

**Cuyahoga Falls City Council
Minutes of the Public Affairs Committee**

December 4, 2017

Members: Vic Pallotta, Chair
Adam Miller
Jerry James

Mr. Pallotta called the meeting to order at 7:06 p.m. All members were present.

The minutes of the October 2, 2017 and October 16, 2017 Public Affairs Committee meetings were approved as written.

Legislation Discussed:

Temp. Ord. B-100

Temp. Res. B-101

Temp. Res. B-102

Discussion:

Temp. Ord. B-100

An ordinance authorizing the city to enter into the Northeast Ohio Public Energy Council (“NOPEC”) and authorizing the execution and delivery of the agreement establishing NOPEC and approving the bylaws of NOPEC, and declaring an emergency.

Ms. Brenda Fargo, representing NOPEC, stated that the three pieces of legislation that Council has in front of them are companion pieces of legislation, so she is going to speak in broad terms, so that she is not repeating herself on every piece of legislation. NOPEC is a council of governments formed under Ohio Revised Code that get together to obtain competitive prices for gas and electric aggregation. NOPEC has met with the Administration. Because NOPEC has not only preferable rates, but also other member benefits that come along with being a member, the Administration felt it was worthy to bring before Council, as well as the public, to bring Cuyahoga Falls into the NOPEC fold. There is no cost to join NOPEC at any time and there is no cost to leave NOPEC if it is during the specified time. If someone is in for a two-year opt-out starting in March, which is what they are anticipating from this legislation, they would be in for two years and could then leave at the end of that two years at no cost. If it's sometime in the middle of that contract, just as with other suppliers, there would have to have some conversations about that, because NOPEC has already gone out and procured gas on their behalf. It's a contract that they expect to be fulfilled. That would be the only time that there would be any kind of fee associated with the community leaving NOPEC. There are no administrative costs to the community for being a member of NOPEC.

Mr. Iona asked, if Council voted to go along with NOPEC, can an individual that can get a better program someplace else walk away from it. Ms. Fargo stated that is correct. There are no cancellation fees at any time. NOPEC is an educational organization. They want folks to be educated shoppers, meaning if they can go out and get a better deal on their own, they need to do

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that. There are a lot of people that either don't understand it or don't want to be bothered with it. Those are the folks that the aggregation program really serves. She would caution that one of the things that they're seeing in the marketplace is great six-month introductory rates, where a person will receive a \$25 Visa card or T-shirt. In the small print, at the end of that six months, if that person didn't do something, they go to a month-to-month with no cap, meaning they can charge whatever they want. That's the down side, and that's where the aggregation really is an insurance policy for residents that don't otherwise really understand how they would go about finding a gas supplier on their own.

Mrs. Klinger asked how NOPEC's salaries and administrative costs are paid. Mr. Chuck Keiper, Executive Director of NOPEC, 31390 Solon Road, Solon, Ohio, stated that they serve approximately 230 communities in 14 Ohio counties, as far east as Ashtabula County and as far west as the City of Tiffin, and, now, as far south as Athens. They serve about 350,000 natural gas customers. About 10 percent of those are small-business customers. NOPEC receives fees based on savings. They have, on a regular basis, a national-level bid for their load, which is sizable. It is, in fact, about the same size, or maybe a little larger, than the Standard Choice Customer base. They advertise that national-level bid. They then evaluate the bids and negotiate with the energy companies. NOPEC likes to get as much of those costs to their side of the ledger, so that they can share with their communities and operate their aggregation, and the energy companies would like to keep as much of that. That's basically how it happens, and that is how they get paid. NOPEC is audited every other year. They are a government, but on a smaller scale. The last time NOPEC was audited, they received one of the two State Auditor awards given that year for exemplary bookkeeping and recordkeeping in the State. They work very hard to be transparent.

Mr. Keiper stated that NOPEC is a council of governments, and, as such, Cuyahoga Falls would receive a seat on their General Assembly. The purpose of that General Assembly is threefold. The General Assembly determines how they govern themselves. Any questions about how they govern themselves are brought to those committees, and they vote annually, in November, to change those things if there are any changes. They also vote on who represents the communities at the Board of Directors' table. Each county in Northeast Ohio gets a seat at the Board of Directors' table. Annually, they caucus and determine who is going to fill that seat. Currently, they have a representative for Summit County from the City of Macedonia, Council Chairman Janet Tulley. The third thing is they vote on their budget. All things that relate how they spend money and appropriate money come through the General Assembly on an annual basis; then the Board of Directors handle the monthly appropriation. They meet nine times through the course of the year. All their benefits accrue to their members. There are three things that make NOPEC unique: First, they work very hard to always be in the bottom three to five percent of retail offers. They work very hard to monitor those prices and deliver the most competitive pricing they can; second, not only are they concerned about pricing, but they're concerned about what they can deliver in terms of ancillary values to the communities they represent; finally, NOPEC has grown to be one of the largest, if not the largest, public voice in the utility space, pro-consumer in State of Ohio. Anywhere that natural gas rates are discussed, contemplated, regulated or tarified, they have a seat at the table, and they make sure, every day, that the voices of normal folks who pay their bills and who want to operate their businesses as efficiently as possible, are brought to the

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table. Mr. Keiper stated that he was a County Commissioner for many years. NOPEC has former mayors and council people. Most of their staff members have been public servants. They understand how hard it is to do the things that Council does every day to deliver good service to people. They hold it as a core value, and they work very hard to deliver services to the people they represent in the same way that Council works to deliver them to the people they represent.

Mrs. Pyke asked how many members are on the General Assembly. Mr. Keiper stated that there are approximately 180. There is a difference between the General Assembly members and the number of the communities they represent, because they have had many counties put county-wide on the ballot and membership aggregation. For example, Portage County has all their unincorporated areas on for both natural gas and electricity, but the county, itself, gets the vote, even though there are 12 townships there that get natural gas and electricity. Summit County would be the same way. Lake County and Ashtabula County are similar. That accounts for the difference in the number of communities NOPEC serves and the number of voting members who have a seat at the General Assembly. Mrs. Pyke asked if the number of people in the General Assembly is based on the number of customers in the community and if Cuyahoga Falls would have more than one representative. Mr. Keiper stated it is one community, one vote. Mrs. Pyke asked for the nearest community to Cuyahoga Falls in NOPEC. Mr. Keiper stated that it is probably Macedonia. All the unincorporated areas in Summit County are a part of their natural gas aggregation, as well. On their annual report, on the second-to-the-last page, there's a list of all NOPEC's community members. That can also be found at www.NEOPECINFO.org. They also have an ambassador portal for their members. They have an award-winning consumer engagement program designed to help people learn how to save money. They are committed to having folks be as informed as possible and lowering what they pay. Mrs. Pyke asked for a copy of the agreement. Mr. Russell Balthis, Law Director, stated that a copy of everything was included with the packet, but he will make sure that it's provided again.

Mr. James moved to bring out Temp. Ord. B-100 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Temp. Ord. B-101

An ordinance authorizing the Mayor to enter into a natural gas program agreement with the Northeast Ohio Public Energy Council and declaring an emergency.

Mr. Pallotta stated that, since these ordinances are linked together, they will just run through these.

Mr. Miller moved to bring out Temp. Ord. B-101 with a favorable recommendation, second by Mr. James. Motion passed (3-0).

Temp. Ord. B-102

An ordinance approving the plan of operation and governance for the NOPEC Gas Aggregation Program for the purpose of jointly establishing and implementing a gas aggregation program, and declaring an emergency.

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Mr. James moved to bring out Temp. Ord. B-102 with a favorable recommendation, second by Mr. Miller. Motion passed (3-0).

Robert Yeager, 2676 Third Street, Cuyahoga Falls, stated the he would like to speak on the Utility Billing. He has been a resident of Cuyahoga Falls since 1988. In the 1990's, he purchased six single-family rental properties in Cuyahoga Falls. At or around the time of the installation of the new software program for Utility Billing, the City stopped doing shutoffs for nonpayment and ceased to collect nonpayment penalties. The nonpayment penalties were calculated on the rental bills, but they were not assessed. Of the six tenants that he has, three of those began to exploit that. The three accounts went into arrears in the amounts of \$3,000, \$2,200 and \$1,700, for a total of almost \$7,000. Landlords have partial responsibility for the unpaid balances, so that caused a large deficit on his part. It caused significant financial risk. He doesn't think that it was a kinder, gentler approach. It allowed those that are less financially responsible to exploit it and to dig a deeper hole, causing themselves greater problems. He believes it was a disservice to the tenants, themselves. It was a disservice to landlords, and it's had a negative impact on the City budget, both monies in arrears and a loss of the penalty. In addition, no one has mentioned the time value of money that has been lost. He is pleased to see that shutoff notices have begun, and that is correcting the problem. Part of managing a business is doing things that are hard to do. As managers, it is their job to do those kinds of things. He is glad to see that the City is back on track.

The meeting adjourned at 7:34 p.m.