

Attendees:

Lisa Burnsworth/Rushcreek Township Trustee, Carri Brown/Commissioners, Angel Conrad/Economic Development, Brody Mautz/Worthington Industries, Ed Laramée/Auditor, Loudan Klein/Regional Planning, David Myers/Rushcreek Township Trustee, Patrick O'Malia/Economic Development, Jon Slater/Fairfield County Auditor, Rick Szabrak/Economic Development

Each member of the council has been provided with a document reviewing the company, the terms of the Enterprise Zone Agreement and the information the company has reported. The company representative will provide a brief presentation about the company and its plans for the future. Company representatives are not required to attend this council meeting. A brief question and answer period will follow for the TIRC members involved with that particular project to allow them to ask questions of the representative. Following the question and answer session, the recommendation of the staff will be considered. Those recommendations will be to continue the existing Enterprise Zone Agreement, to amend the agreement, in which case specific suggestions for amendment will be provided; or to terminate the agreement.

Call to Order:

The 2017 Enterprise Zone Tax Incentive Review Council met on Tuesday, March 20th, 2018 in the Fairfield County Courthouse, Commissioner David Levacy's office. The meeting was called to order by Chairman Ed Laramée at 10:33 AM. Rick Szabrak, the Fairfield County Economic Development Director reviewed the role of the Council and its powers as prescribed by the Ohio Revised Code.

Worthington Industries (Agreement #232-06-01):

At 10:40 A.M. Mr. Szabrak reviewed the agreement with Worthington Industries including the rate, term and job creation and retention commitments as well as the taxes paid and abated.

Mr. Brody Mautz of Worthington Industries explained that when the original Enterprise Zone agreement was signed the company was still Westermans (a company that was purchased by Worthington Industries). Mr. Mautz is new to the Bremen facility and was hired as the Operations Manager in August of 2017.

Mr. Mautz covered some of the principal changes in the management of the Bremen facility since he took over. For example, there have been modifications to the nuclear side of the

business which had not seen a new contract for two years. By shutting down this side of the business it allowed the company to focus on oil and gas separation and production equipment. The company plans a \$600,000 investment in the Bremen facility and will add 25 new welders. He anticipates this being complete by June or July of this year and assumes it will take at least six months to find and hire the new workforce.

Though the nuclear side has seen lean times the marine segment is booming. The company makes large industrial marine hoists for ship yards around the world. This drives about half of the division's revenue and there is a 100 unit backlog for production. At most, the company will be able to produce 75 by the end of the year and this will also help drive new hiring decisions.

On a macroview the oil and gas sector appears to be improving from a low of \$29/barrel in January of 2016. Natural gas has gone the opposite direction and hit its peak in 2006. The more efficient wells and drilling dry gas well helps drive the need for more separation equipment but at the same time lessens the demand for storage tanks.

The TIRC was then encouraged to ask questions of the company representative to assist them in learning more about the business as well as to make an informed decision on if the agreement should be continued.

Ed: Are the hoists being used in off shore drilling?

Brody: No, they are mainly a docking system to lift luxury yachts and service docks. Only one or two competitors in the world. The primary customer is Pearlson Synchronlift.

Ed: Is every product line cyclical?

Brody: Yes, but thankfully under different cycles.

Ed: How does this effect employment?

Brody: We are conservative in hiring. There is a balance in getting the right number of contracts before you start looking for welders. Right now there is a nice back log of work to do so we can hire without any worries about layoffs in the near future.

Rick: Are you calling employees back from the layoff list?

Brody: Yes, about 14 so far have come back. A number of them have found new employment but we pay well so a lot of them chose to come back to us.

Rick: Are you using vocational programs or inhouse training?

Brody: We are developing an in-house trainer from our retiree pool. We of course recruit from vocational schools but there is a lot of skills development we still have to do with them before they weld to our standard.

Rick: What is the mix of office vs. skilled labor in the workforce?

Brody: 36 office or salary, remainder of 110 employees is skilled.

Ed: Are there any plans for the former nuclear site?

Brody: No plans so far. There have been discussions on selling it but the site hasn't been listed. We have enough space on the main campus to accommodate our growth.

Lisa: Are you hiring office and administrative positions or just welding?

Brody: We will have some quality control openings but a majority of them will likely be internal hires and promotions.

Lisa: Is the local labor pool deep enough to meet your needs?

Brody: Since I've been at Westermans since August I would say yes. We have no problem getting applicants. The real struggle is finding the skill level we need and we risk running that well dry as we amp up hiring.

David: The company and the Village and Township have all historically enjoyed a good working relationship. How does the company feel about the political subdivisions approaching it for charity or administrative related pursuits?

Brody: The corporate culture enjoys supporting our communities. Please always ask us if you have a project in mind.

Chairman Laramee asked if there were further questions. Seeing none he asked Mr. Szabrak what the staff's recommendation was. The Economic Development Department staff recommended continuing the agreement pending the receipt of the annual fee payment specified in enterprise zone agreement 232-06-01. David Meyers motioned to accept the staff's recommendation. Loudan Klein seconded. The motion carried unanimously.

With no other business to discuss Chairman Laramee adjourned the meeting at 11:07 A.M.