

Minutes

December 22nd, 2020

Commissioners present: Mark Gazarek, Brian Robertson and Timothy Bechtol.

Also Present: Tammy Erwin, Sarah Mutchler, Lynn Taylor, Lucinda Land, Ron Rooker, Don Moses, Melanie Lee, James Sammet, Tom Davis, Steve Rader, Mary Ann LaRoche, Charity Rauschenberg, Steve Wilson, Adam Witteman, Deb Cook, Jane Robertson, Bill Bateson, Mike Pepple, Randy Galbraith and Brian Thomas.

Commissioner Gazarek opened the meeting at 9:30 a.m. in the Commissioner's 1st floor conference room. The Pledge of Allegiance was recited. Timothy Bechtol introduced Ron Rooker, Executive Director of Chopin Hall, who then gave an update on the Food Drive that was done Thursday, December 17th. Charity Rauschenberg had contacted Ron about doing 5 mobile food drives in one day at 4 locations within Hancock County. The Hancock County Fairgrounds was held from 12:00 – 2:00 p.m. and 4:00 – 6:00 p.m. Other locations were, Liberty Town Hall, McComb and Mt. Blanchard from 4:00 – 6:00 p.m. They estimated that 794 families were served and totally around 2,000 people. There were close to 100,000 lbs. of food distributed. Eight county offices participated in the outreach and both Charity and Ron thanked everyone who volunteered. Minutes from December 17th, 2020 meeting were read with Brian Robertson making a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

The Assistant Clerk presented the following resolutions for consideration:

Resolution #1023-20 – Authorizing payment of the listed and/or attached purchase orders. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1024-20 – Transfer of funds within the appropriation – Common Pleas Court – General Office. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1025-20 – Transfer of funds within the appropriation – Prosecutor. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1026-20 - Transfer of funds within the appropriation – Sheriff Fund. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1027-20 – Additional appropriation within the Auditor's certification – Commissioner's to appropriate to HAVA Fund. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1028-20 – Transfer of funds within the appropriation – Coroner. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1029-20 – Transfer of funds within the appropriation – Buildings & Grounds Maintenance Fund. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1030-20 – Additional appropriation within the Auditor's certification – Commissioner's to appropriate to Local Coronavirus Fund. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Resolution #1031-20 – Transfer of funds from the General Fund to Juvenile Probate Bond Retirement. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Brian Robertson made a motion for Board President Mark Gazarek's signature for the 2nd amendment adding Respite Program to the DYS grant agreement. Timothy Bechtol seconded. Motion passed 3-0. The Commissioners signed the Annual Road Mileage Certification for the mileage rate paid to Hancock County in 2021. The Commissioners also signed the original plat for Best Liberty Addition, in Liberty Township, 13.786 acres.

Assistant Clerk announced that the next Commissioner's meeting will be held on Monday, December 28th, 2020 at 11:00 a.m.

Lucinda Land presented the following resolutions for consideration:

Resolution #1032-20 – Amendment to resolution authorizing use of Coronavirus Aid, Relief, and Economic Security Act (CARES) Funding for public safety payroll expenses. Lucinda stated that back in November; the Commissioners approved a resolution authorizing and identifying safety personnel for the county that was impacted by the Coronavirus. This is amending to add an additional \$500,000 to the reimbursement to the county through the CARES Act. Brian Robertson made a motion to approve, Timothy Bechtol seconded. Motion passed 3-0.

Charity Rauschenberg stated that Resolution for the CARES funding may be changing depending on what the state and federal government decide to do. Charity said that they are still waiting for information to come in regarding the funding and any extension to the deadline. She thanked the Prosecutor's office and everyone else for getting things put in place before the deadline. She also reminded everyone to buy their dog tags virtually.

Steve Wilson announced that Brian Thomas, City Engineer was here to discuss the MLK Parkway bid opening that happened last Friday, December 18th. Brian stated that he sent a letter to the Commissioners letting them know that they received 10 bids for the project but he cannot enter a contract until he has the funds available. He asked the Commissioners to get the funding in order so they could move forward. He stated that Helms & Sons were the low bidder and will be his recommendation. He was there to answer any questions that the Commissioners may have.

Bill Bateson thanked Mark Gazarek and Brian Robertson on their kindness, transition and willingness to work with him throughout the year along with all of the guidance given as an incoming Commissioner. He really appreciates it and wished both Mark and Brian a nice next life.

Mike Pepple also reiterated what Bill Bateson said and he also stated that he appreciates all of the cooperation and looks forward to working with everyone.

Meetings/Reports

Timothy Bechtol announced that today is the last day of the full board as it has been. Tim stated that this is the 91st different configuration of the Board of Hancock County Commissioners since the inception in 1828. Brian Robertson is in fact the 100th person to serve as a Hancock County Commissioner and Mark Gazarek is 101st person to serve. In the past 8 years, the Board of Commissioners has passed over 7,000 resolutions and approved nearly 600 contracts. Mark Gazarek thanked the Prosecutor's office for doing all of those contracts. Timothy stated that they have endured 8 county budget cycles and have been part of some fine projects over the years while in office. The Clerk and Assistant Clerks presented Mark and Brian with a gift for their years of service to Hancock County. Timothy asked Steve Rader to come up and explain his craftsmanship of the gift. Steve stated that the actual wood used for their gift came from the courthouse that he has been collecting over the last 36 years. The staff put all the pictures on the wood. Steve stated that he felt honored to do this for Mark and Brian. Tim closed his report with the sincere hope that Mark and Brian look back on their time in office with fond memories of a job well done, of good relationships that they built and the positive and enduring impact that they made here in Hancock County. He then thanked Mark and Brian for their leadership on this board, the mentorship on Timothy's behalf and for their diligent and faithful service to the good people of Hancock County and wished them happy trails.

Brian Robertson expressed his thanks and is grateful for all that he has learned through so many other officials, county boards and employees, community members and God for his love and guidance in this journey of public service. Brian is also grateful to his family for their sacrifice for how many hours he was away and thanked his wife for being very supportive. He thanked Commissioner Gazarek for his time and service and all the battles and wars they have been through trying to get things done together. Mark thanked Brian.

Mark Gazarek wanted to say thank you to all of the elected officials. He thanked Steve, James, Tom and Donny for all of their work. When Mark and Brian first came into office, these men took the lead when they didn't really know what was going on and took care of things. Mark also wanted to thank Beth Bishop, Cheryl Snyder and Cindy Land. When they came into office, those three guided them through a lot of contracts and took care of them with invaluable information, especially when it came to ditches. Mark wanted to give a very heartfelt thank you to all three of them.

At 10:30 a.m., Commissioners Mark Gazarek and Timothy Bechtol met with J. Steve Welton, Charity Rauschenberg, Mike Pepple and Eileen Stanic from the Meeder Company for the Investment Strategy update. Eileen discussed inflation and deflation and how it is affecting short term and long term rates. She also went over the County, Flood Mitigation and Landfill Portfolios. Please see the attached presentation for more detailed information.

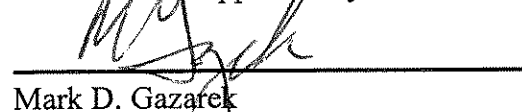
At 11:30 a.m., Commissioners Brian Robertson and Timothy Bechtol met with Bob Snavelly from Palmer Energy to discuss the Electric RFP. Others present included Tammy Erwin, Mike Pepple and Phil Johnson. Mr. Snavelly stated that the Electric Agreement is coming up in May 2021. He also stated that we are in a competitive electric market right now and he has put together a bid package for Hancock County and has some responses available to go over. He went over the RFP background and discussed the two different pricing structures that the CCAO and Palmer Energy are requesting. Please see the attached handout for further information on pricing structures, suppliers, recommendations, and contract details.

Respectfully submitted,

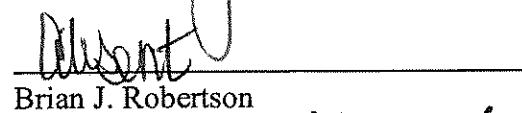


Tammy Erwin, Assistant Clerk

Reviewed and approved by:



Mark D. Gazarek



Brian J. Robertson



Timothy K. Bechtol

For Tues. Dec. 22

MEEDER PUBLIC FUNDS ADVISORY

Investment Strategy Update



Prepared for

Hancock County

December 22, 2020



Presented By : Eileen Stanic, CTP



PERSONAL CONSUMPTION EXPENDITURES

Average inflation expected to remain below 2%

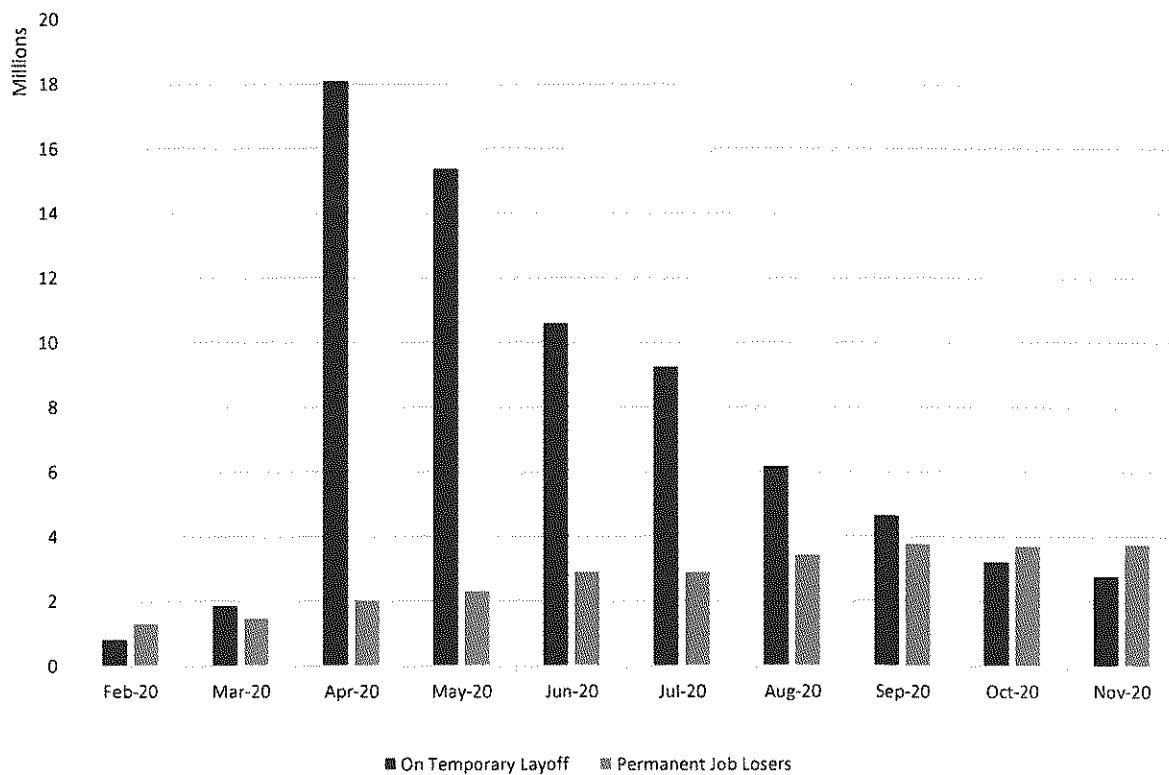


Source: Bloomberg as of 12/7/2020



UNEMPLOYED PERSONS

Permanent job losses continue to rise



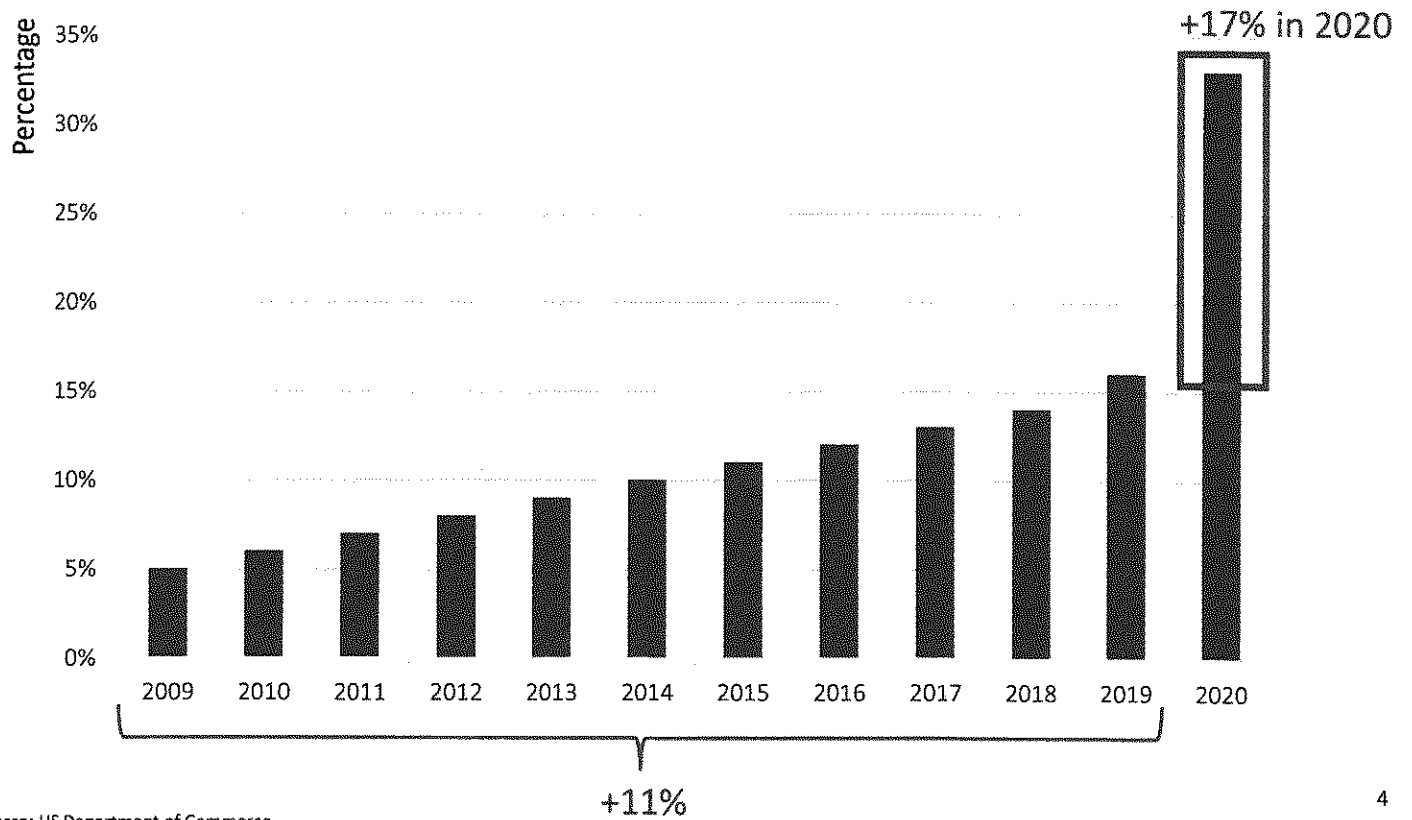
Source: U.S Bureau of Labor Statistics as of 12/04/2020

*Seasonally adjusted data



U.S. E-COMMERCE PENETRATION

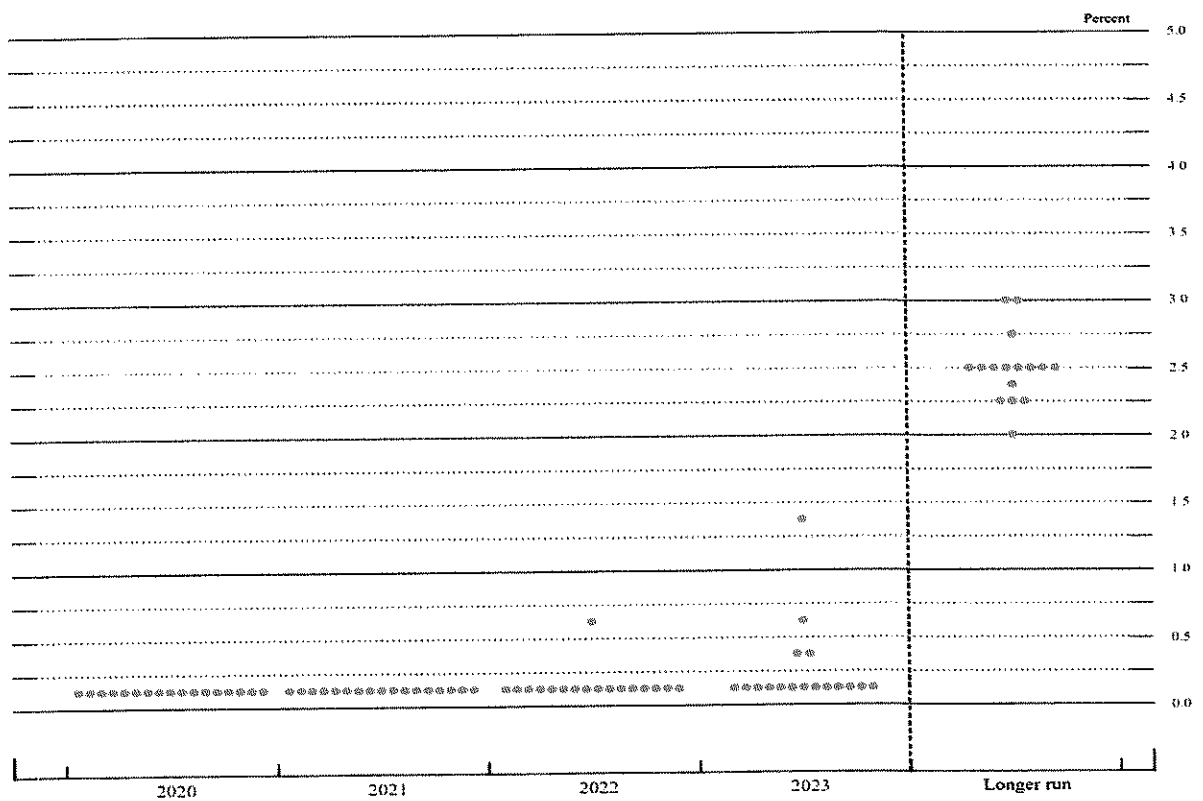
E-commerce has advanced more in 2020 than the previous 10 years combined



Source: US Department of Commerce

○ ○ ○ ○ ○

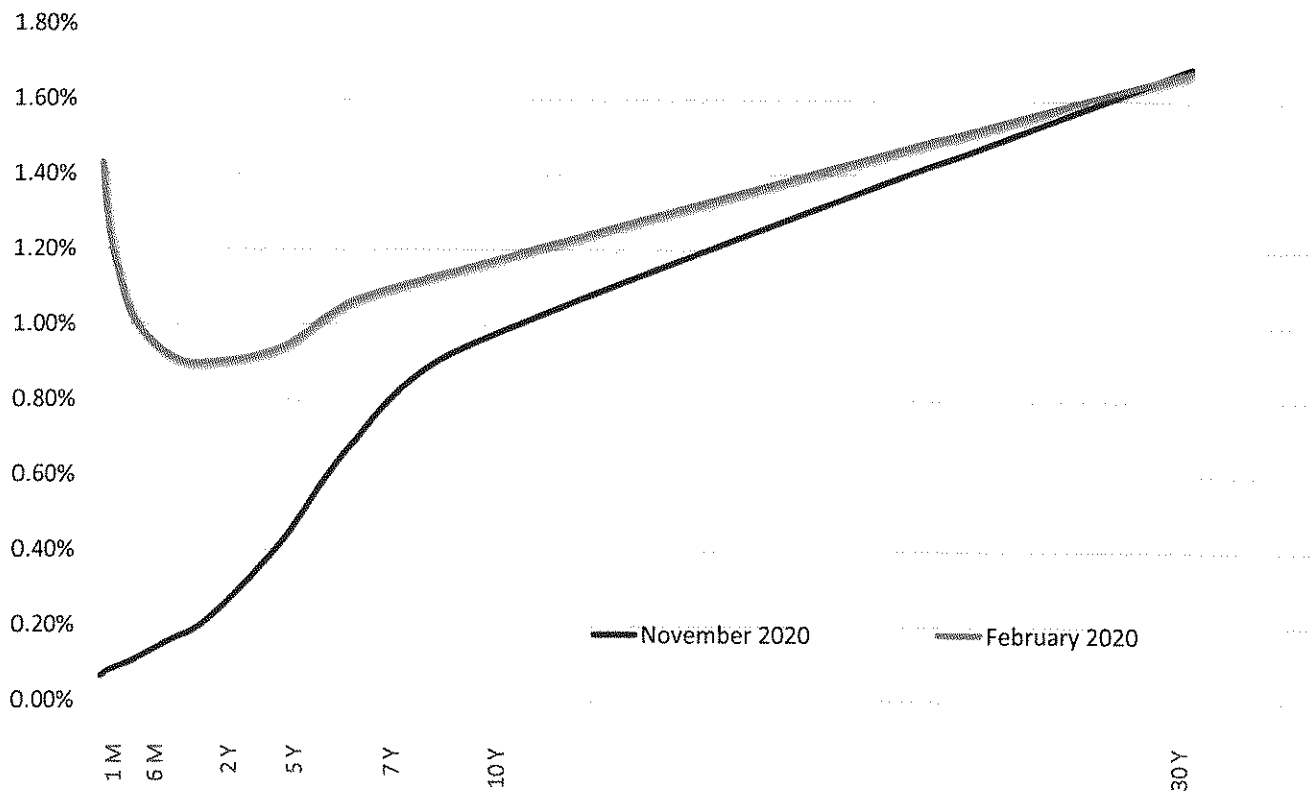
FEDERAL RESERVE DOT PLOT



Source: Federal Reserve as of 9/16/2020



U.S. TREASURY YIELD CURVES



Source: Bloomberg as of 12/02/2020

• • • • •

PORTFOLIO REVIEW



 **MEEDER**
INVESTMENT MANAGEMENT



PORTFOLIO REVIEW

Hancock County portfolio as of 11/30/2020

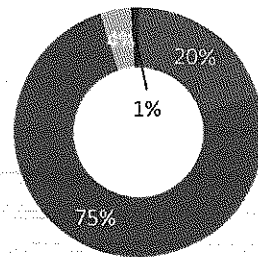
Your Portfolio

Cash	\$22,412,513
Securities	\$37,401,843
Total Portfolio	\$59,814,355

Your Securities

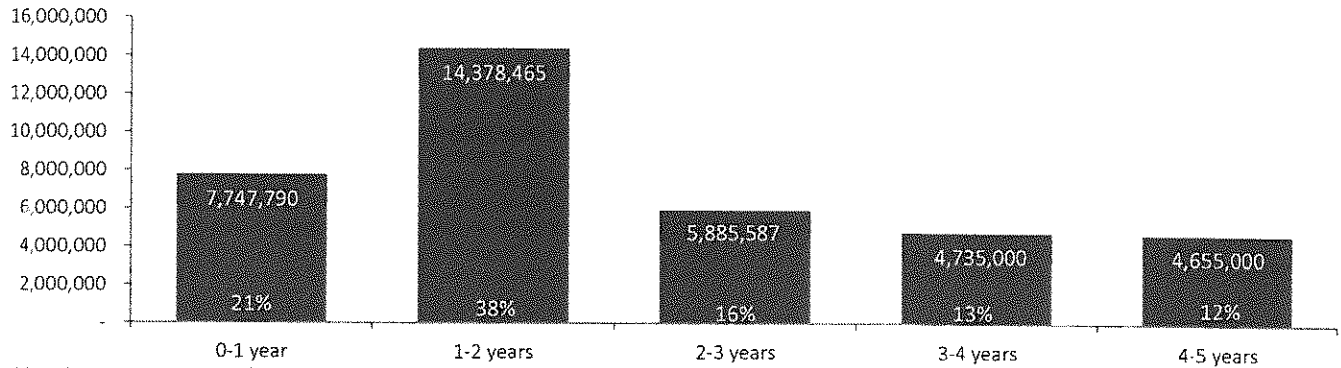
Weighted Average Maturity
2.13 years
Weighted Average Yield
1.62%

Your Asset Allocation



- US Government Agencies
- FDIC-Insured Products
- US Treasuries
- Municipal Bonds

Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.



PORTFOLIO REVIEW

Hancock County Flood Mitigation portfolio as of 11/30/2020

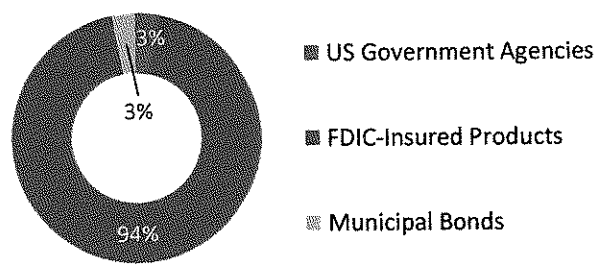
Your Portfolio

Cash	\$5,104,469
Securities	\$9,767,236
Total Portfolio	\$14,871,704

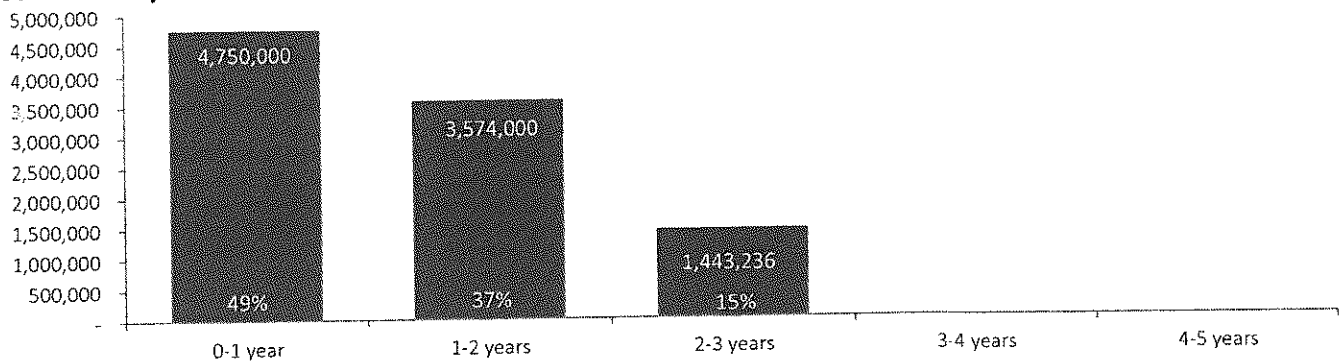
Your Securities

Weighted Average Maturity	0.96 years
Weighted Average Yield	1.96%

Your Asset Allocation



Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.



PORTFOLIO REVIEW

Hancock County Landfill portfolio as of 11/30/2020

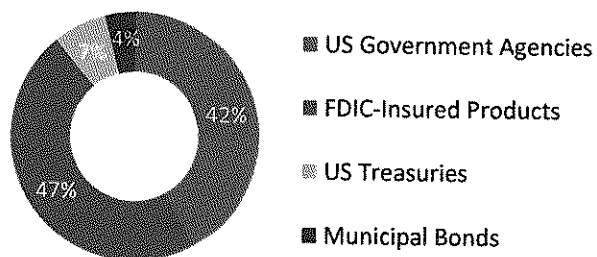
Your Portfolio

Cash	\$511,246
Securities	\$10,597,000
Total Portfolio	\$11,108,246

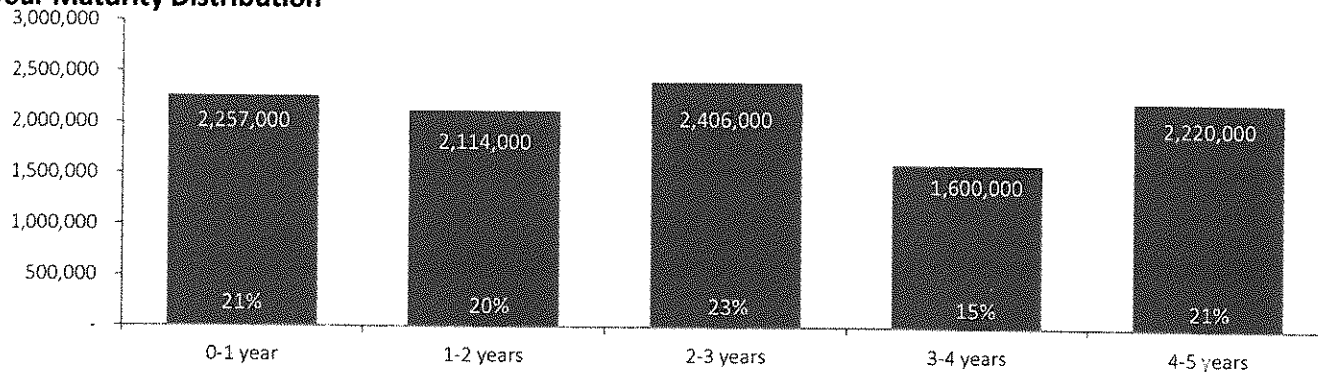
Your Securities

Weighted Average Maturity	2.49 years
Weighted Average Yield	1.24%

Your Asset Allocation



Your Maturity Distribution



Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.

DISCLOSURE

Meeder Public Funds, Inc. is a registered investment adviser with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. Registration with the SEC does not imply a certain level of skill or training. The opinions expressed in this presentation are those of Meeder Public Funds, Inc. The material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed.

Past performance does not guarantee future results. Opinions and forecasts are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security. Investing in securities involves inherent risks, including the risk that you can lose the value of your investment. Any forecast, projection, or prediction of the market, the economy, economic trends, and fixed-income markets are based upon current opinion as of the date of issue, and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Meeder Public Funds, Inc. cannot and does not claim to be able to accurately predict the future investment performance of any individual security or of any asset class. There is no assurance that the investment process will consistently lead to successful results. The investment return and principal value of an investment will fluctuate, thus an investor's shares, or units, when redeemed, may be worth more or less than their original cost.





December 3, 2020

To: Hancock County

From: CCAO Service Corporation & Palmer Energy Company

Subject: Electric RFP for Hancock County Facilities

RFP Background

As the authorized consultant for the CCAO Service Corporations' Energy Programs, the CCAO and Palmer Energy issued an electric RFP for eight counties with agreements up for renewal in May 2021. This RFP included Hancock County's facilities, which includes 32 accounts receiving electric distribution service from AEP Ohio and consuming approximately 3.7 GWh annually.

This RFP was sent to 10 suppliers and each respondent was asked to provide two pricing structures for terms ending with the May 2022, May 2023, and May 2024 billing periods (12, 24, and 36 months). Currently, Hancock County's facilities are being served by Dynegy through the May 2021 billing period. Seven suppliers responded to this RFP and the responses are displayed in the following pages.

Pricing Structures

The CCAO and Palmer Energy requested two types of pricing structures through this RFP:

- All-inclusive – The County has traditionally employed this structure for power pricing for these facilities. All generation-related costs are included in one price per kilowatt-hour (kWh).
- Capacity Pass-Through – Under this structure, all generation-related components EXCEPT capacity costs are set at a fixed price per kWh. Capacity costs are billed as a separate line item at actual cost levels. Capacity costs will vary based upon several factors and will vary monthly based upon calculations that include the specific account's PLC, number of days in the billing cycle, and the system capacity costs for that planning year.

How are capacity costs determined for a customer? Capacity costs vary for each individual account and are primarily driven by a customer's Peak Load Contribution or PLC and the Capacity Rate for the given delivery year. The utility annually determines the PLC for each customer by comparing the customer's estimated or actual load (e.g. demand) during the five peak hours on the system from the prior summer.

Capacity Pass-Through Price Offers

The table below summarizes the top three capacity pass-through offers proposed through this RFP. The proposed capacity pass-through offers are compared to the County's current contract rates, *minus capacity*, as capacity is included in the current contract rates. This provides an apple-to-apples price comparison.

Estimated capacity costs for Hancock County for June 2021 – May 2022, based on current PLCs and the known system capacity rates, are approximately \$44,000, or \$3,700 per month. Actual costs for all years will vary based on final capacity rates, PLCs, etc.

Supplier	Term End	Price EXCLUDING Capacity Costs (\$/kWh)	Est. Annual Cost Savings VS Current Contract Rates <u>WITHOUT</u> Capacity
Freepoint	May 2022	\$0.03369 + capacity costs	\$4,500



AEP Energy	May 2022	\$0.03415 + capacity costs	\$2,800
Volunteer	May 2022	\$0.03420 + capacity costs	\$2,600
Freepoint	May 2023	\$0.03336 + capacity costs	\$5,700
Dynegy	May 2023	\$0.03400 + capacity costs	\$3,300
AEP Energy	May 2023	\$0.03405 + capacity costs	\$3,200
Freepoint	May 2024	\$0.03308 + capacity costs	\$6,800
Dynegy	May 2024	\$0.03381 + capacity costs	\$4,100
AEP Energy	May 2024	\$0.03401 + capacity costs	\$3,300

The prices for all terms and suppliers proposed through this RFP are subject to federal, transmission organization, statewide regulatory changes, and/or material changes of the accounts included resulting in additional costs to the supplier. This is a standard provision across virtually every supplier and contract. These estimates are based upon historic annual usage and load information. Actual savings will fluctuate based on a number of factors including actual consumption and tariff rate and rider updates.

Tables containing all pricing offers and structures received through this RFP are located at the end of this analysis. Both all-inclusive and capacity pass-through offers are shown, however the all-inclusive structure is not being recommended at this time.

Why Capacity Pass-Through?

There are several key reasons why capacity pass-through pricing was requested through this RFP process and why the CCAO and Palmer Energy recommend this structure for Hancock County.

- System Capacity rates are unknown beyond May 2022. These rates are usually known several years in advance. However, due to pending regulatory changes with how these costs are determined, that is not currently the case.

Since future costs are unknown, suppliers are building estimates into their pricing models. This may result in a higher risk margin on future pricing and / or a higher chance of additional pass-through costs under a standard regulatory change clause in most supply agreements.

In standard contract language, if a supplier underestimates the capacity value, they could charge the cost difference between the estimated and actual costs charged to the end user. Adversely, if the cost is lower than what the supplier estimated, the customer is unlikely to see the difference returned to them through a credit or lower price adjustment.

- Wholesale energy market pricing remains highly competitive for future years. This pricing mechanism allows the County to take advantage of competitive energy pricing, without being subject to higher risk premiums and a significantly lower chance of additional costs through a longer contract term.
- Capacity pass-through pricing more accurately reflects the actual cost to the supplier, as the customer is paying for what they actually use versus a calculated average over a term. This helps to drive potential supplier risk premiums lower as they do not need to account for changes in Capacity levels over a multi-year deal.



- Capacity pass-through pricing allows a customer to see a direct benefit from the implementation of energy efficiency projects, energy and building management, demand response, peak shaving, etc., as capacity costs are charged at actual cost levels.
- Suppliers have improved the billing structure for capacity pass-through contracts.
 - Many suppliers now offer utility-consolidated billing, or UCB, on capacity pass-through billing structure. With the UCB billing option, supplier charges are invoiced on the utility bill, versus the supplier billing separately.
 - Many suppliers are also able to offer a “modified” capacity pass-through structure where capacity costs are re-calculated each year based on the new PLCs and system Capacity costs, to a per kWh charge. This charge is then added to the remaining fixed-cost portion to essentially create an all-inclusive rate for that planning year.

Please note, if the County expects significant changes to any of the facilities included in this RFP that could result in significant operational changes, please let us know as this may ultimately change the recommendation outlined above.

Contract Length

Palmer requested terms ending with the May 2021, May 2022, and May 2023 billing periods as this coordinates Hancock County’s renewal cycle with other counties in the CCAOSC Electric Program for future RFPs, which increases buying power.

Hancock County has signed a Letter of Intent to participate in the solar RFP through the CCAOSC for the facilities included in this RFP. Based on the estimated timeline of this project, **the CCAO and Palmer Energy recommend contracting for a 24-month term** beginning with the June 2021 billing period through the May 2023 billing period.

Supplier Selection

The wholesale power market continually fluctuates, therefore to help ensure the most competitive offers, Palmer recommends including two to three suppliers in all refreshed price requests. This will require contract review and approval for multiple suppliers but it is necessary to secure the lower price offers on the day of contract execution. Based on the top offers for the term ending in May 2023, Palmer recommends moving forward with **Dynegy and Freepoint Energy Solutions.**

Renewable / Efficiency Projects

If the County is planning any efficiency or renewable projects at any of the facilities included in this RFP, please let us know as this may ultimately change the recommendation outlined above.



Appendix A – Capacity Pass-Through Pricing

Supplier	Term End	Price EXCLUDING Capacity Costs (\$/kWh)	Est. Annual Cost Savings VS Current Contract Rates <u>WITHOUT</u> Capacity
Freepoint	May 2022	\$0.03369 + capacity costs	\$4,500
AEP Energy	May 2022	\$0.03415 + capacity costs	\$2,800
Volunteer	May 2022	\$0.03420 + capacity costs	\$2,600
Dynegy	May 2022	\$0.03426 + capacity costs	\$2,400
Constellation	May 2022	\$0.03460 + capacity costs	\$1,100
MidAmerican	May 2022	\$0.03479 + capacity costs	\$400
EDF	May 2022	\$0.03555 + capacity costs	(\$2,400)
Freepoint	May 2023	\$0.03336 + capacity costs	\$5,700
Dynegy	May 2023	\$0.03400 + capacity costs	\$3,300
AEP Energy	May 2023	\$0.03405 + capacity costs	\$3,200
Volunteer	May 2023	\$0.03409 + capacity costs	\$3,000
Constellation	May 2023	\$0.03432 + capacity costs	\$2,200
MidAmerican	May 2023	\$0.03467 + capacity costs	\$900
EDF	May 2023	\$0.03500 + capacity costs	(\$400)
Freepoint	May 2024	\$0.03308 + capacity costs	\$6,800
Dynegy	May 2024	\$0.03381 + capacity costs	\$4,100
AEP Energy	May 2024	\$0.03401 + capacity costs	\$3,300
Volunteer	May 2024	\$0.03410 + capacity costs	\$3,000
Constellation	May 2024	\$0.03414 + capacity costs	\$2,800
MidAmerican	May 2024	\$0.03457 + capacity costs	\$1,200
EDF	May 2024	\$0.03472 + capacity costs	\$700

The prices for all terms and suppliers proposed through this RFP are subject to federal, transmission organization, statewide regulatory changes, and/or material changes of the accounts included resulting in additional costs to the supplier. This is a standard provision across virtually every supplier and contract.

The proposed capacity pass-through offers are compared to the County's current contract rates, *minus capacity*, as capacity is included in the current contract rates. This provides an apple-to-apples price comparison. These estimates are based upon historic annual usage and load information. Actual savings will fluctuate based on a number of factors including actual consumption and tariff rate and rider updates.



Appendix B – All-Inclusive Pricing

Supplier	Term End	Rate (\$/kWh)	Est. Annual Savings vs. Current Rate(s)
AEP Energy	May 2022	\$0.04680	(\$2,200)
Volunteer	May 2022	\$0.04771	(\$5,600)
MidAmer can	May 2022	\$0.04856	(\$8,800)
Dynegy	May 2022	\$0.04860	(\$8,900)
Freepoint	May 2022	\$0.04885	(\$9,900)
Constellation	May 2022	\$0.04891	(\$10,100)
EDF	May 2022	\$0.04953	(\$12,400)
Constellation	May 2023	\$0.04617	\$100
AEP Energy	May 2023	\$0.04619	\$0
Freepoint	May 2023	\$0.04664	(\$1,600)
MidAmer can	May 2023	\$0.04670	(\$1,900)
Volunteer	May 2023	\$0.04725	(\$3,900)
Dynegy	May 2023	\$0.04740	(\$4,500)
EDF	May 2023	\$0.04816	(\$7,300)
Constellation	May 2024	\$0.04511	\$4,100
Freepoint	May 2024	\$0.04579	\$1,500
AEP Energy	May 2024	\$0.04596	\$900
MidAmer can	May 2024	\$0.04603	\$600
Dynegy	May 2024	\$0.04690	(\$2,600)
EDF	May 2024	\$0.04738	(\$4,400)

The prices for all terms and suppliers proposed through this RFP are an all-inclusive rate structure, unless otherwise noted, subject to federal, transmission organization, statewide regulatory changes, and/or material changes of the accounts included resulting in additional costs to the supplier. This is a standard provision across virtually every supplier and contract.

The table shows the estimated annual savings versus the current contract rate(s). These estimates are based upon historic annual usage and load information. Actual savings will fluctuate based on a number of factors including actual consumption and tariff rate and rider updates.

