

## Service Committee Minutes

Honorable Council  
City of Newark, Ohio  
November 15, 2021

The Service Committee met in Council Chambers on Monday, November 15, 2021 , following the Finance Committee with these members in attendance:

Jeff Rath - Chair  
Jeff Harris – Vice Chair  
Spencer Barker  
Jeremy Blake  
Mark Labutis– sitting in for empty seat

### We wish to report:

1. **Resolution No. 21-75** A RESOLUTION AUTHORIZING ALL ACTIONS NECESSARY TO EFFECT A GOVERNMENTAL NATURAL GAS AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO SECTION 4929.26 OF THE OHIO REVISED CODE, DIRECTING THE LICKING COUNTY BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS.

**Tim Bubb, Licking County Commissioner** – Good evening, I appreciate the opportunity to re-visit this subject that we were here this summer and talked a bit about it. At the time we didn't move forward with the November issue, but talked about coming back this fall on the advice of the Chair and the Committee, to bring forth in consideration again, so, here we are. The two resolutions are almost identical. The only difference between them are one is for electric aggregation for the residents of the city of Newark, the other is for natural gas. Aggregation is a word that is sometimes aggravating. I like to think of it as group purchasing of electric and natural gas. It benefits all of the residents that basically don't aggregate themselves. The only exception would be the members of the Energy Cooperative, Energy Cooperatives come under a different section of the law, they already have aggregated their own fuel purchases, so the members of the Energy Coop and some of you are under that situation, you already have the advantage of getting aggregated or more competitive pricing on your energy. Why are the commissioners offering this thought? First of all, this is not a Licking County Government issue, it's something we, the commissioners have talked about, been talking about it for the past year. First of all, aggregation already is here in Licking County. Four of the major townships, a significant amount of the population of western Licking County already benefits from aggregation. Etna Township, Harrison Township, both major townships, both have electric and gas, their residents already benefit. Union Township and Granville Township already have passed electric and one municipality, Granville Village has electric aggregation. So a significant amount of our population in the county already benefits from the opportunity to group purchase and save on part of the fuel costs for their electric and gas bill every month. In talking to my fellow County Commissioners, we're aware of aggregation. We can't do it for the municipal corporations, only you can bring it to the ballot, so our thought was, let's just have conversation. We're having a simultaneous conversation with the city of Newark, city of Heath, city of Johnstown, city of Pataskala and three of the Villages have shown interest, St Louisville, Alexandria and Hanover. Three of the other cities already have this scheduled to go before their councils for first reading and consideration. St Louisville has it on their council agenda for consideration. They only meet once in December and they will be considering it in December to put it on their ballot. Hanover, has had it in committee and they like the idea and have asked us to come and answer questions, similar to what we're doing tonight. The other opportunity is Alexandria and they've already scheduled it for their council for consideration. So, I just want you to know this is not the only conversation we are having, we're having it simultaneously with four cities

and three villages. The idea is very simple. Let's start to take more of a county wide approach, a collective approach to group purchasing and aggregation and put it on the ballot all at once the first Tuesday in May. The advantage of doing it in large part together, we can't get everyone together all at once to do it, but this is a significant number, is there's an educational component that goes with explaining what aggregation is as a voter consideration both for electric and gas. We're prepared through Palmer Energy, which is who we are kind of working with, I'm joined by Kirk Mizerek and Bob Snavely from that company and the handsome guy in the red vest is John Leutz from the County Commissioners Association of Ohio, he's the energy expert. They came over if you have any questions, they'd be glad to address them tonight. This is as close to a win-win as you're ever going to get. It's one of the rare opportunities that a committee can move this to council and the council can consider it and it's one of the few opportunities that you ever have in your life that you can actually put something before the voters and if they choose to adopt it they can actually help themselves financially by saving money on electric and gas, it's that simple. The big question that comes up often times is, you aggregate as a group, it's group purchasing, the power of the bigger the group the better the opportunity you have to get more competitive pricing. It's sort of like trying to unify trash pickup in the city, not everybody wants to do it. Well the nice thing is you can opt out at no charge. By the way, you can opt in also. Someone let's just say resident John Doe out here says you're not going to get me on that, I'd rather pay more for my electric and gas and do what I'm doing, okay, great, opt out and you're done. John Doe sells his house and someone from outside the community moves in and they say it's a real shame John Doe didn't take advantage of the lesser utility option, they can opt back in. So, you can enter or depart with no charge, no harm no foul. It's an opportunity that the best you can do is take it to council, authorize it for the ballot in May, put it before the voters, we'll work on an educational component to explain it the very best we can for those who will listen and pay attention. I think a good example is that it's already been adopted by residents in Etna, Harrison, Granville, Union and Granville Village. So, obviously other residents of Licking County have heard this story, seen the opportunity and gone with it. So, that's basically it. Some of you who were on Service Committee back in July maybe when we were in, heard the story we already talked about a little bit and again my three compatriots there are here to answer questions, so I'm not going to ramble on further as long as you are familiar with it, you've read the resolution, we've talked about it before, do you have any questions or what can I answer for you?

**Mr. Rath** – Just to refresh everyone's memory, the reason we did not go forward with this the last time it was brought to Service Committee was because we would not have been able to meet the timeline in order to get this on the ballot and that was the sole reason for shooting it down that time. I do have one question for you, you mentioned several Townships that are already using aggregation, how many of those are opt in versus opt out?

**Mr. Bubb** – Everybody starts out in the pool and you can opt out at no charge if you want out. There was a time when these issues would be brought as opt ins and it's almost impossible to make that dynamic work. It's much easier and that's the approach typically everywhere, if the community votes to aggregate we come in together as a group and we buy energy as a bigger group and everybody benefits. It's a combine approach and it's group buying and so you're right, Everyone opts in at the start and then you may opt out.

**Mr. Rath** - So the 4 cities and 3 villages considering this going through their councils now, those are all opt outs?

**Mr. Bubb** –Yes, you have the option to opt out.

**Mr. Rath** – Did you guys want to add anything or correct anything that Commissioner Bubb said?

**Mr. Bob Snavely, Palmer Energy**- It's an opt out program, they are all opt out programs and the reason is as the commissioner was saying that you do an opt out program as opposed to an opt in program is the sheer purchasing power of large numbers. Generally in an opt out program you're

going to get 60-70% of the population that will partake in it. If you do an opt in program that number gets small enough to the point where it cuts into savings, so the only way we're going to do this moving forward is if there are savings there and what we've seen with opt in programs is that there just isn't enough buying power to compete.

**Mr. Harris** – So, say after 2 or 3 years, you guys raise your rates, is it a locked in rate forever or how does that work?

**Mr. Snavely** – Generally we go through an RFP process and then those results, we'll recommend moving forward if there are savings there. So, whether it's 12, 24 or 36 months, depends on what kind of pricing we get back. For example say we do a 36 month agreement, at the end of that we'll go through that process again and if for whatever reason the pricing is above the price to compare, we may not recommend going forward and you have the ability to wait or end the program as is. Just because it's passed it doesn't mean you have to go forward with signing a supply contract. It just allows the opportunity to do the RFP process.

**Kirk Mizerek , Palmer Energy** – Can I just add one thing? Per ORC you have to do this opt out process every 3 years regardless.

**Mr. Harris** – So every 3 years, we'll re-negotiate and look at it?

**Mr. Mizerek** – I don't want to say every three years because if we do an RFP process and a better deal is a two year deal, it could be in two years we're doing the RFP process again, but it is by ORC you have to do it every three years, you can't go past that.

**Mr. Barker** – So, the education side of this for voters, there obviously will be marketing material and costs associated with getting people that material, who covers that cost? Is that something we have to do at the city level/ If we want to raise taxes we've got to go and educate the voters. Is this something where it's our responsibility to pay to educate the voters or is that something Palmer takes care of?

**Mr. Mizerek** – Historically speaking what we do in these programs is we have a lot of forums where we invite your constituents and talk these questions out for them We also do an ad in the newspaper or if you have like a community newsletter we'll put that in there for you.

**Mr. Marmie** – I know there's costs associated with putting anything on the ballot, typically if there's multiple things on the ballot, then your share of putting something on the ballot is less. As a municipality, I know that in the past it's been upwards of \$10,000 if we try to put something on by ourself. Are we still going to be burdened with that cost as far as putting something on the ballot if there's nothing else scheduled for May?

**Mr. Bubba** – That's a good question because it's hard to tell what's scheduled for May. Let me do some research on that and talk with the board of elections, obviously if there's a countywide issue on the ballot everybody will ride that ballot. Let me get clarification on that, again it's only November, but that's the general direction we're headed so let me get some clarification.

**Mr. Marmie** – I appreciate that, thank you.

**Mr. Barker** – I just want to confirm. If this passes and you go through an RFP process and you choose a two year agreement and on month 2 of this two year agreement, a resident can opt out with no fee. Or if they opt out after an agreement is there a fee?

**Mr. Mizerek** – There will be no fee. What we do is put that in the RFP that this is a no fee to leave deal. Years ago in the northern part of the state there were some deals there that had fees, we got rid of those. They can always opt out and if they change their mind they can opt in too. There's no charge.

**Mr. Bubba** – This is basically an aid to residential customers. The big consumers, Owens Corning Fiberglass, the hospital, those folks have their own energy deals, this is very small commercial and residential only.

**Mr. Blake** – Do you have any estimates of what the cost savings might be for a typical resident?

**Mr. Snavely** – Historically we have said right around \$100 annually, but that changes with the market. So if you're doing it with the price to compare, the price to compare changes through the utility on a monthly basis.

**Mr. Blake** – That would be for electric or both?

**Mr. Snavely** – Both.

**Mr. Harris** – I'm going to have to abstain from 21-75 because my company may be involved in this.

**Motion to send to full council by Mr. Barker, second by Mr. Labutis, motion passed 4-0, with Mr. Harris abstaining**

2. **Resolution No. 21-76** A RESOLUTION AUTHORIZING ALL ACTIONS NECESSARY TO EFFECT A GOVERNMENTAL ELECTRICITY AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO SECTION 4928.20 OF THE OHIO REVISED CODE, DIRECTING THE LICKING COUNTY BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS.

**Motion to send to full council by Mr. Barker, second by Mr. Labutis, motion passed 5-0**

3. **Resolution No. 21-77** A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE TO NEGOTIATE AND ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE NEWARK SPORTS AND EVENTS COMMISSION FOR THE CONSTRUCTION AND MANAGEMENT OF PICKLEBALL COURTS AT THE NEWARK MUNICIPAL ICE RINK, SUBJECT TO THE APPROPRIATION OF FUNDS.

**David Rhodes, Service Director** – Just a little background. The Evans Foundation owns the land where the ice rink is located. The City owns the building, when we were looking for a location for pickle ball courts we landed on the area in front of the ice rink because they have the management in place to oversee and operate pickle ball courts. We've had a very strong fund raising effort and that concludes at the end of this week. We're confident we have the funds to build the courts and now it comes to what kinds of treatments do you put in between the courts for people to be able to sit and see for people to get onto the courts. So, what I'm asking for tonight is for the ability to enter into a memorandum of understanding with Newark Sports and Events Commission, that's the group that oversees the operation of the ice rink, so we can work out the details of what their responsibilities are and what the city's responsibilities are for the pickle ball courts.

**Motion to send to full council by Mr. Barker, second by Mr. Harris, motion passed 5-0**

Meeting stands adjourned

Jeff Rath - Chair