

RESOLUTION NO. 18-92

A RESOLUTION OF THE BATTLE GROUND TOWN COUNCIL AUTHORIZING A LEGAL REVIEW OF CERTAIN ACTIONS OF THE BATTLE GROUND CONSERVANCY DISTRICT, INCLUDING THE DISTRICT'S PROPOSED WATER TOWER LEASE AGREEMENT WITH BATTLE GROUND WATER TOWER, LLC AND RELATED OPERATIONAL ISSUES IMPACTING RESIDENTS OF THE TOWN OF BATTLE GROUND

WHEREAS, the Town Council of the Town of Battleground, Tippecanoe County, Indiana (the "Town") may adopt resolutions for the performance of functions of the Town under Indiana code section 36-5-2-9;

WHEREAS, the Town has an agreement with the District for shared expenditures;

WHEREAS, the Battle Ground Conservancy District ("District") has taken actions that raise fiscal responsibility and operational issues;

WHEREAS, the District was purportedly established by Ordinance No. 157 in 1977;

WHEREAS, the District was considered in 1977 for the stated purpose of financing a new water tower;

WHEREAS, the recommendation by the Town Attorney at the time to form the District was recorded in the minutes of the April 4, 1977 regular meeting of the then Board of Trustees of the Town of Battle Ground ("Trustees").

WHEREAS, the Trustees met on April 18, 1977 — a mere 14 days after considering a conservancy district — in a special meeting to consider Ordinance No. 157 to establish the District;

WHEREAS, the Trustees voted to suspend the rules to adopt Ordinance No. 157 on April 18, 1977, instead of after three separate readings on three separate dates, as was the established procedure at the time;

WHEREAS, the Trustees filed a petition to establish the District in Tippecanoe County Circuit Court on May 2, 1977;

WHEREAS, the District's expenses and activities are funded by additional taxes upon the freeholders of the Town of Battle Ground within the boundaries of the District;

WHEREAS, the District is planning to enter into an agreement whereby it will lease a water tower from Battle Ground Water Tower LLC ("Developer"), which will place the District deeply into debt for more than a quarter century;

WHEREAS, the water tower lease agreement will require the District to expend yearly payments of at least \$77,000 for twenty-six (26) years, including a total payment of over \$695,000 in interest, at an average interest rate of 3.86%;

WHEREAS, the water tower lease contains a provision whereby the District may be liable for yearly lease payments of not more than \$145,000 and at an interest rate of up to 10%.

WHEREAS, the District likely could have financed the project by utilizing the State Revolving Fund loan program, which would require the District to expend lower yearly payments for only twenty (20) years and pay less than \$270,000 in interest, at an average interest rate of 2.00%;

WHEREAS, the District has not provided a full accounting or explanation of the basis or need for the water tower lease, nor has it obtained any competitive bids on the water tower structure;

WHEREAS, the District has failed to obtain drawings, plans, specifications and reports related to the water tower or estimates of construction costs;

WHEREAS, on July 26th, 2018, the Tippecanoe County Auditor certified a petition by 24 owners of taxable real property situated within the boundaries of the District that seek to have the Department of Local Government Finance (“DLGF”) dismiss the execution of the lease between the District and the Developer.

WHEREAS, the exorbitant expenses associated with the proposed water tower lease and use of the water tower will negatively impact the payment rates of Battle Ground taxpayers. In fact, customers will see an increase in property taxes in 2019;

WHEREAS, the District has failed to obtain a rate study;

WHEREAS, the Town of Battle Ground Town Council must be vigilant in its effort to protect taxpayers and ensure that the District undertakes all endeavors with the best interests of Battle Ground and its citizens in mind.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BATTLE GROUND, INDIANA, AS FOLLOWS

Section 1. The above recitals are incorporated by reference.

Section 2. With the purpose of protecting and promoting the best interests of Battle Ground taxpayers, the Town Council authorizes a legal review of the actions of the District, including, but not limited to, the District’s water tower lease with the Developer and related issues (including impact on rates), through its attorney and by any other reasonable and necessary means.

Section 3. This Resolution shall be in full force and effect from and after its passage by the Town Council.

[DATE AND SIGNATURES ON FOLLOWING PAGE]


PASSED, APPROVED AND ADOPTED by the Town Council of the Town of Battle Ground, Tippecanoe County, Indiana, this 27 day of AUGUST, 2018.



Steve Egly, Presiding Officer

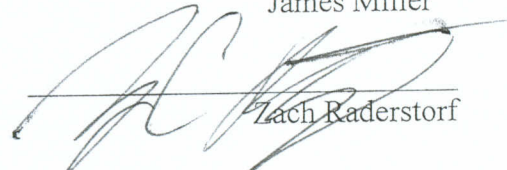


Mike Bird



Greg Jones

James Miller



Zach Raderstorf

ATTEST:



Clerk