I have a gentleman coming in next week to hopefully get us one of these for every spot up here. So that will help, hopefully the public hear a little better. And that's all I have. Thank you.

COUNCIL PRESIDENT PETERS: All right, thank you. Director of Administration?

DIRECTOR DEORIO: Thank you. Wow, my first night as Director of Administration. Okay, so before I talk about water, I just want to share a little information for the Council, and the general public regarding some statistics that I found interesting regarding natural gas and electric aggregation programs. Still on the utility line, but they're not our utilities. So, if we were to

look at the electric program participation, and look at this from July of 2016 to September of 2017. It's a 15 month span, I'm surmising although I wasn't here at the time that based on the report that I have, that's probably the time that we started doing the electric aggregation. So this is kind of a first report, perhaps of that. But in the beginning, when we started, there were 3,492 residential accounts in North Canton. Today there's 2,720. That's a 22% drop, on the residential electric participation program. On the commercial side, we see a similar drop from July of '16 to September of '17, down 16%. The net result in savings to those customers that have participated, is \$155,000.00 in savings per month. So it's a very valuable program, it saves a lot of money. You know, we recommend people to get into it. But perhaps to explain why the participation rate has fallen is that we need to do an increase job of promoting it and making it more aware, and talk about the benefits and features to that. And to that end, the efforts that the Finance Director is working on with getting our website up and running. And she's advised that we're getting real close, and what we're doing with Facebook, and stuff. We need to take a more concerted, sustained effort to promote the value of that program. If we compare that to the natural gas.

COUNCILWOMAN KIESLING: Hey Pat, what's our rates right now? What did we negotiate?

DIRECTOR DEORIO: It's hard to tell from this, I must confess, that I'll have to get back...

COUNCILMAN CERRETA: I think Marcia's probably headed, are we, were we competitive? I think...

COUNCILWOMAN KIESLING: Must have been, if we've saved \$155,000.00 a month in those 2,700 customers.

COUNCILMAN CERRETA: That's with all the, I don't what percentage that was. That was a lot of money for a lot of people. But what percentage of savings? You know that's something different. But were we competitive, why didn't they come. You know, was it because they got it cheaper somewhere else? Or wasn't it enough?

COUNCILMAN FONTE: Well, hey, you've got to remember that people are constantly are calling you trying to get you to switch. That's all they do, nonstop. And there's people that are always looking to save a nickel. So sometimes they'll do that. And I bet you if you look, when they breakdown the 22% drop off rate, I bet you there's a good percentage of it due the prospect calls.

COUNCILMAN CERRETA: Okay.

DIRECTOR DEORIO: And maybe to answer your question in the beginning of this program, the average residential account saving was \$4.30 per unit on their electric. And now that's down to a \$1.57. So the environment is getting more competitive, and so you're seeing a lot of churning, is what we call in the business sales. Where people are moving from account to account.

LAW DIRECTOR FOX: They come door to door. I've had them come by, let's talk about your gas price. I ask for their permit, and they leave.

COUNCILMAN CERRETA: Well, that's what I'm saying. Since we're putting it out for them, maybe we'll get a better rate since we're giving it. So maybe we'll demand a better rate, if they want the business, kind of thing. Anyways, go ahead, that's just marketing.

DIRECTOR DEORIO: If we contrast it to the natural gas program. Same period of time, July of '16 to September of '17. The number of residential customers has increased 22%. The number of commercial customers availing themselves of the program up 40%.

COUNCILMAN CERRETA: So the word is out there? It was probably the price then, in that particular situation. People saw a savings, so they would go for it. Where on the other side, it's the same function that we did for the gas. Right?

COUNCILWOMAN KIESLING: Is it though, the question is, I know gas is opt-out. What's electric?

COUNCILMAN CERRETA: Was electric opt-out too?

COUNCILWOMAN KIESLING: Or was electric opt-in? I can't remember now?

COUNCIL PRESIDENT PETERS: They were both opt-out.

COUNCILWOMAN KIESLING: You think they both were opt-out?

DIRECTOR DEORIO: I think they run the same. But I guess, I think that I guess where I would go first is the electric program is newer. The natural gas aggregation program, we've been at this for a long time. I mean we've been back when I, it goes to September of '08. So we've had nine years of experience working it, promoting it, the word getting out. Perhaps more than is necessary, on the other end before we can maybe really know from a competition. But since inception, on our natural gas rates, residential customers have saved over \$2.2 million since inception. So we do provide a value to our residents with this program. And it's something that we should make sure that we avail ourselves, we have that availability to those customers. And make that more pronounced. Okay, water. It's actually kind of ironic that 12 years ago I was sitting in this chair, but the roles were reversed and I was a Councilperson. And I talked about that in my estimation at the time, we needed a water tsar. And I think I used that word then. It was back in '06 or '07, I think there was some things going on geopolitically and tsars were a popular name being thrown around. And I think in Washington they were even talking about having a tsar this, and a tsar that. But what,

if we, you know, we reviewed those comments from back then, the thrust of it was that water, the water operations needs to be operated like a business. It is a business. Some of it and I'm going to recap some of the stuff that you heard just to kind of keep it all tied together in an argument, that seems to make sense. Water revenues, the gross revenues that Stephanie eluded to, are almost dollar for dollar the amount that goes to the General Fund. I want you to think about that. That's not an insignificant operation. And if it continues to grow, irrespective of other customers coming on, that water revenue will increase. That hasn't been the case in the General Fund. The state has taken back, clawed back money from us. The state taxes were repealed. You know the list goes on and on. And we've had businesses that, you know, leave the City. Because they go out of business. And our General Fund revenue fluctuate, up and down. So, the water represents a significant portion of City operations. When we look at all of the people that are involved in water, legitimately. Certainly as the Director of Administration, I'm involved extensively with the water, and trying to make sure that it is run in a businesslike manner. And to the extent that the code, or the county rules allow for portion of my salary to be attributed to the Water Enterprise Fund. That is something that every municipality takes advantage of, where it's legitimate. I argued when I was on this Council before about as long as we are in a position that we are showing, you know, why we are attributing a certain amount of percentage to other of my salary, to as an example to the water account. And demonstrating what I'm doing for that. That's perfectly acceptable. So, when we talk about, we run to this like a business, we need to take into account this. So, Chuck has, you know, brought up to us, and I have tremendous respect for him. We probably disagree on some issues, this maybe one. But when we talk about Monopoly, I struck on your quote about, you know, in that game every opportunity that you go around the board that you don't buy a property, you soon find yourself out of the game. We would be interesting partners in that, because we would be very competitive in that respect. And I believe that. And that's the same here though. Every opportunity we have to sell water, we need to take it. Especially to outside customers. Because of what it does for our general operations here, and how much it supports. Big difference though is we go around the Monopoly board is that, you know, sometimes we think that when we go around there and we buy a property that nobody has previously owned that we just buy it. But in the game, at the beginning, all the property cards are owned by the bank. You pay the bank. But what if, in our game of water, what if the bank didn't want to sell? Meaning, they don't want to come into the City, at all. Maybe forever, maybe for 10 years, maybe down the road there's a change of heart, and they see value to annexing into the City. Maybe the turns of staying in the township deteriorate over time. Maybe they're not happy with the contract to Police, their township, that's through the Stark County Sheriff. Probably provide a very good service, but sometimes the residents may expect more. Maybe that is the reason why they would want to annex into our fine City. Those things change over time. But what we can't do is force somebody to come. And the, as it relates to the economics of this, they can simply locate elsewhere. They can certainly just locate that property that they want to build somewhere else in that township. I would argue as I think Member Cerreta and others have, is that like creating an opportunity to put that economic development there. You have an opportunity to not only fix that blighted corner that comes into North Canton but you have an opportunity to fix other parts, or to improve other parts that are close to that. That are in the City, who could argue that if a structure was put there, and a hundred jobs were there, where would those people go? To do whatever they want to do. That could create other business opportunities that are nearby that would develop, that are within the City. That won't happen if it's built someplace else. That customer will ever materialize. So when we think about water. Try to put it in context of this analogy that may make a little more sense. If you were a baker, and you owned a bakery, and you baked bread every day. And every day you made 10 loaves of bread, and your production facilities were set up that every day you had to make 10 loaves of bread, just in case, the people who are your regular customers come in to want to buy 10 loaves of bread. But as it turns out, at the end of the day, you only sold five loaves of bread. What do we do with the other five? Well, as the baker, you decide to throw them away. And you do it every day. Well, along comes a customer, a new customer, one you never had before that says, "Could I buy that loaf of bread that you have extra? Could I buy just buy one?" "Nope, nope, we throw them away." "Can't let you have it." "But I'm willing to pay two and half times that, for that loaf of bread." "Sorry, just can't let you have it." "We're going to throw it away." We make water every day. We have to make enough water to satisfy the potential demand that could be there. That water is treated, and we make the best water in Stark County. And if that water isn't refreshed as it's circulated, the water goes stale. And it has to be thrown away. It's true, it's not unique to us. This is how ever water operation functions, whether it's municipal, or a privately owned. What water is leftover that you can't use, we have to dispose of it, make new water the next day. So doesn't it make more sense to operate more at capacity? Right now we operate at about 50% capacity. Doesn't it make more sense to get it up to a higher percentage? Because it's a well-known economic principle, that if your factory utilization, your capacity to manufacture is realized closer to what your full potential is, you're able to drive the cost lower. And that's what we're about. We want to drive the cost lower, so as the Finance Director said, that the individuals who are on the inside can continue to enjoy a better subsidy, of a lower rate. If we don't sell to outside water customers, and in fact we lose outside water customers, then the whole thing can come unwound. The landscape has changed in 30 years. It's changed in 12 years since I was last here. It's more competitive. We have more lines being run by our three competitors to locations and their purposes to do what? Is to sell water. The City of Canton Council voted this past summer to 9-2, to suspend the requirement to annex into the City on a waterline that they were shipping down south. They want more outside water customers. So, there's a junction box on the other side of Whipple Avenue down by Thursday's Plaza. Why did the City of Canton run that there? It just ends there. Wouldn't they like to add some more customers? That's the whole point. They're trying to get more outside customers, just as we are. Everybody is. If we're not gaining ground in business, then we're losing ground. Well established principle to drive a business forward. The argument on whether we should annex or not annex, or whether we sell water, or not sell water, are becoming muddled together. And what it has tended to do over the past 16 years that Member Kiesling eluded to, is it's tended to weaponized water. It's some sort of weapon to get people to come in here, and if you don't come in here, we're going to deny you having that water. What about being in the position of creating economic development multiple growth opportunities for anybody? As long as it makes financial sense to us. And that's why we have a Finance Director who analysis this. In this case, the property owner put the City in a position that we don't have any cost, that they'll pay the tap-in, they'll pay the outside water rates at the full rate. There are grave consequences to the City, I agree. If we don't do water. If we don't sell more water outside the City. And we need to do more of it. The fact that we've created or a board has been

created to provide extra oversight on this, is probably a good thing. In the past, it was just one person that did it, on their own. If you remember in 16 years, ever remembered in the six years that I was on Council that any of this came up. We've created a public meeting, with public notification, and I'll plead my bad, that the notice on our first meeting didn't get to all of the destinations that we had hoped. I follow more of a chain of command structure. But we've adjusted and now everything that goes out from Admin goes to everyone at this dais, and I'm happy to add whoever to that list. Never been a problem. So we're okay with that. But in creation of this board, you're putting into the hands of the people who know the most about the operations, the decisions to make the operation. Finance Director knows more about the financial health of the City, the financial health of that operation than anybody. The Law Director protecting us from the, on the legal side, and the Director of Administration, whoever that is, even if it isn't me, working with the Water Treatment Plant Department, and the Water Distribution Department to come up with "Does this make sense?" So, it's something that is very well thought out, analyzed, and that's why it took long time to get to where we got to. Because there was a lot of analysis going on as to whether or not, does it make sense? What is our capacity? Give us, let me hear some reports from the department heads. And that's what we did, and then to provide that transparency, we asked those department head individuals to come to the meeting and make the presentation as well. And we asked those questions so that it could be on the record for everybody to hear. I can't envision anything being more transparent than that. Another part of the landscape that has changed that Marcia eludes to as well, is that the political structure has changed over the years. Townships have more muscle, than they used to. Yes, that opportunity, when we could have really picked on them, that has escaped. But, why are there CETA's and JEDD's? Do you think the City created that? Do you think the municipality leadership called Columbus and said "We need to create CETA's and JEDD's? You talk to Representative Schuring was instrumental in getting them creating. But it was the townships. The townships were looking to have a tool to prevent annexation. And the legislature said "You know what, we like that idea." And the courts have followed along. To the extent that you're going to force someone to annex in based on they signed a water clause in a water agreement, Court of Appeals has ruled on that. You can't do that, you can shut their water off. But that's all you can do. So, when you look at all the reasons that have been given, from an efficiency standpoint to drive lower cost, talked about the bakery, the water impact of City revenues with how much is General Fund versus how much is revenue fund? How much does it pay for? We talked about the competitive environment, what the other players are doing; Canton, Aqua, Consumers. We talked about the geopolitical changes that have taken place. We talked about the documents and the court system, and it's all changed. We talked about our Water Board that has, that is comprised of professionals who know more about the operations than anybody else. And that it's going to clean up economic blight. There are nine reasons why we should do this. And the only reason that I'm being told that we shouldn't do it, is politics of the past. That we have to go back to the way of just forcing our will on our neighbors and making that happen. That's my professional view, and I don't have a dog in this race. And I will certainly execute any strategy that the Council and the Mayor come up with. That's my job. But from my point of view, I wanted to make sure that we were able to enunciate a coherent argument. And it's not something that just was, you know, was thought of ten minutes ago. This is something that has been, I've been working on for in my head, and working out ideas on how all this is and why it makes sense to do it. So, my, you know, I'm always available to anybody that wants to call me, talk about these things. I'm glad that I had the opportunity, thank you, Mr. President for giving me that opportunity to do so. I know I talked way too long, but it was very important. So, I'll be quite now. Thank you that was the end of my report.

COUNCIL PRESIDENT PETERS: No, thank you, Pat. I appreciate that very comprehensive argument you put out there. So, thank you. Mr. Mayor?

MAYOR HELD: Yes, well today is the first day that the transition for Mike Grimes was leaving as the City Administrator, and Patrick to come in as the full time Administrator. And Patrick, your experience goes back to 2005, when you first ran on Council. And I think the Council at that time sat on this side, and the Administration was on that side. So, we were on the opposite sides. And we were on the opposite sides on a lot of issues, boy, during that time. But the good thing is, that Patrick always had the best interest of the City in mind. And just a very, very diligent and hard worker, very intense, when it comes to his work ethic. And that's why I had asked him after he went down to the City of Canton for how many years after you left Council? (Six years) Yeah, six years. So I asked him if he would be willing to come back and work here in the City as the Director of Administrative Services. And because we knew that Mike would be retiring, and he agreed to do it. And so I knew he'd be perfect for the position. Very, very excited to have him onboard. I think now when you look at the City's operation, I really believe that this is the best team, at least since I've been here, as Mayor, this is the best team that we have with our Law Director, the Finance Director, the City Engineer, and also the City Administrator. Because we've had great people in the past, but right now we've got a lot of new challenges, and we've got a great combination of people that are able to work together. And I'm very excited about it. So, welcome aboard. And with that I'll go to our City Engineer.

COUNCIL PRESIDENT PETERS: Thank you. Mr. Engineer.

ENGINEER GRAHAM: Thank you, Mayor. Thank you, Mr. President. Couple things to touch on. Our department kind of hit the ground running to start the New Year. We'll be advertising next week, and opening bids on Friday, February 2, for the Price Park Storm Sewer Phase II Project. We discussed back in December. And also the Eastwood Tennis Courts, get those out on the streets with the USTA clause out of there. And try to get some good numbers bidding them early like that. Also, have for you next week at the Committee meeting, we're diligently working on our 2018 Paving Program. So, look forward to input from you there, next week at Committee. And hopefully, you know, get permission to go out for bid with that on the 22. And also, I got a call the other day from ODOT, and they followed it up with an email, we've discussed in the past our Easthill Street Bridge, that ODOT is kind of going back and forth on what they want to do with that. But they are going to refurbish that structure. They finalized their plans, and those plans are going to sell and award in April. And hope to start construction in June. And that's at no cost to the City of North Canton. They're handling all that. I guess the one item, we still can kind of take a harder look at,

because ODOT either puts up guardrail or doesn't put up guardrail. And that would be decorative, we'll look at some alternatives there that we would have to pay for. Other than that, that project is ready to go. At no cost to the City. And with that, that completes my report, Mr. President.

COUNCIL PRESIDENT PETERS: Outstanding.

COUNCILMAN CERRETA: Rob, just a note, when you say guardrail, you know what we're going to say. Decorative of some kind.

ENGINEER GRAHAM: Yep, yep.

COUNCILMAN CERRETA: So are you saying when does that process go?

ENGINEER GRAHAM: In discussing it with ODOT, because I mean we had that frankly, we had that flat out discussion. And ODOT will put in the standard ugly galvanize roadway guardrail. But they won't, they'll either put that up, or they'll non-perform it. So then we could get our own constructor, at our own dime to put up something decorative. We could take a look at that.

COUNCILMAN CERRETA: Okay, understand that. But is there a way in the future, when we put out bids that we include this stuff to make, so that it is stuff that we require. Because a bridge, it's our lifetime that bridge will never be done again.

ENGINEER GRAHAM: On our own projects, absolutely. But, you know, kind of inheriting this one, it was pretty much put to me, "Look, take it or leave it." And so kind of made the decision to, at least let's get 85% of that pie, if we've got to come up with 15% to make it decorative, we can go that route. So...

COUNCILMAN CERRETA: So, I'm glad you're promoting it, though. I mean that's something we want to really want to look at doing all the time.

COUNCILMAN FONTE: One quick thing, Rob, you know over on the Apple Streets with the, you know, come July we'll know if we get any grant money. Because I'm still getting a lot of inquiries still in that, for those 50 homes.

ENGINEER GRAHAM: Yep, we meet with our designer on that on Thursday. And I've got a lot of questions on just what they've come up with. Their first iteration I don't even think will work. So, yeah, absolutely, go back to the drawing board. And we had a set of plans that I'm comfortable bringing to you.

COUNCILMAN FONTE: Okay, I'd appreciate that. Thanks Rob.

COUNCIL PRESIDENT PETERS: Alright, thank you. Madam Clerk?

COUNCIL CLERK BAILEY: No report.

12. Final Call for New Business:

COUNCIL PRESIDENT PETERS: Alright, thank you very much.

13. January's Meeting Schedule

Tuesday, January 16, 2018 - Fieldcrest public hearing at 6:30 p.m.
Tuesday, January 16, 2018 - Special Committee of the Whole meeting
Monday, January 22, 2018 - Council meeting
Monday, January 29, 2018 - no meeting

COUNCIL PRESIDENT PETERS: All right, January's meeting schedule. The 16th, next Tuesday the 16th, Fieldcrest public hearing at 6:30 p.m., followed by a Special Committee of the Whole meeting. Monday, January 22 will be a regular Council meeting, and then Monday, January 29th, the fifth Monday of the month, we will have no meeting. And I would anticipate by next week we'll be able to announce February's meetings.

14. Adjourn:

COUNCIL PRESIDENT PETERS: All right with that, I'll entertain a motion to adjourn.

COUNCILMAN FOLTZ: Motion to adjourn.

COUNCILMAN CERRETA: Second.

Unanimous voice vote of 6 to adjourn.

COUNCIL PRESIDENT PETERS: Okay, we are adjourned.

[Let the record reflect Charles Osborne set up a tripod and appeared to videotape the Council meeting.]

Mary Beth Bailey
MARY BETH BAILEY, CLERK OF COUNCIL

Daniel Jeff Peters
DANIEL JEFF PETERS, PRESIDENT